# CHAMS HOLDING COMPANY PLC

**(Formerly CHAMS PLC)**

## CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
## 31 DECEMBER 2022

# CHAMS HOLDING COMPANY PLC (Formerly CHAMS PLC)

## CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2022

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# CHAMS HOLDING COMPANY PLC (Formerly CHAMS PLC)

## CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2022

### Corporate Information

| | | |
|---|---|---|
| **Company Registration Number** | - | RC 76807 |
| **Nature of business** | - | The principal activities of (Chams Holding Company Plc (Formerly Chams Plc) and its subsidiaries continue to be provision of Digital business intelligent solutions across a broad range of market segments. This includes the development, deployment, implementation and maintenance of technology-based payment and other digital solutions; to facilitate the innovative development and operations of digital business. |

**Directors:**

| **Name** | | **Designation** |
|---|---|---|
| 1. Sir Demola Aladekomo | - | Chairman |
| 2. Mr. Gavin Young | - | Group Managing Director |
| 3. Dr. Mohammed Santuraki | - | Non-Executive Director |
| 4. Pastor Ituah Ighodalo | - | Independent Non-Executive Director |
| 5. Alhaji Yusufu Modibbo | - | Non-Executive Director |
| 6. Mr. Tomiwa Aladekomo | - | Non-Executive Director |
| 7. Mrs. Mayowa Olaniyan | - | Non-Executive Director |
| 8. Mr Segun Oloketuyi | - | Non-Executive Director |
| 9. Mrs Ola Bakare | - | Independent Non-Executive Director |
| 10. Sir Ayobola Abiola | | Non-Executive Director |

| | | |
|---|---|---|
| **Company Secretary** | - | Yetunde Emmanuel<br>FRC/2018/NBA/00000018086 |
| **Registered office** | - | 8 Loius Solomon Close<br>Off Ahmadu Bello Way<br>Victoria Island<br>Lagos |
| **Auditors** | - | PKF Professional services<br>PKF House 205A<br>Obanikoro<br>Ikorodu Road<br>Lagos State<br>www.pkf-ng.com |
| **Bankers** | - | Providus Bank<br>Guaranty Trust Bank Plc<br>Access Bank Plc<br>Sterling Bank<br>Polaris Bank<br>Stanbic IBTC<br>Zenith Bank Plc<br>United Bank of Africa Plc<br>First Bank Limited |

# Directors' Report for the Year Ended 31 December 2022

The Directors present their annual report on the affairs of Chams Holding Company Plc ("the Company"), and subsidiaries ("the Group"), together with the group audited financial statements and the auditor's report for the year ended 31 December 2022.

## 1. PRINCIPAL ACTIVITIES

The principal activities of Chams Holding Company Plc and its subsidiaries continue to be provision of Digital business intelligent solutions across a broad range of market segments. This includes the development, deployment, implementation and maintenanceof technology-based payment and other digital solutions including; to facilitate the innovative development and operationsof digital business.

## 2. LEGAL FORM

The company was incorporated as a private limited company on September 10th 1985 and became a public limited company in 2007. At the 23rd Annual General Meeting of the Company on the 6 June 2008, the shareholders authorized the Directors to change the name of the Company from Chams Nigeria Plc to Chams Plc. Subsequent to the Placements authorized by the shareholders, an application was made to the Council of the Nigeria Stock Exchange for the admission of all the issued and paid-up shares of the Company to the Daily Official List of the Exchange through Listing by Introduction.

At the 38th Annual General Meeting of the Company on 12th May 2022, the shareholders authorized the Directors to change the name "Chams PLC" to CHAMS HOLDING COMPANY PLC, pursuant to the Central Bank of Nigeria Guidelines for Licensing and Regulation of Payment Service Holding Company in Nigeria.

## 3. SUBSIDIARIES

The company has three subsidiaries and an associate Company; **CardCentre Nigeria Limited**, engaged in the production and manufacturing of Cards– Identity, payments, Smart cards etal; **ChamsAcccess Limited**, licensed consortium for the deployment of ATMs in the country also involved in the deployment of multi-application terminals; **ChamsSwitch Limited**, licensed by CBN for provisionof the e-payment transaction processing platform for the Nigerian Market, and ChamsMobile Limited, the associate Company, is licensed by CBN to provide mobile money accounts supported with a country-wide financial services agent infrastructure.

## 4. OPERATING RESULTS

The following is a summary of the Group's operating results:

OPERATING RESULT SUMMARY

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Turnover | 5,066,147 | 3,324,752 | 51,983 | 283,396 |
| Cost of Sales | (4,061,357) | (2,579,071) | (74,510) | (219,263) |
| Gross Profit | 1,004,789 | 745,681 | (22,527) | 64,132 |
| Loss/Profit After Tax | (375.240) | (359,916)) | (145,480) | 35,217 |
| EPS | (6.93) | (6.39) | (3.1) | 0.75 |

## 5. SHARE CAPITAL HISTORY

| Year | Authorized | | Issued Share Capital | | Consideration |
|---|---|---|---|---|---|
| | Increase | Cumulative | Increase | Cumulative | |
| 1985 | 100,000 | 100,000 | 100,000 | 100,000 | Cash |
| 2004 | 99,900,000 | 100,000,000 | 0 | 100,000 | Cash |
| 2005 | 200,000,000 | 300,000,000 | 0 | 100,000 | Cash |
| 2006 | 0 | 300,000,000 | 99,900,000 | 100,000,000 | Cash |
| 2007 | 2,200,000,000 | 2,500,000,000 | 72,106,000 | 172,106,000 | Cash |
| 2007 | 2,500,000,000 | 5,000,000,000 | 172,106,000 | 344,212,000 | Cash |
| 2007 | 0 | 5,000,000,000 | 1,376, 848, 000 | 1,721,060,000 | 4 for 1 Bonus |
| 2008 | 0 | 5,000,000,000 | 2,000,000,000 | 3,721,060,000 | Cash |
| 2008 | 0 | 5,000,000,000 | 975,000,000 | 4,696,060,000 | Cash |
| 2009 | 0 | 5,000,000,000 | 0 | 4,696,060,000 | Cash |
| 2010 | 0 | 5,000,000,000 | 0 | 4,696,060,000 | Cash |
| 2011 | 0 | 5,000,000,000 | 0 | 4,696,060,000 | Cash |
| 2012 | 0 | 5,000,000,000 | 0 | 4,696,060,000 | Cash |
| 2013 | 0 | 5,000,000,000 | 0 | 4,696,060,000 | Cash |
| 2014 | 0 | 5,000,000,000 | 0 | 4,696,060,000 | Cash |
| 2015 | 0 | 5,000,000,000 | 0 | 4,696,060,000 | Cash |
| 2016 | 0 | 5,000,000,000 | 0 | 4,696,060,000 | Cash |
| 2017 | 0 | 5,000,000,000 | 0 | 4,696,060,000 | Cash |
| 2018 | 0 | 5,000,000,000 | 0 | 4,696,060,000 | Cash |
| 2019 | 0 | 5,000,000,000 | 0 | 4,696,060,000 | Cash |
| 2020 | 0 | 5,000,000,000 | 0 | 4,696,060,000 | Cash |
| 2021 | 0 | 5,000,000,000 | 0 | 4,696,060,000 | Cash |
| 2022 | 0 | 5,000,000,000 | 0 | 4,696,060,000 | Cash |

## 6. DIRECTORS WHO SERVED DURING THE YEAR

The following Directors served during the year under review:

| *Name* | *Designation* |
|---|---|
| Sir Demola Aladekomo | Chairman |
| Mr. Gavin Young | Group Managing Director |
| Dr. Mohammed Santuraki | Independent Non-Executive Director |
| Alhaji Yusufu Modibbo | Non-Executive Director |
| Pastor Ituah Ighodalo | Independent Non-Executive Director |
| Mr. Tomiwa Aladekomo | Non-Executive Director |
| Mrs. Olamojiba Bakare | Independent Non-Executive Director |
| Mr. Segun Oloketuyi | Non-Executive Director |
| Mrs. Mayowa Olaniyan | Non-Executive Director |
| Sir Abiola Ayobola | Non-Executive Director |

## 7. DIRECTORS' INTEREST IN SHARES

The Directors who served during the year and their interests in the shares of the Company are as follows:

| S/N | NAME | SHAREHOLDING AS AT 31 DECEMBER 2022 (DIRECT) | SHAREHOLDING AS AT 31 DECEMBER 2022 (INDIRECT) | SHAREHOLDING AS AT 31 DECEMBER 2021 (DIRECT) | SHAREHOLDING AS AT 31 DECEMBER 2021 (INDIRECT) |
|---|---|---|---|---|---|
| 1 | Sir Demola Aladekomo | 69,090,000 | 600,000 | 69,090,000 | 600,000 |
| 2 | Pastor Ituah Ighodalo | NIL | NIL | NIL | NIL |
| 3. | Alhaji Yusufu Modibbo | 621,218 | 1,198,050 | 621,218 | 1,198,050 |
| 4. | Mr. Segun Oloketuyi | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| 5 | Mr. Tomiwa Aladekomo | 940,000 | 400,000 | 940,000 | 400,000 |
| 6. | Mrs. Olamojiba Bakare | NIL | NIL | NIL | NIL |
| 7. | Dr. Mohammed Santuraki | 3,000,000 | NIL | 3,000,000 | NIL |
| 8 | Mr. Gavin Young | NIL | NIL | NIL | NIL |
| 9. | Mrs. Mayowa Olaniyan | 3,180,000 | NIL | 3,180,000 | NIL |
| 10. | Sir Ayobola Abiola | NIL | 10,000,000 | NIL | NIL |

