Chams PLC

CHAMS 2017

ANNUAL GENERAL MEETING
INFO PACK

www.chamsplc.com

NOTICE OF 33RD ANNUAL GENERAL MEETING OF

Chams PLC

NOTICE IS HEREBY GIVEN that the Thirty-Third Annual General Meeting of CHAMS PLC will hold on Thursday, 13th July 2017 at the **ACE-Olivia Hall** Lagos City Mall, 2nd Floor, Onikan Lagos at 11.00 a.m. prompt to transact the following business:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the Year ended 31st December 2016 together with the Reports of the Directors, Auditor and Audit Committee thereon;

2. To elect/re-elect directors.

3. To authorize the Directors to fix the remuneration of the Auditors

4. To elect Members of the Audit Committee

SPECIAL BUSINESS

5. To fix the remuneration of Directors.

NOTES:

1. PROXY

A member entitled to attend and vote at an Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. The proxy need not be a member of the Company. For the appointment to be valid, a completed and duly stamped proxy form must be deposited at the office of the Company Secretary, Plot 8, Louis Solomon Close, Victoria Island, Lagos not less than 48 hours before the time fixed for the meeting.

2. **CLOSURE OF REGISTER**

The Register of Members and Transfer book will be closed from 4th July to 8th July 2017 (both days inclusive) for the purpose of updating the Register of Members.

3. **AUDIT COMMITTEE**

The Audit Committee consists of three shareholders and three Directors. Any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least Twenty-One (21) days before the Annual General Meeting. The Securities & Exchange Commission's Code of Corporate Governance provides that members of the Audit Committee should have basic financial literacy and should be able to read financial statements. We therefore request that nominations be accompanied by a copy of the nominee's curriculum Vitae.

4. ELECTION OF DIRECTORS

Pastor Ituah Ighodalo and Mr. Wim Tappij Gielen are being proposed for election as Non-Executive Directors; Mrs. Mayowa Olaniyan and Mrs. Funke Alomooluwa are being proposed for election as Executive Directors to fill existing vacancies on the Board.

5. RE-ELECTION OF DIRECTORS

In accordance with the provisions of the Articles of Association of the Company, the Directors to retire by rotation are Prof. Oyewusi Ibidapo-Obe and Dr. Ajoritsedere Awosika. The retiring Directors, being eligible offer themselves for re-election.

6. PROFILES OF DIRECTORS

The profiles of all Directors of the Company are provided in the Annual Report.

7. **ANNUAL REPORT AND FINANCIAL STATEMENTS**

The Annual Report and Financial Statements can also be downloaded for viewing from www.chamsplc.com.

8. **RIGHTS OF SHAREHOLDERS TO ASK QUESTIONS**

Shareholders have the right to ask questions not only at the meeting, but also in writing prior to the meeting, and such questions must be submitted to the Company Secretary not later that 30th June 2017.

Dated this 8th day of June 2017

BY ORDER OF THE BOARD

YETUNDE EMMANUEL
Ag. Company Secretary

I .....

Of .....

(Full postal address) request that Chas Plc send me a copy of the 2016 Annual Report and Accounts and all related company notices and documents.

Signed ..... **Date** .....

Chams
The Authority in Identity

RC 76807

ADDRESS
8, Louis Solomon Close,
Off Ahmadu Bello Way
Victoria Island, Lagos.

TELEPHONE
01-4534239, 4536526

WEBSITE
www.chams.com

EMAIL
info@chams.com

Statement of Directors' Responsibilities

The Directors of Chams Plc are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards issued by the International Accounting and Assurance standards Board, 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for:

- Assessing the Company and its Subsidiaries ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company and its subsidiaries or to cease operations, or have no realistic alternative but to do so.
- Taking such steps as are reasonably available to them to safeguard the assets of the Company and its subsidiaries
- Maintaining adequate accounting records that are sufficient to show and explain the company and its subsidiaries' transactions and disclose with reasonable accuracy at any time, the financial position of the Group and Company, comply with IFRS:

Going Concern:

The Directors have made an assessment of the Company and its subsidiaries' ability to continue as a going concern and have no reason to believe the Company and its subsidiaries will not remain a going concern in the year ahead.

The consolidated and separate financial statements of the Company and its subsidiaries for the year ended 31, December 2016 were approved on 24 March 2017.

On behalf of the Directors of the Group.

Very Rev. Ayodeji Richards
Chairman
FRC/2013/ICAN/00000004386

Olufemi S. Williams
Group Managing Director
FRC/2013/NSE/00000004337

Board of Directors
Very Rev'd Ayo Richards (Chairman), Olufemi Williams (Managing Directors), Mrs Dere Awosika MFR, Prof. Shehu Abullahi, Prof Oladapo Afolabi, OON, OFR, Dr Evans Woherem, FICA, Sir Demola Aladekomo

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REPORT OF THE AUDITCOMMITTEE TO THE SHAREHOLDER OF CHAMS PLC

In accordance with the provisions of section 359(6) of the companies and Allied Matters Act CAP 20, Laws of the Federation of Nigeria, 2004, we have reviewed the audited financial statements of the company for the year ended 31st December 2016 and report as follows:

a) The accounting and reporting policies of the company are consistent with legal requirements and agreed ethical practices
b) The scope and planning of the external audit was adequate.
c) The company maintained effective systems of accounting and internal control during the year.
d) We are satisfied with the external auditor's findings and recommendations on management letter and management responses thereon.