The indirect holding relates to the holding of the Directors in the underlisted Company:

- Sir Demola Aladekomo: (SmartCity Resorts Plc)
- Mr. Tomiwa Aladekomo: (SmartCity Resorts Plc)
- Alhaji Yusufu Modibbo (Tiddo Securities Limited)
- Sir Ayobola Abiola (Fullhouse Capital Partners Limited)

DISCLOSURE OF SUBSTANTIAL SHAREHOLDING (5% AND ABOVE) AS AT 31 DECEMBER 2022

| S/N | AC | NAME | ADDRESS | HOLDING | %HOLDINGS |
|---|---|---|---|---|---|
| 1. | 12972 | BEENAT INTERNATIONAL COMPANY LIMITED | NO 1 RADDA AVENUE NDDC QTRS SHARADDA KANO | 238,475,688 | 5.08 |
| 2. | 12006 | SMARTCITY RESORTS PLC | SMARTCITY GUEST HOUSE A2,RD 2, VGC LAGOS STATE | 283,064,633 | 6.03 |
| 3. | 13293 | FIRST NOMINEE/ASSET MGT CORP OF NIG – M | SAMUEL ASABIA 12TH FLOOR 35 MARINA LAGOS | 352,926,737 | 7.52 |
| 4. | 11789 | STANBIC NOM./ AMCON / ACCESS BANK PLC | C/O STANBIC NOMINEES NIG. LTD. PLOT 1712, IDEJO STREET, OFF ADEOLA ODEKU ST., V/I. LAGOS STATE | 494,900,229 | 10.54 |
| | | TOTAL | | **1,369,367,287** | **29.17** |

Mr. Tomiwa Aladekomo represents Smartcity Resorts Plc as a Director on the Board.

Other substantial shareholders of 5% and above have no representation on the Board.

According to the register of members as at 31 December 2022, only the shareholders listed above having substantial shareholding hold 5% and above of the issued and fully paid up capital of the Company. No other shareholder asides from the four (4) substantial shareholders hold 5% and above of the issued and fully paid shares of the Company.

## 8. ANALYSIS OF SHAREHOLDING

The analysis of the distribution of the shares of the Company as at 31 December 2022 is as follows:

ANALYSIS OF SHAREHOLDING AS AT 31ST DECEMBER 2022

| CATEGORY DESCRIPTION | NO OF HOLDERS | %HOLDERS | HOLDINGS | % HOLDINGS |
|---|---|---|---|---|
| Foreign Addresses | 41 | 0.44 | 16,126,482 | 0.34 |
| Corporate Bodies | 493 | 5.31 | 2,417,317,860 | 51.48 |
| Individuals | 8746 | 94.25 | 2,262,615,658 | 48.18 |
| | **9280** | **100.00** | **4,696,060,000** | **100.00** |

**9. ELECTION/RE-ELECTION AND RETIREMENT OF DIRECTORS**

- Election: Sir Abiola Ayobola was appointed as a Non-Executive Director at the Board of Directors meeting held on the 9th August, 2022.
- Mr. Mohammed Bashir Yunusa was appointed as a Non-Executive Director at the Board of Directors meeting held on the 27th October, 2022.
- Re-election: To re-elect Mrs. Mayowa retiring by rotation. The Director being eligible, offer herself for re-election.

  To re-elect Mr. Segun Oloketuyi retiring by rotation. The Director being eligible, offer himself for re-election. To re-elect Mrs. Olamojiba Bakare retiring by rotation. The Director being eligible, offer herself for re-election.
- Retirement: Pastor Ituah Ighodalo retired from the Board as a Non-Executive Director of the Company on 31st December, 2022.

  Mr. Gavin Young retired from the Board as the Group Managing Director of the Company on 31st December, 2022.

Subject to ratification at the Annual General Meeting in accordance with the provisions of CAMA, 2020.

**10. STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

In accordance with the provisions of the Companies and Allied Matters Act of Nigeria, the Directors are responsible for the preparation of financial statements, which give a true and fair view of the state of affairs of the Company and of the profit or loss for that year. In so doing, the Directors are required to ensure that:

a. Proper accounting records are maintained which disclose with reasonable accuracy the financial position of the Company and which ensures the financial statements comply with the requirements of the Companies and Allied Matters Act.

b. Applicable accounting standards are followed.

c. Suitable accounting policies are adopted and consistently applied.

d. Judgments and estimates made are reasonable and prudent.

e. The going concern basis is used, unless it is inappropriate to presume that the Company will continue in business.

f. Internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets of the Company and prevent and detect fraud and other irregularities.

**11. EMPLOYMENT AND EMPLOYEES**

### a. Employment of physically challenged persons

The Company has a non-discriminatory policy on recruitment. Applications would always be welcomed from suitably qualified disabled persons and are reviewed strictly on qualification. The Company's policy is that the highest qualified and most experienced persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion or physical condition.

### b. Health safety and welfare of employees

Health and safety regulations are in force within the Company's premises and employees are aware of existing regulations. The Company provides subsidies to all level of employees for medical expenses, transportation, housing, lunch etc.

### c. Employees involvement and training

The Company is committed to keeping employees fully informed as much as possible regarding the Company's performance and progress and seeking their opinion where practicable on matters, which particularly affect them as employees.

Training is carried out at various levels through both in-house and external courses. Incentive schemes designed to encourage the involvement of employees in the Company's performance are implemented whenever appropriate.

**12. POST BALANCE SHEET EVENTS**

There were no post balance sheet events which could have had a material effect on the state of affairs of the Company as at 31 December 2022 or the profit for the year ended on that date, which have not been adequately provided for or disclosed.

**13. DONATIONS AND CHARITABLE GIFTS**

Over the years, the Company identifies with the aspirations of the Community as well as the environment within which it operates but during the year under review, no donation was made.

## 14. COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Chams Holding Company Plc continuously strives to comply with global standards of corporate governance. The Company has separated theposts of Managing Director and Chairman and the Chairman is not involved in the day-to-day running of the Company. This is geared towards avoiding the concentration of too much power in a single individual.

The Board as a whole is comprised of a number of sub-Committees which are Audit, Finance, Establishment and Governance, and Innovation, Marketing and Technology, Risk Management Committees. The Board is also comprised of high profile non- executive members serving in various capacities at the sub-Committees mentioned above and involved in setting the emoluments of the Managing Director and other Directors of the Company. The non-executive directors are appointed fora fixed period and have to be re-elected by the shareholders at an AGM. The Company is committed to full disclosure andtransparency in providing information to all stakeholders because of its belief that this is the most important driving force in any good governance process.

## 15. FINANCE COMMITTEE

The Committee acts on behalf of the Board on matters relating to Financial Management. It reviews the Budget and Audited Accounts and is responsible for providing useful advice to the Company's management team as and when required.

The members are as follows:

| *S/N* | *NAME* | *STATUS* |
|---|---|---|
| 1. | Dr. Evans Woherem | Chairman |
| 2. | Alhaji Yusufu Modibbo | Member |
| 3. | Mrs. Mayowa Olaniyan | Member |
| 4. | Mr. Segun Oloketuyi | Member |
| 5. | Sir Abiola Ayobola | Member |

## 16. AUDIT COMMITTEE

This is established in accordance with part C of the Code of Corporate Governance. It comprises dedicated individuals with proven integrity that have a thorough understanding of the Company's business affairs including the associated risks and controls put in place to mitigate those risks. The Company Secretary is the secretary of the Committee and they meet regularly. The members are as follows:

| *S/N* | *NAME* | *STATUS* |
|---|---|---|
| 1. | Mr. Emmanuel Onochie | Chairman |
| 2 | Mr. Moses Igbrude | Member |
| 3 | Mr. Doyin Owolabi | Member |
| 4 | Dr. Evans Woherem | Member till 2022 AGM |
| 5 | Pastor Ituah Ighodalo | Member till 2022 AGM |
| 6 | Mrs. Olamojiba Bakare | Member |
| 7 | Mr. Tomiwa Aladekomo | Member |

## 17. ESTABLISHMENT AND GOVERNANCE COMMITTEE

This Committee is responsible for defining and assessing the qualifications for Board of Director membership and identifying qualified individuals, responsible for assisting the Board organize itself in the discharge of its duties and responsibilities properly and effectively, ensuring proper attention and effective response to shareholders concerns regarding corporate governance, assisting the Board in the fulfilment of its oversight responsibility for the Group's broad enterprise risk management program in connection with the Groups governance structures

| *S/N* | *NAME* | *STATUS* |
|---|---|---|
| 1 | Alhaji Yusufu Modibbo | Chairman |

| | | |
|---|---|---|
| 2 | Pastor Ituah Ighodalo | Member |
| 3 | Mrs. Olamojiba Bakare | Member |
| 4 | Dr. Mohammed Santuraki | Member |
| 5 | Sir Abiola Ayobola | Member |

**18. INNOVATION, MARKETING AND TECHNOLOGY COMMITTEE**

The purpose of the Committee is to assist the Board with understanding of Chams Plc innovative and technological developments and marketing framework for the projects or programs, priorities and resource allocation, so that the Board can discharge its responsibilities and oversight functions more effectively.

| *S/N* | *NAME* | *STATUS* |
|---|---|---|
| 1. | Mr. Tomiwa Aladekomo | Chairman |
| 2. | Alhaji Yusufu Modibbo | Member |
| 3. | Mr. Segun Oloketuyi | Member |
| 4. | Dr. Mohammed Santuraki | Member |
| 5. | Mrs. Mayowa Olaniyan | Member |

**19. RISK MANAGEMENT COMMITTEE**

The purpose of the Committee is to articulate the Company's risk management philosophy and the practices and processes that are in place to identify, communicate and manage material risk across the organization.

| *S/N* | *NAME* | *STATUS* |
|---|---|---|
| 1. | Dr. Mohammed Santuraki | Chairman |
| 2. | Mrs. Mayowa Olaniyan | Member |
| 3. | Sir Abiola Ayobola | Member |

**20. ATTENDANCE AT BOARD MEETINGS FOR THE YEAR ENDED 31ST DECEMBER 2022**

| *S/N* | *Director* | *No of Meetings* | *Attendance* |
|---|---|---|---|
| 1 | Sir Demola Aladekomo | 5 | 5 |
| 2 | Mrs. Olamojiba Bakare | 5 | 4 |
| 3 | Pastor Ituah Ighodalo | 5 | 3 |
| 4. | Mr. Segun Oloketuyi | 5 | 5 |
| 5 | Alhaji Yusufu Modibbo | 5 | 5 |
| 6 | Mr. Tomiwa Aladekomo | 5 | 5 |
| 7 | Dr. Mohammed Santuraki | 5 | 4 |
| 8 | Sir Abiola Ayobola | 5 | 3 |
| 9 | Mrs. Mayowa Olaniyan | 5 | 5 |
| 10 | Mr. Gavin Young | 3 | 5 |

## 21. BOARD AND COMMITTEE MEETINGS

The Board and its Committees met as follows:

| *Board/ Committee Meetings* | *No of Meetings* |
|---|---|
| Board of Directors | 5 |
| Board Audit Committee | 4 |
| Board Establishment and Governance Committee | 2 |
| Board Finance Committee | 3 |
| Innovation, Marketing and Technology Committee | 1 |
| Risk Management Committee | 2 |

## 21. AUDITORS

PKF Professional Services have indicated their willingness to continue in office. In accordance with Section 401 of the Company and Allied Matters Act of Nigeria, 2020, a resolution will be proposed at the Annual General Meeting to authorize the Directors to fix their remuneration.

BY ORDER OF THE BOARD

**Yetunde Emmanuel**
Company Secretary
FRC/2018/NBA/00000018086

# CHAMS HOLDING COMPANY PLC (Formerly CHAMS PLC)

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

In accordance with the provisions of Companies and Allied Matters Act, 2020, and the Financial Reporting Council Act No. 6, 2011, the Directors are responsible for the preparation of the consolidated and separate financial statements which give a true and fair view of the state of affairs of the Group for the year ended **31 December 2022**, and of the financial performance for the year and of its profit or loss and other comprehensive income for the year. The responsibilities include ensuring that the Group:

(a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act 2020;

(b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities;.

(c) prepares its consolidated and separate financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied; and

(d) it is appropriate for the consolidated and separate financial statements to be prepared on a going concern basis unless it is presumed that the Group will not continue in business.

The Directors accept responsibility for the accompanying financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and in manner required by the Companies and Allied Matters Act 2020

The Directors are of the opinion that the accompanying consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the Group and of the financial performance for the year, with the requirements of the Financial Reporting Council of Nigeria Act, No 6, 2011 and the Companies and Allied Matters Act 2020

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the consolidated and separate financial statements, as well as adequate systems of financial control.

Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for at least twelve months from the date of this consolidated and separate financial statements.

Signed on behalf of the Directors by:

Sir Demola Aladekomo
**Chairman**
FRC/2013/NSE/00000004336
**Dated: 29 March 2023**

Mr. Gavin Young
**Group Managing Director**
FRC/2020/003/00000020885
**Dated: 29 March 2023**

**Independent Auditor's Report**

**To the Shareholders of Chams Holding Company Plc (Formerly Chams Plc)**

**Opinion**

We have audited the accompanying consolidated and separate financial statements of Chams Holding Company Plc (Formerly Chmas Plc) and its subsidiaries (together, "the Group") which comprise the consolidated and separate statement of financial position at **31 December 2022**, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group at **31 December 2022**, and its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards (IFRS's) in Compliance with th Financial Reporting Council of Nigeria Act No 6, 2011 and with the requirements of the Company and Allied Matters Acts, 2020

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and seperate financial statements of the current year.These matters were addressed in the context of our audit of the consolidated and seperate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.The key audit matters below relate to the audit of the consolidated and seperate financial statements.



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Partners: TA Akande (Managing), NA Abdus-salaam, OO Ogundeyin, BO Adejayan, AA Agboola, ED Akintola, II Aremu

Offices in: Abuja, Kaduna, Kano, Jos, Port Harcourt

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| Key Audit Matter | How the matter was addressed in the audit |
|---|---|
| **Impairments on financial assets**<br>The impairment assessment of cash and cash equivalents,trade and other receivable net of prepayments, investment securities, Investment in associate, subsidiaries and investment projects are key areas of judgment due to the level of subjectivity inherent in estimating the impact of key assumptions on the recoverable amount of the trade receivables and claims recoverable.<br><br>Significant judgement is required by the Directors in assessing the impairment of financial assets in compliance with IFRS 9, which requires a loss allowance for Expected Credit Loss (ECL) to be measured at the reporting date for those financial assets subject to impairment accounting. With the concept of a significant increase in credit risk arising as a result of the COVID-19 pandemic in determining expected credit losses, this assessment must consider all reasonable and supportable historic and forward-looking information.<br><br>The use of the Expected Credit Loss (ECL) model for the computation of impairment allowance requires the application of certain indices which are derived from historical financial data within and outside the Group, this includes:<br>• Assessing the relationship between the quantitative and qualitative factors incorporated in determining the Probability of Default (PD), and the Loss Given Default (LGD) and the Exposure at Default (EAD).<br><br>• Incorporating forward-looking information into the ECL model and probability weightings applied to<br><br>• factors considered in cash flow estimation including timing and amount<br><br>• Analysis of external ratings, internal benchmarking or grouping risks together when the Group relies on such. The Group might be unable to support the suitability of any groupings to justify such approach as this may mask underlying credit losses or increases in credit risks, if the segments are not sufficiently homogeneous;<br><br>The Group's accounting policy on impairment and cash and cash equivalents, investment securities,trade receivables ,claims recoverable and other assets are disclosed in Notes 2.6,2.7,2.8,2.9, 3, 15,16,17 ,18 and 19. | We focused our testing of management's impairment assessment on cash and cash equivalents,trade and other receivable net of prepayments, investment securities, Investment in associate, subsidiaries and investment projects included:<br><br>i) We reviewed the IT general controls governing the IFRS reporting process employed by the Company in assigning PD's to the financial assets.<br><br>Also, tested the key controls relating to the preparation of the impairment model including the competence and authority of person(s) performing the control, frequency, and consistency with which the control is performed;<br><br>Our further procedures in relation included:<br>ii) For trade and other receivable net of prepayments,obtained an understanding of the Expected Credit Loss (ECL) model prepared by management for the computation of impairment.<br><br>iii) Checked the forward-looking information used by management in its ECL calculations and corroborated the information using publicly available data comprising foreign exchange rate, gross domestic (GDP) growth rate, inflation, interest rates, unemployment rate etc.<br><br>iv) Assessed the appropriateness of the most significant model assumptions including loss given default and probability of default and recalculated the impairment allowance.<br><br>v) Validated material transactions during the year to contract agreements, invoices,debit and credit notes.<br><br>vi) We reviewed subsequent receipts after year end of trade and other receivable net of prepayments<br><br>vii) Evaluated the appropriateness of the related disclosures in line with IFRS 9 requirements.<br><br>viii) Verifying the source of the credit ratings used and check the appropriateness of the ratings in accordance with IFRS 9.<br><br>Based on the work we have performed, we consider the level of impairment allowance acceptable. |

**Other Information**
The directors are responsible for the other information.The other information comprises the Chairman's statement, Directors' Report; Corporate Governance Report and Company Secretary's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appeared to be materially misstated.

If based on the work we have performed on the other information that we obtained prior to the date of this auditors report, we conclude that there is a material misstatement of this other information, we are required to report that fact.We have nothing to report in this regard.