Dated this 21st day of March 2017

Mr. Adedoyin Owolabi
For: Chairman Audit Committee
FRC/2013/ICAN/00000000101

Board of Directors
Very Rev'd Ayo Richards (Chairman), Olufemi Williams (Managing Directors), Mrs Dere Awosika MFR, Prof. Shehu Abullahi, Prof Oladapo Afolabi, OON, OFR, Dr Evans Woherem, FICA, Sir Demola Aladekomo

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

		Group		Company	
	Notes	2016	2015	2016	2015
		N'000	N'000	N'000	N'000
Revenue	7	1,482,037	1,610,478	641,435	914,929
Cost of sales	8	(788,580)	(1,221,521)	(273,689)	(757,571)
Gross profit		693,457	388,957	367,746	157,358
Other operating income	9	407,161	158,260	397,450	176,179
Administrative expenses		(2,558,295)	(3,778,776)	(2,623,514)	(2,694,774)
Loss from operations		(1,457,677)	(3,231,559)	(1,858,318)	(2,361,237)
Finance expenses	10	(15,909)	(161,512)	(15,520)	(155,538)
Finance income	10	1,669	51	-	-
Net finance expenses		(14,240)	(161,461)	(15,520)	(155,538)
Loss before taxation		(1,471,917)	(3,393,020)	(1,873,838)	(2,516,775)
Tax expense	20(a)	(46,696)	(12,296)	(34,595)	(2,399)
Loss for the year after taxation		(1,518,613)	(3,405,316)	(1,908,433)	(2,519,174)
Other comprehensive income:					
Item that will not be reclassified to profit or loss:					
Item that may be reclassified to profit or loss		-	-	-	-
Total other comprehensive income net of tax		-	-	-	-
Total Comprehensive loss		(1,518,613)	(3,405,316)	(1,908,433)	(2,519,174)
Loss 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)
Loss for the year after taxation		(1,518,613)	(3,405,316)	(1,908,433)	(2,519,174)
Total comprehensive loss 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)	-	-
Total comprehensive loss		(1,518,613)	(3,405,316)	(1,908,433)	(2,519,174)
Basic loss per share (Kobo)	11	(25)k	(69)k	(39)k	(54)k
Diluted loss per share (Kobo)	11	(30)k	(69)k	(39)k	(54)k

The accompanying notes to the financial statements on pages 9 to 48 and other national disclosures on pages 49 and 50 form part of these financial statements.

Auditors' report, pages 1 and 2.

CHAMS PLC AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2016

		Group		Company	
Assets	**Notes**	**2016**	**2015**	**2016**	**2015**
Non-current assets		**₦'000**	**₦'000**	**N'000**	**₦'000**
Property, plant and equipment	12	2,936,146	3,106,027	2,262,419	2,028,172
Investment project	13	-	224,048	-	224,048
Intangible assets	14	157,140	84,641	75,652	83,302
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	-	285,051
Deposit for investments	17(i)	-	-	1,207,092	-
		3,193,286	**3,799,767**	**5,491,148**	**4,566,558**
Current assets					
Inventories	18	287,582	1,057,726	99,662	335,127
Trade and other receivables	19	2,369,241	3,545,431	2,198,220	5,831,777
Cash and cash equivalents	28	183,327	157,445	122,022	99,930
		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 liability	20(c)	-	-	-	-
Current liabilities					
Trade and other payables	21	3,289,812	4,005,028	2,113,369	2,830,387
Loans and borrowings	22	226,194	553,358	97,447	427,931
Corporate tax liability	20(e)	681,689	647,631	624,013	590,418
		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**
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(i)	5,458,750	5,458,750	5,458,750	5,458,750
Capital reserve	26	145,522	145,522	-	-
Revaluation reserve	25(ii)	959,065	959,065	959,065	959,065
Retained earnings	25(iii)	(6,429,119)	(5,000,410)	(3,689,622)	(1,781,189)
		2,482,248	3,910,957	5,076,223	6,984,656
Non-controlling interest	27	(646,507)	(556,605)	-	-
Total equity		**1,835,741**	**3,354,352**	**5,076,223**	**6,984,656**

The financial statements and notes on pages 4 to 50 were approved by the Board of Directors on 24 March 2017 and signed on its behalf by:

Very Rev. Ayodeji Richards
Chairman
FRC/2013/ICAN/00000004386

Olufemi S. Williams
Managing Director
FRC/2013/NSE/00000004337

Mayowa Olaniyan
Chief Financial Officer
FRC/2013/ICAN/00000004330

The accompanying notes to the financial statements on pages 9 to 48 and other national disclosures on pages 49 and 50 form part of these financial statements.

Auditors' report, pages 1 and 2.