**Responsibilities of the Directors and Those Charged with Governance for the Financial Statements**
The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the requirements of the Financial Reporting Council of Nigeria Act, 2011, the Companies and Allied Matters Act, 2020 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 consolidated and separate financial statements, the directors are responsible for assessing the company's 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 or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements**
Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the consolidated and separate financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**
In accordance with the requirement of fifth Schedule of the Companies and Allied Matters Act, 2020, 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) Proper books of account have been kept by the Group, in so far as it appears from our examination of those books;

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

**Olatunji Ogundeyin, FCA**
**FRC/2013/ICAN/00000002224**
For: **PKF Professional Services**
**Chartered Accountants**
Lagos, Nigeria

**Dated: 29 March 2023**

# CHAMS HOLDING COMPANY PLC (Formerly CHAMS PLC)

## CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 DECEMBER 2022

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Notes | **2022 N'000** | 2021 N'000 | **2022 N'000** | 2021 N'000 |
| **Gross earnings** | | **5,255,466** | 3,774,540 | **242,917** | 429,555 |
| Revenue | **7.1.1** | **5,066,147** | 3,324,752 | **51,983** | 283,396 |
| Costs of sales | **7.2.** | **(4,061,357)** | (2,579,071) | **(74,510)** | (219,263) |
| **Gross profit/(loss)** | | **1,004,789** | 745,681 | **(22,527)** | 64,132 |
| Other operating income | **8.** | **124,257** | 373,371 | **181,219** | 131,844 |
| Selling and marketing expenses | **9.** | **(30,327)** | (29,092) | **(1,079)** | (8,312) |
| Employees and other related expenses | **10.** | **(661,584)** | (573,519) | **(179,976)** | (145,410) |
| Depreciation and amortisation expenses | **11.12.** | **(113,469)** | (127,885) | **(55,328)** | (57,942) |
| Administrative expenses | **13.** | **(329,124)** | (786,304) | **227,457** | 4,521 |
| **Operating (loss)/profit** | | **(5,458)** | (397,747) | **149,765** | (11,167) |
| Interest income | **14.1.** | **65,062** | 76,416 | **9,716** | 14,316 |
| Interest expenses | **14.2** | **(188,660)** | (171,696) | **(90,670)** | (101,082) |
| **Profit/(loss) on continuing operations before taxation** | | **(129,056)** | (493,026) | **68,812** | (97,933) |
| Income tax (expenses)/credit | **16.1.** | **(246,184)** | 133,110 | **(214,292)** | 133,150 |
| **(Loss)/profit for the year after tax** | | **(375,240)** | (359,916) | **(145,480)** | 35,217 |
| **Profit/(loss) attributable to:** | | | | | |
| Owners of the parent | | **(325,495)** | (299,972) | **(145,480)** | 35,217 |
| Non-controlling interests | | **(49,745)** | (59,944) | **-** | - |
| | | **(375,240)** | (359,916) | **(145,480)** | 35,217 |
| Basic earings/(loss) per share (kobo) | **17.** | **(6.93)** | (6.39) | **(3.10)** | 0.75 |
| Diluted earings/(loss) per share (kobo) | **17.** | **(6.93)** | (6.39) | **(3.10)** | 0.75 |
| ***Items that will be subsequently reclassified to profit or loss*** | | | | | |
| Translation of foreign operations gain | | **-** | - | **-** | - |
| ***Items that will not be reclassified to profit or loss*** | | | | | |
| equipment | **35.** | **-** | - | **-** | - |
| Revaluation gain on intangible asset in the year | **35.** | **1,771,138** | - | **-** | **-** |
| Loss on investment securities at fair value through other comprehensive income | **36.** | **(8,373)** | (7,173) | **(8,373)** | (7,173) |
| **Other comprehensive income/(loss) (net of tax)** | | **1,762,766** | (7,173) | **(8,373)** | (7,173) |
| **Total comprehensive income/(loss) (net of tax)** | | **1,387,525** | (367,089) | **(153,853)** | 28,044 |
| **Attributable to:** | | | | | |
| Owners of the parent | | **1,762,765** | - | **(8,373)** | (7,173) |
| Non-controlling interest | | **-** | - | **-** | - |
| | | **1,762,766** | (7,173) | **(8,373)** | (7,173) |
| **Attributable to:** | | | | | |
| Owners of the parent | | **1,437,270** | (307,145) | **(153,853)** | 28,044 |
| Non-controlling interest | | **(49,745)** | (59,944) | **-** | - |
| | | **1,387,525** | (367,089) | **(153,853)** | 28,044 |

The accompanying notes and significant accounting policies form an integral part of these consolidated and separate financial statements.

# CHAMS HOLDING COMPANY PLC (Formerly CHAMS PLC)

## CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
## AT 31 DECEMBER 2022

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **2022** | 2021 | **2022** | 2021 |
| | **Notes** | **N'000** | N'000 | **N'000** | N'000 |
| **Assets** | | | | | |
| **Non-current assets** | | | | | |
| Right-of-use assets | **18.1.** | **15,300** | 21,900 | **-** | - |
| Property,plant and equipment | **19.** | **2,249,038** | 2,261,541 | **1,717,134** | 1,768,372 |
| Investment projects | **20.** | **-** | 460 | **-** | 460 |
| Intangible assets | **21.** | **7,144,798** | 5,235,776 | - | - |
| Investment in subsidiaries | **22.** | **-** | - | **4,400,059** | 3,548,165 |
| Investment in associates | **23.** | **75,000** | 74,898 | **75,000** | 74,898 |
| Investment in Joint Ventures | **24.** | **425,044** | 17,375 | **-** | - |
| Investment securities at fair value through other comprehensive income | **25.** | **84,454** | 92,827 | **84,454** | 92,827 |
| **Total non-current assets** | | **9,993,636** | 7,704,777 | **6,276,647** | 5,484,721 |
| **Current assets** | | | | | |
| Inventories | **26.** | **372,908** | 233,145 | **(0)** | (0) |
| Trade and other receivables | **27.** | **3,904,067** | 966,716 | **415,625** | 724,242 |
| Cash and cash equivalents | **28.** | **2,018,270** | 2,920,711 | **2,736** | 44,363 |
| **Total current assets** | | **6,295,245** | 4,120,571 | **418,360** | 768,605 |
| **Total assets** | | **16,288,880** | 11,825,349 | **6,695,007** | 6,253,326 |
| **Liabilities** | | | | | |
| **Non-current liabilities** | | | | | |
| Deferred tax liabilities | **16.4.** | **156,454** | **-** | **156,454** | **-** |
| Deferred income | **30.** | **-** | - | **-** | - |
| Lease liabilities | **18.2.** | **10,680** | 10,680 | **-** | - |
| Long term loan | **31.** | **1,251,940** | 1,196,547 | **983,995** | 962,706 |
| **Total non-current liabilities** | | **1,419,073** | 1,207,227 | **1,140,449** | 962,706 |
| **Current liabilities** | | | | | |
| Trade and other payables | **29.** | **4,837,288** | 5,683,867 | **1,705,503** | 1,331,536 |
| Current tax liabilities | **16.3.** | **162,160** | 109,710 | **120,521** | 76,696 |
| Current portion of deferred income | **30.** | **50,679** | 61,789 | **-** | - |
| Current portion of long term loan | **31.** | **370,228** | 28,121 | **-** | - |
| **Total current liabilities** | | **5,420,354** | 5,883,487 | **1,826,024** | 1,408,232 |
| **Total liabilities** | | **6,839,428** | 7,090,714 | **2,966,473** | 2,370,938 |
| **Equity** | | | | | |
| Share capital | **32.1** | **2,348,030** | 2,348,030 | **2,348,030** | 2,348,030 |
| Share premium | **32.2** | **35,008** | 35,008 | **35,008** | 35,008 |
| Loss sustained | **33.** | **(2,275,646)** | (2,887,546) | **(102,321)** | 43,159 |
| **Other reserves:** | | | | | |
| - Capital reserve | **34.** | **145,522** | 145,522 | **-** | - |
| - Assets revaluation reserve | **35.** | **4,755,307** | 3,887,450 | **1,463,364** | 1,463,364 |
| - Fairvalue reserve | **36.** | **(15,546)** | (7,173) | **(15,546)** | (7,173) |
| | | **4,992,676** | 3,521,291 | **3,728,535** | 3,882,388 |
| Non-controlling interest | **37.** | **4,456,777** | 1,213,344 | **-** | - |
| **Total equity** | | **9,449,453** | 4,734,635 | **3,728,535** | 3,882,388 |
| **Total liabilities and equity** | | **16,288,880** | 11,825,349 | **6,695,007** | 6,253,326 |

These consolidated and separate financial statements were approved by the Board of Directors on **29 March 2023** and signed on its behalf by:

| | | |
|---|---|---|
| **Sir. Demola Aladekomo** | **Mr. Gavin Young** | **Mrs. Ifeoma Obasanya** |
| Chairman | Managing Director | Head, Finance and Account |
| FRC/2013/NSE/00000004336 | FRC/2022/003/00000020885 | FRC/2022/PRO/NIM/002/191239 |

The accompanying notes and significant accounting policies form an integral part of these consolidated and separate financial statements.

# CHAMS HOLDING COMPANY PLC (Formerly CHAMS PLC)

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 DECEMBER 2022

**Group**

| | Share capital | Share premium | Loss sustained | Capital reserve | Revaluation reserve | Fairvalue reserve | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| **At 1 January 2021** | **2,348,030** | **35,008** | **(2,587,574)** | **145,522** | **1,482,164** | **-** | **5,963** | **1,429,113** |
| **Changes in equity for the year:** | | | | | | | | |
| Loss for the year | - | - | (299,972) | - | - | - | (59,944) | (359,916) |
| **Other comprehensive income:** | | | | | | | | |
| Fairvalue loss in the year | - | - | - | - | - | (7,173) | - | (7,173) |
| Revaluation gain in the year | - | - | - | - | 2,405,286 | - | 1,267,325 | 3,672,611 |
| **Total comprehensive income for the year** | - | - | (299,972) | - | 2,405,286 | (7,173) | 1,207,381 | 3,305,522 |
| **Transactions with owners:** | | | | | | | | |
| New shares issued during the year | - | 0 | - | - | - | - | - | 0 |
| Capital reserve on consolidation | - | - | - | - | - | - | - | - |
| | **-** | **0** | **-** | **-** | **-** | **-** | **-** | **0** |
| **At 31 December 2021** | **2,348,030** | **35,008** | **(2,887,546)** | **145,522** | **3,887,450** | **(7,173)** | **1,213,344** | **4,734,635** |
| **At 1 January 2022** | **2,348,030** | **35,008** | **(2,887,546)** | **145,522** | **3,887,450** | **(7,173)** | **1,213,344** | **4,734,635** |
| **Changes in equity for the year** | | | | | | | | |
| Profit/(loss) for the year | **-** | **-** | **(325,495)** | **-** | **-** | **-** | **(49,745)** | **(375,240)** |
| Negative retained earnings written off | **-** | **-** | **741,541** | **-** | **-** | **-** | **494,361** | **1,235,901** |
| Impact of balance sheet restructuring | **-** | **-** | **195,854** | **-** | **-** | **-** | **(63,885)** | **131,969** |
| **Other comprehensive income:** | | | | | | | | **-** |
| Fairvalue loss in the year | **-** | **-** | **-** | **-** | **-** | **(8,373)** | **-** | **(8,373)** |
| Revaluation gain on intangible asset in the year | **-** | **-** | **-** | **-** | **867,857** | **-** | **903,280** | **1,771,138** |
| **Total comprehensive income/loss) for the year** | **-** | **-** | **611,900** | **-** | **867,857** | **(8,373)** | **1,284,010** | **2,755,395** |
| **Transactions with owners** | | | | | | | | |
| Adjustment to the opening balance | **-** | **-** | **-** | **-** | **-** | **-** | **1,959,423** | **1,959,423** |
| | **-** | **-** | **-** | **-** | **-** | **-** | **1,959,423** | **1,959,423** |
| **At 31 December 2022** | **2,348,030** | **35,008** | **(2,275,646)** | **145,522** | **4,755,307** | **(15,546)** | **4,456,777** | **9,449,453** |

The accompanying notes and significant accounting policies form an integral part of these consolidated and separate financial statements.

# CHAMS HOLDING COMPANY PLC (Formerly CHAMS PLC)

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 DECEMBER 2022

**Company**

| | Share capital | Share premium | Loss sustained | Revaluation reserve | Fairvalue reserve | Total equity |
|---|---|---|---|---|---|---|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| **At 1 January 2021** | **2,348,030** | **35,008** | **7,942** | **959,065** | **-** | **3,350,045** |
| **Changes in equity for the year:** | | | | | | |
| Profit for the year | - | - | 35,217 | - | - | 35,217 |
| **Other comprehensive income:** | | | | | | |
| Fairvalue loss in the year | - | - | - | - | (7,173) | (7,173) |
| Revaluation gain in the year | - | - | - | 504,299 | - | 504,299 |
| **Total comprehensive income for th** | **-** | **-** | **35,217** | **504,299** | **(7,173)** | **532,343** |
| **Transactions with owners:** | | | | | | |
| New shares issued during the year | **-** | **0** | **-** | **-** | **-** | **0** |
| | - | 0 | - | - | - | 0 |
| **At 31 December 2021** | **2,348,030** | **35,008** | **43,159** | **1,463,364** | **(7,173)** | **3,882,388** |
| **At 1 January 2022** | **2,348,030** | **35,008** | **43,159** | **1,463,364** | **(7,173)** | **3,882,388** |
| **Changes in equity for the year:** | | | | | | |
| Profit for the year | **-** | **-** | **(145,480)** | **-** | **-** | **(145,480)** |
| **Other comprehensive income:** | | | | | | |
| Fairvalue loss in the year | **-** | **-** | **-** | **-** | **(8,373)** | **(8,373)** |
| Revaluation gain on intangible asset i | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total comprehensive income for th** | **-** | **-** | **(145,480)** | **-** | **(8,373)** | **(153,853)** |
| **Transactions with owners:** | | | | | | |
| New shares issued during the year | **-** | **-** | **-** | **-** | **-** | **-** |
| Adjustment | **-** | **-** | **-** | **-** | **-** | **-** |
| | - | - | - | - | - | - |
| **At 31 December 2022** | **2,348,030** | **35,008** | **(102,321)** | **1,463,364** | **(15,546)** | **3,728,535** |

The accompanying notes and significant accounting policies form an integral part of these consolidated and separate financial statements.

# CHAMS HOLDING COMPANY PLC (Formerly CHAMS PLC)

## CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 DECEMBER 2022

| | Notes | Group 2022 N'000 | Group 2021 N'000 | Company 2022 N'000 | Company 2021 N'000 |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Profit/(loss) after tax | | **(375,240)** | (359,916) | **(145,480)** | 35,217 |
| **Adjustment for:** | | | | | |
| Depreciation of property, plant and equipment | | **105,937** | 116,653 | **55,328** | 56,810 |
| Depreciation of right-of-use-assets | | **6,600** | 9,900 | **-** | - |
| Amortisation of intangible assets | | **931** | 1,332 | **-** | 1,132 |
| Impairment (write back)/charge on financial assets | | **(146,360)** | 169,573 | **(335,729)** | (224,580) |
| Write off trade and other receivables | | **(246,369)** | (1,777,498) | **0** | (1,300,242) |
| Other movement in trade and other receivables | | **123,689** | **-** | **-** | **-** |
| Impairment charge on property,plant and equipment | | **-** | 86,324 | **-** | 20,230 |
| Other adjustment to the property,plant and equipment | | **1,149** | (4,744) | **147** | - |
| Profit on disposal of property, plant and equipment | | **(2,809)** | (10,240) | **(2,809)** | (9,583) |
| Dividend income | | **0** | (0) | **0** | (0) |
| Interest income | | **(65,062)** | (76,416) | **(9,716)** | (14,316) |
| Finance cost | | **188,660** | 171,696 | **90,670** | 101,082 |
| Exchange gain | | **(106)** | (590) | **(86)** | (7) |
| Tax expense | **16.** | **89,728** | (133,110) | **57,838** | (133,150) |
| | | **(319,250)** | (1,807,037) | **(289,836)** | (1,467,409) |
| **Changes in operating assets and liabilities** | | | | | |
| Inventories | **26.** | **(139,763)** | (33,456) | **-** | - |
| Trade and other receivables | | **(2,668,062)** | 2,461,580 | **644,346** | 1,468,888 |
| Deferred income | **30.** | **(11,110)** | (57,553) | **-** | **-** |
| Trade and other payables | | **(470,649)** | 762,837 | **470,506** | 971,354 |
| Tax paid | **16.3.** | **(37,175)** | (44,071) | **138,243** | (11,110) |
| Witholding tax credit notes | | **-** | (24,063) | **-** | - |
| **Net cash from/(used in) operating activities** | | **(3,646,009)** | 1,258,237 | **963,259** | 961,723 |
| **Cash flows from investing activities** | | | | | |
| Purchase of right-of-use assets | | **-** | (31,800) | **-** | - |
| Proceeds from sale of property,plant and equipment | | **2,809** | 17,287 | **2,809** | 9,618 |
| Purchase of property,plant and equipment | | **(92,556)** | (40,213) | **(4,232)** | (2,497) |
| Acquisition of intangible assets | | **(139,949)** | (854,564) | **(1,132)** | - |
| Additions to investment in subsidiaries | | **-** | **-** | **(851,895)** | (1,090,067) |
| Additions to investment in associates | | **(102)** | (74,898) | **(102)** | (74,898) |
| Investment in Joint Ventures | | **(407,669)** | (17,375) | **-** | **-** |
| Interest income | | **65,062** | 76,416 | **9,716** | 14,316 |
| **Net cash used in investing activities** | | **(572,405)** | (925,147) | **(844,836)** | (1,143,528) |
| **Cash flows from financing activities** | | | | | |
| Proceeds from loans and borrowings | | **111,945** | 119,848 | **11,945** | - |
| Repayment of loans and borrowings | | **(194,204)** | (193,266) | **(81,325)** | (114,820) |
| Proceeds from shares issued during the year | | **-** | 0 | **-** | 0 |
| Contribution from non-controlling interest | | **3,243,433** | 1,207,381 | **-** | - |
| Lease liabilities | | **-** | 10,680 | **-** | - |
| Interest paid | | **(188,660)** | (171,696) | **(90,670)** | (101,082) |
| **Net cash from/(used in) financing activities** | | **2,972,513** | 972,948 | **(160,050)** | (215,902) |
| **Increase/(decrease) in cash and cash equivalents** | | **(1,245,900)** | 1,306,038 | **(41,627)** | (397,707) |
| Cash and cash equivalents at 1 January | | **2,894,300** | 1,588,262 | **44,363** | 442,070 |
| **Cash and cash equivalents at 31 December** | **28.1.** | **1,648,399** | 2,894,300 | **2,736** | 44,363 |

The accompanying notes are an integral part of these consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2022

### 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. By special resolution of the board of director dated on 12th May, 2022, the Company changed it's initial name from "Chams plc " to Chams Holding Company plc".

### 2. Basis of preparation
#### a. Summary of significant accounting policies
The principal accounting policies adopted in the preparation of the consolidated and Saperate financial statements are set out in note 5. The policies have been consistently applied to all the years presented, unless otherwise stated.

#### b. Statement of compliance
The consolidated and separate 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, 2020.

#### c. Basis of measurement

The consolidated and separate financial statements were authorised for issue by the Board of Directors on **29 March 2023.**
The consolidated and seperate financial statements have been prepared on the historical cost basis except for revalued property,plant and equipment.

#### d. Functional and presentation currency.
These consolidated and separate financial statements are presented in Naira, which is the Group's functional currency. Amounts are rounded to the nearest thousand, 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 4.

### 3. Adoption of new and revised standards
#### 3.1 New and amended IFRS Standards that are effective for the current year
In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

**Amendments to IFRS 3 Business Combinations — Reference to the Conceptual Framework**
The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

**Amendments to IAS 16 - Property, Plant and Equipment — Proceeds before Intended Use**
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physi?aI performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

**Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets — Onerous Contracts — Cost of Fulfilling a Contract**
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

**Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract**
The amendments specify that the cost of fulfilling a contract comprises the costs that relates directly to the contract. Cost that relates directly to a contract consists of both the incremental cost of fulfilling that contract. Examples would be direct labour or materials and allocation of other costs that relates directly to fulfilling the contract (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendment's. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other components of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Directors of the Company do not anticipate that the application of the amendment in the future will have an impact on the Company's financial statements.

**Annual Improvements to IFRS Standards 2018 - 2020 — Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture**

The Annual Improvements include amendments to four Standards.

**IFRS 1 First-time Adoption of International Financial Reporting Standards**
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

**IFRS 9 Financial Instruments**
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

**IFRS 16 Leases**
The amendment removes the illustration of the reimbursement of leasehold improvements.
As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

**IAS 41 Agriculture**
The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

**3.2 New and revised IFRS Standards in issue but not yet effective (but allow early application) for the year ending 31 December 2022**
At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:
• IFRS 17 (including the June 2020 amendments to IFRS 17) - Insurance Contracts
• Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate OT Joint Venture

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

**IFRS 17 Insurance contracts**
IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.
For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

**Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

**Amendments to IAS 1 Presentation of Financial Statements — Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

The Directors of the company do not anticipate that the application of the amendments in the future will have an impact on the company's financial statements.

**Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements — Disclosure of Accounting Policies**

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four- step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements..

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

**Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors — Definition of Accounting Estimates**

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty.

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error;

- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

**Amendments to IAS 12 Income Taxes — Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:
- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
- Right-of-use assets and lease liabilities
- Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

**4. 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 judgemental 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 Group has the power to exercise significant influence, such an investment is treated as an associate. Where the Group holds over 20% of voting rights (but not over 50%) and the Group does not exercise significant influence, the investment is treated as fair value through other comprehensive income.

**b. Legal proceedings**

In accordance with IFRS, the Group recognises 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. 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 and all 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.

**d. 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.

**5. Significant accounting policies**

**(i) Foreign currency translation**

In preparing the financial statements of the Group, transactions in currencies other than the entity's presentation currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign currency differences on loans and other borrowings are recognised as finance income and expenses. Other foreign currency differences as a result of transactions are recognised in the related items within the operating results.

**(ii) Revenue recognition**

**Performance obligation and timing of revenue recognition**

Revenue is derived from the sales of various product lines which span across delivery of business solution, biometric data capture, e-voting platform, business process outsourcing, contract and supplies. Revenue is recognised at a point in time when control of services has transferred to the customer as evidenced by the Job Completion and Acceptance Certificate.

**There is limited judgement needed in identifying the point control passes:**

a) Once delivery of service to agreed location or client have occurred.

b) The customer has accepted the services being delivered as evidenced with a Job Acceptance/delivery or Completion Certificate.

c) The entity has a present right to receive payment from the customer as signed by parties to the contract in the agreement, memorandum of understanding or invoice.

d) Retains none of the significant risks and rewards of the service or goods in question.

**Determining the transaction price**

The Group provides applications developed to fit into the specific need of client and prices are fixed per client per service rendered, therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. Exceptions are as follows:

Where transaction is done in large volume like in the case of ConfirmMe price can be varied through discounts depending on the volume of transaction. Commission is also earned from continuous transactions by client.

**Allocating amounts to performance obligations**

All prices have been allocated to each performance obligation identified in the contract on a relative stand-alone selling price basis. Chams only provide services, so each service is invoiced in accordance with agreement signed and the price agreed with the customer. Therefore, there is no judgement involved in allocating contract price to performance obligations (all performance obligations are capable of being, and are, sold separately).

Incremental costs of obtaining contracts and costs to fulfilling contracts

The Group does not incur significant costs in obtaining contracts (e.g., Administration costs related to the tender process). Also the Group is not expected to recover those costs. The costs to fulfil the contracts comprises the cost of application developed, hardware and the installation and other deliverable costs are charged separately to a customer.

**(iii) Finance costs and finance income**
Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss where the Group holds such financial assets and impairment losses recognised on financial assets (other than trade receivables). Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss.
Finance income comprises interest income on short-term deposits with bank, dividend income, changes in the fair value of financial assets at fair value through profit or loss and foreign exchange gains.

**(iv) Basis of consolidation**
Where the Group has control over an investee, it is classified as a subsidiary. The Group 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 Group 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 Group considers all relevant facts and circumstances, including:
=- The size of The Group's voting rights relative to both The size and dispersion of other parties who hold voting rights
=- Substantive potential voting rights held by The group and by other parties
=- other contractual arrangements
=- Historic patterns in voting attendance.
The consolidated financial statements present the results of the Group and its subsidiaries ("the Group") as if they formed a single entity. Intergroup 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 and separate statement of profit or loss and other 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 and separate statement of profit or loss and other 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 Group (including any other receivables forming part of the net investment in the Group), 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 Group in question

**(v) 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 Group 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 segment 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.
Under the Group Operations it provides identity management through its subsidiary companies such as:
**• Card Centre Nigeria 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**
The payment systems involve building, developing and maintenance of ICT infrastructures across the nation through its companies by helping Nigeria move seamlessly with the world's trend of cashless economy. Under the Group Operations, it provides payment platforms through our subsidiary companies such as:

**• ChamsAccess Limited**
ChamsAccess Limited is a Leading Access and Technology Solutions Company focused on providing Customized Solutions that create instant value for our customers.

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

**• Chams Mobile Limited**
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 enquiry etc.

c. All non-current assets under each segment are geographically analysed.
d. Others: Terminal and printers and recharge card aspect of Card Centre

**Geographical location**
The Group has presence in both Lagos and Abuja.

**(vi) 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 year 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 year. 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:**

| | |
|---|---|
| Leasehold Improvement | Over the shorter of the useful life of the item |
| Building | 50 years |
| Computers and other IT equipment | 4 years |
| Office 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 and separate statement of profit or loss and other comprehensive income (e.g. through depreciation, impairment). On disposal of the asset the balance of the revaluation reserve is transferred to retained earnings.

**Derecognition**
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 of 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.

**(vii) 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 year 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.

**(viii) Intangible assets**
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 year over which the asset is generated. The estimated useful life of software is 10 years which is assessed for impairment every year.
Naira.com is a software that was internally developed by the Group. It is an internet-based payment solution platform with an indefinite life. The software will not be subjected to annual amortisation but will be reviewed for an impairment on an annual basis. The software which was initially recognised at cost will be subsequently carried at the revalued amount. The revaluation will be carried out at intervals of every three years.

**(ix) Inventory**
Inventories are stated at the lower of cost and net realisable value. Inventories include Scanner and Computers for biometric data capture and varsity books for training and are stated at cost, which is arrived at using the average cost method. Net realisable value is the estimated selling price in the ordinary course of business. Cost comprises purchase price and other incidental cost in bringing the inventory to the warehouse.
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.

**(x) Financial Instruments**
**Financial assets**
The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

**(xi) Classification of financial assets**
The Group classifies its financial assets into one of the three categories as required by IFRS 9 depending on the purpose for the asset was acquired. These categories
• Financial assets at amortised cost
• Fair value through profit or loss
• Fair value through other comprehensive income
Other than at amortised cost, the Group does not have any category of asset that can be measured at fair value through profit or loss and fair value through other comprehensive income.

**(xii) At amortised cost**
The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:
• the asset is held within a business model whose objective is to collect the contractual cash flows,
and
• the contractual terms give rise to cash flows that are solely payments of principal and interest.
The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

**(xiii) Trade receivables**
Trade receivables arise principally from the provision of services to customers performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current.

**(xiv) Other receivables**
These amounts generally arise from transactions outside the usual operating activities of the Group and collateral is not normally obtained. The non-current other receivables are due, and payments made within three years from the end of the reporting period.

**(xv) Cash and cash equivalents**
Cash and cash equivalents includes 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 reporting cash flows, cash and cash equivalents include cash on hand and bank balances held with financial institutions.

**(xvi) Impairment of financial assets**
Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forwardlooking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

**Fair value through other comprehensive income**
The Group has an investment in unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For these investments, the Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

**(xvii) Prepayments**
Prepayments are payments made in advance relating to the following year and are recognised and carried at original amount less amounts utilised in the statement of profit or loss and other comprehensive income.

**(xviii) Financial liabilities**
The Group classifies its financial liabilities into one of three categories, depending on the purpose for which the liability was acquired. the Group's accounting policy for each category is as follows:

**a. Trade and other payables**
Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

**b. Customer Deposits (Transit Account)**
Advance payment from customer where performance obligation is not yet fulfilled, will be recognised as loan. Interest will be calculated at the ruling rate where performance obligation will be fulfilled after 12 months period.

**c. Borrowings**
Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any interest payable while the liability is outstanding.

**De-recognition of financial liabilities**
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in income statement.

**(xiv) 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.

**(xv) 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 year should be recognized in that year. All benefits that are due or outstanding as at the end of the year are accrued for.

**b. Defined contribution plans**

The Group operates a defined contribution plan as stipulated in the Pension Reform Act, 2004. Under the defined contributory scheme, the Group contributes 10%, while its employees contribute 8% of their annual basic, housing and transport allowances to the scheme. Once the contributions have been paid, the Group retains no legal and constructive obligation to pay further contributions if the fund does not hold sufficient assets to finance benefits accruing under the retirement benefit plan. The Group's obligations are recognised in the statements of comprehensive income as administrative expenses (employee benefits) when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available.

**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.

**(xvi) 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 recognised 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 recognised at the same time as the liability to pay the related dividend is recognised.

**(xvii) Share capital and share premium**

Shares are classified as equity when there is no obligation to transfer cash or other assets. Any amount 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.

**(xviii) Reserves**

Reserves include all current and prior year retained earnings.

**(xix) Dividends on ordinary shares**

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.

**(xx) Offsetting financial instruments**

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

**(xxi) Impairment of financial instruments**

The Group assesses at the end of each reporting year whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows such as changes in arrears or economic conditions that correlate with defaults.
For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.
As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.
If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

**(xxii) 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.

**(xxiii) Related party transactions**
Related parties include the related Companies, the directors and any employee who is able to exert significant influence on the operating policies of the Group. Key management personnel are also considered related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
The Group considers two parties to be related if, directly or indirectly one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. Where there is a related party transactions with the Group, the transactions are disclosed separately as to the type of relationship that exists with the Group and the outstanding balances necessary to understand their effects on the financial position and the mode of settlement.

**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:

| Group<br>31 December 2022 | Carrying amount<br>N'000 | Amortised cost<br>N'000 | Fair value<br>N'000 | Fairvalue through OCI<br>N'000 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents | **2,018,270** | **1,299,561** | **718,709** | **-** |
| Investment projects | **-** | **-** | **-** | **-** |
| Investment in associates | **75,000** | **-** | **75,000** | **-** |
| Investment in Joint Ventures | **425,044** | **-** | **425,044** | **-** |
| Investment securities at fair value through other comprehensive income | **84,454** | **-** | | **-**<br>**84,454** |
| Trade and other receivables | **3,904,067** | **3,904,067** | **-** | **-** |
| | **6,506,836** | **5,203,628** | **1,218,754** | **84,454** |
| **Financial liabilities** | | | | |
| Trade and other payables | **4,837,288** | **-** | **4,837,288** | **-** |
| Lease liabilities | **10,680** | **10,680** | **-** | **-** |
| Long term loan | **1,622,168** | **1,622,168** | **-** | **-** |
| | **6,470,135** | **1,632,847** | **4,837,288** | **-** |

| 31 December 2021 | Carrying amount<br>N'000 | Amortised cost<br>N'000 | Fair value<br>N'000 | Fairvalue through OCI<br>N'000 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents | 2,920,711 | 2,694,699 | 226,012 | - |
| Investment projects | 460 | - | 460 | - |
| Investment in associates | 74,898 | - | - | - |
| Investment securities at fair value through other comprehensive income | 17,375<br>92,827 | -<br>- | -<br>- | -<br>92,827 |
| Trade and other receivables | 966,716 | 966,716 | - | - |
| | 4,072,986 | 3,661,415 | 226,472 | 92,827 |
| **Financial liabilities** | | | | |
| Trade and other payables | 5,683,867 | - | 5,683,867 | - |
| Long term loan | 1,224,669 | 1,224,669 | - | - |
| | 6,908,535 | 1,224,669 | 5,683,867 | - |

| Company<br>31 December 2022 | Carrying amount<br>N'000 | Amortised cost<br>N'000 | Fair value<br>N'000 | Fairvalue through OCI<br>N'000 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents | **2,736** | **-** | **2,736** | **-** |
| Investment projects | **-** | **-** | **-** | **-** |
| Investment in subsidiaries | **4,400,059** | **-** | **4,400,059** | **-** |
| Investment in associates | **75,000** | **-** | **75,000** | **-** |
| Investment securities at fair value through other comprehensive income | **84,454** | **-** | **-** | **84,454** |
| Trade and other receivables | **415,625** | **415,625** | **-** | **-** |
| | **4,977,875** | **415,625** | **4,477,796** | **84,454** |
| **Financial liabilities** | | | | |
| Trade and other payables | **1,705,503** | **-** | **1,705,503** | **-** |
| Long term loan | **983,995** | **983,995** | **-** | **-** |
| | **2,689,498** | **983,995** | **1,705,503** | **-** |

| 31 December 2021 | Carrying amount<br>N'000 | Amortised cost<br>N'000 | Fair value<br>N'000 | Fairvalue through OCI<br>N'000 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents | 44,363 | (0) | 44,364 | - |
| Investment projects | 460 | - | 460 | - |
| Investment in subsidiaries | 3,548,165 | - | 3,548,165 | - |
| Investment in associates | 74,898 | - | 74,898 | - |
| Investment securities at fair value through other comprehensive | 92,827 | - | - | 92,827 |
| Trade and other receivables | 724,242 | 724,242 | - | - |
| | 4,484,954 | 724,241 | 3,667,886 | 92,827 |
| **Financial liabilities** | | | | |
| Trade and other payables | 1,331,536 | - | 1,331,536 | - |
| Long term loan | 962,706 | 962,706 | - | - |
| | 2,294,242 | 962,706 | 1,331,536 | - |

**6. Financial Risk Management**

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

- Reputational risk
- Technology risk
- Legal risk
- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Other market price risk, and
- Economic and government/political risk.

In common with all other businesses, 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 substantive 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 years 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 quarterly 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 counter-party fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is the Group's policy to assess the credit risk of new customers before signing 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

**Cash in bank and short-term deposits**

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

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **N'000** | N'000 | **N'000** | N'000 |
| Providus Bank Plc | **2,114** | 32,705 | **1,946** | 16,265 |
| Zenith International Bank Plc | **16,953** | 30,712 | **89** | 321 |
| First Bank of Nigeria Limited | **3,547** | 9,174 | **386** | 6,393 |
| Access Bank Plc | **9,789** | 3,383 | **20** | 379 |
| United Bank for Africa Plc | **11,631** | 10,064 | **49** | 1,279 |
| Stanbic IBTC Bank | **743** | 4,445 | **17** | 106 |
| Guarantee Trust Bank | **40,655** | 38,998 | **73** | 686 |
| Sterling Bank Plc | **22,340** | 57,013 | **12** | 17,346 |
| Titan Trust bank | **12,748** | 21,092 | **-** | - |
| Others | **598,549** | 20,136 | **144** | 1,587 |
| | **719,069** | 227,722 | **2,736** | 44,364 |

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 appropriate balance of exposure to these risks.
During 2022 and 2021, the Group's borrowings at variable rate were denominated in Naira.
The Group analyses 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-tofixed 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 receives a monthly forecast, analyzed by the major currencies held by the Group, of liabilities due for settlement and expected cash reserves.
The Group is currently not exposed to foreign exchange risk as it does not have any liability 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 year 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 indicate that the Group is 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 treasury unit manages the funds for each project 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2022

| Group<br>31 December 2022 | Below 1 year<br>N'000 | Between 1 to 2 years<br>N'000 | Above 3 years<br>N'000 | Total<br>N'000 |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Trade and other payables | **4,837,288** | **-** | **-** | **4,837,288** |
| Lease liabilities | **-** | **-** | **10,680** | **10,680** |
| Long term loan | **370,228** | **1,251,940** | **-** | **1,622,168** |
| | **5,207,516** | **1,251,940** | **10,680** | **6,470,135** |
| **31 December 2021** | | | | |
| **Financial liabilities** | | | | |
| Trade and other payables | 5,683,867 | - | - | 5,683,867 |
| Long term loan | 28,121 | 1,196,547 | - | 1,224,669 |
| | 5,711,988 | 1,196,547 | - | 6,908,535 |
| **Company**<br>**31 December 2022** | | | | |
| **Financial liabilities** | | | | |
| Trade and other payables | **1,705,503** | **-** | **-** | **1,705,503** |
| Long term loan | **-** | **983,995** | **-** | **983,995** |
| | **1,705,503** | **983,995** | **-** | **2,689,498** |
| **31 December 2021** | | | | |
| **Financial liabilities** | | | | |
| Trade and other payables | 1,331,536 | - | - | 1,331,536 |
| Long term loan | - | 962,706 | - | 962,706 |
| | 1,331,536 | 962,706 | - | 2,294,242 |

**Capital Disclosures**

The Group monitors "adjusted capital" which comprises all components of equity (i.e. share capital share premium, noncontrolling
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 to adjusted capital as defined above. Net debt is calculated as total debt (as shown in the consolidated statement of financial position) less cash and cash equivalents.
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 2022 and at 31 December 2021 were as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2022**<br>**N'000** | 2021<br>N'000 | **2022**<br>**N'000** | 2021<br>N'000 |
| Loans and borrowings | **1,622,168** | 1,224,669 | **983,995** | 962,706 |
| Lease liabilities | **10,680** | 10,680 | **-** | - |
| Cash and cash equivalents | **(2,018,270)** | (2,920,711) | **(2,736)** | (44,363) |
| **Net debt** | **(385,423)** | (1,685,362) | **981,259** | 918,342 |
| Total equity | **9,449,453** | 4,734,635 | **3,728,535** | 3,882,388 |
| Total adjusted capital | **9,449,453** | 4,734,635 | **3,728,535** | 3,882,388 |
| Debt to adjusted capital ratio (%) | **-4%** | -36% | **26%** | 24% |

The decrease in the debt to adjusted capital ratio during 2022 resulted primarily from the decrease in net debt arising from settlement of outstanding loans and borrowings during the year.

### 7. Revenue and costs of sales

### 7.1 Revenue from contract with customers

The following is an analysis of the Group's and Company's revenue for the year from continuing operations (excluding investment and other income).

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **N'000** | N'000 | **N'000** | |
| **7.1.1 Product line Categories** | | | | |
| Business process outsourcing | **-** | 7,868 | **-** | 7,868 |
| Chams core | **988,339** | 1,200,577 | **-** | 226,669 |
| New and membership solution | **885,352** | 119,521 | **-** | 8 |
| E- voting | **14,942** | 22,336 | **-** | 10,936 |
| Confirm me | **2,786** | 29,907 | **2,786** | 29,907 |
| MREM Solution | **49,197** | - | **49,197** | - |
| BVN sales and maintenance | **16,160** | 16,451 | **-** | 6,901 |
| Sales of computers | **-** | - | **-** | - |
| Data card products supply of cards | **1,266,871** | 669,430 | **-** | - |
| Identity cards | **5,997** | 10,283 | **-** | - |
| Managed service evolving | **-** | - | **-** | - |
| Virtual Airtime Fee | **1,175,321** | 583,417 | **-** | - |
| Single Funds Transfer Fee &bills Payment | **-** | 928 | **-** | - |
| Access control | **50,120** | 108,932 | **-** | - |
| Computer base training | **-** | 1,045 | **-** | 1,045 |
| E-Value Fee | **-** **0** | 63,241 | **-** | - |
| Automated teller machine/printer | **-** | - | **-** | - |
| Pension Central | **-** | - | **-** | - |
| Public sectors | **11,975** | 86,517 | **-** | - |
| Labour registry/artisan bluwox | **268** | 576 | **-** | 61 |
| HR and payroll services | **460,278** | 226,920 | **-** | - |
| Kegow | **1,773** | - | **-** | - |
| I'm Alive | **13,587** | - | **-** | - |
| Bulk SMS | **7,173** | - | **-** | - |
| Phone, computer and accessories | **116,007** | 176,805 | **-** | - |
| **Total revenue** | **5,066,147** | 3,324,752 | **51,983** | 283,396 |

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **N'000** | N'000 | **N'000** | N'000 |
| **7.2. Costs of sales** | | | | |
| Business process outsourcing | **-** | 1,269 | **-** | 1,269 |
| Chams core | **980,923** | 988,887 | **59,477** | 175,024 |
| New and membership solution | **496,055** | 107,997 | **-** | 8,373 |
| E- voting | **4,213** | 9,416 | **-** | 47 |
| Confirm me | **1,869** | 25,897 | **1,869** | 25,897 |
| MREM Solution | **12,141** | - | **12,141** | - |
| BVN sales and maintenance | **10,162** | 14,692 | **-** | 8,093 |
| Data card products supply of cards | **870,418** | 350,675 | **-** | - |
| Identity cards | **4,301** | 610 | **-** | - |
| Virtual Airtime Fee | **1,176,327** | 582,257 | **-** | - |
| Single Funds Transfer Fee &bills Payment | **-** | 677 | **-** | - |
| Access control | **17,392** | 79,010 | **-** | - |
| Computer base training | **1,022** | 560 | **1,022** | 560 |
| E-Value Fee | **-** | 28,114 | **-** | - |
| Public sectors | **61,009** | 53,213 | **-** | - |
| Labour registry/artisan bluwox | **48** | 51 | **-** | - |
| HR and payroll services | **270,332** | 146,889 | **-** | - |
| Phone, computer and accessories | **112,520** | 171,831 | **-** | - |
| Kegow | **1,664** | **-** | **-** | - |
| I'm Alive | **2,817** | **-** | **-** | - |
| Bulk SMS | **5,487** | **-** | **-** | - |
| Other direct costs | **32,656** | 17,027 | **-** | - |
| **Total costs of sales** | **4,061,357** | 2,579,071 | **74,510** | 219,263 |
| **Gross profit/(loss)** | **1,004,789** | 745,681 | **- 22,527** | 64,132 |
| **Gross margin** | **20%** | 22% | **-43%** | 23% |

**7.3. Segment Information**

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on both the types of goods or services delivered or provided and the market where the goods or services are delivered or provided. The Group's reportable segments under IFRS 8 are therefore as follows.

| | | |
|---|---|---|
| Business process outsourcing | - | Outsourcing servicses |
| Chams core | - | Payment collections |
| Membership | - | Membership subscriptions |
| E- voting | - | Transactional systems. |
| Confirm me | - | On-line registration management |
| BVN Sales and Maintenance | - | BVN Sales and Maintenance management |
| Data card products Supply of Cards | - | Identity management |
| Identity cards | - | Identity cards management |
| HR and payroll services | - | HR and payroll services |
| Managed service Evolving ,Switching service income and others | - | Other e-services and non e-services |

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**7.3.1 Business segment - 2022**

| Revenue and results | Business process outsourcing N'000 | Chams core N'000 | Membership N'000 | E- voting N'000 | Confirm me N'000 | BVN Sales and Maintenance N'000 | Data card products Supply of Cards N'000 | Identity cards N'000 | HR and payroll services N'000 | Managed service Evolving, Switching service income and others N'000 | Total N'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross segment revenue** | **-** | **953,339** | **885,352** | **14,942** | **2,786** | **16,160** | **1,266,871** | **5,997** | **460,278** | **1,353,690** | **4,959,417** |
| Inter segment revenue | - | **35,000** | **71,730** | - | - | - | - | - | - | - | 106,730 |
| **Total revenue** | **-** | **988,339** | **957,082** | **14,942** | **2,786** | **16,160** | **1,266,871** | **5,997** | **460,278** | **1,353,690** | **5,066,147** |
| Other income | - | **3,025.67** | **-** | **35,000** | **-** | **-** | **4,814** | **-** | **81,397** | **20** | **124,257** |
| **Less: Costs of sales** | | | | | | | | | | | |
| Material | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(4,061,357)** | **(4,061,357)** |
| Salaries and wages | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Depreciation - direct | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Depreciation- apportioned | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Finance lease charges | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Operating lease charges | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Impairment losses | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Other direct overheads | - | - | - | - | - | - | - | - | - | - | - |
| **Contribution to (Loss)/profit** | **-** | **991,365** | **957,082** | **49,942** | **2,786** | **16,160** | **1,271,685** | **5,997** | **541,675** | **(2,707,646)** | **1,129,047** |
| **Less: Apportioned costs** | | | | | | | | | | | |
| Workshop charge | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| General administration | **-** | **227,457** | **-** **116,718** | **-** | **-** **95,280** | **-** | **-** **383,044** | **242,781** | **-** | **-** **1,133,298** | **-** **1,258,102** |
| **(Loss)/profit before taxation** | **-** | **1,218,822** | **840,364** | **49,942** | **(92,494)** | **16,160** | **888,642** | **248,778** | **541,675** | **(3,840,944)** | **(129,055)** |

There was no intersegment transaction as all revenue generated above was from external customers.

The accounting policies of the reportable segments are the same as the company's accounting policies described in note 3. Segment profit represents the gross profit earned by each segment without allocation of general operating expenses, other gains and losses recognised on investment income, other operating income as well as finance costs.

This is the measure reported to the Chief Operating Decision Maker for the purpose of resource allocation and assessment of segment performance.

**7.3.1 Business segment - 2021**

| Revenue and results | Business process outsourcing N'000 | Chams core N'000 | Membership N'000 | E- voting N'000 | Confirm me N'000 | BVN Sales and Maintenance N'000 | Data card products Supply of Cards N'000 | Identity cards N'000 | HR and payroll services N'000 | service Evolving,Switching service N'000 | Total N'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross segment revenue** | **7,868** | 1,176,465 | 119,521 | 22,336 | 29,907 | 16,451 | 669,430 | 10,283 | 226,920 | 1,021,460 | 3,300,640 |
| Intersegment revenue | - | 24,112 | - | - | - | - | - | - | | - | 24,112 |
| **Total revenue** | **7,868** | 1,200,577 | 119,521 | 22,336 | 29,907 | 16,451 | 669,430 | 10,283 | 0 | 1,021,460 | 3,324,752 |
| Other income | - | 107,732 | 90,546 | - | - | - | 13,223 | - | 122,443 | 39,427 | 373,371 |
| **Less: Direct costs** | | | | | | | | | | | |
| Material | (79,010) | (1,261,410) | (79,010) | (39,509) | - | (14,692) | (522,506) | - | (582,257) | (677) | (2,579,071) |
| Salaries and wages | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation - direct | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation- apportioned | - | - | - | - | - | - | - | - | - | - | - |
| Finance lease charges | - | - | - | - | - | - | - | - | - | - | - |
| Operating lease charges | - | - | - | - | - | - | - | - | - | - | - |
| Impairment losses | - | - | - | - | - | - | - | - | - | - | - |
| Other direct overheads | - | - | - | - | - | - | - | - | - | - | - |
| **Contribution to profit** | (71,142) | 46,899 | 131,057 | (17,173) | 29,907 | 1,759 | 160,147 | 10,283 | (459,814) | 1,060,210 | 1,119,052 |
| **Less: Apportioned costs** | | | | | | | | | | | |
| Workshop charge | - | - | - | - | - | - | - | - | - | - | - |
| General administration | - | 4,521 | - 194,842 | - | - 95,280 | - | - 193,181 | - | - | - 1,133,298 | - 1,612,080 |
| **(Loss)/profit before taxation** | (71,142) | 51,420 | (63,785) | (17,173) | (65,373) | 1,759 | (33,034) | 10,283 | (459,814) | (73,088) | (493,028) |

There was no intersegment transaction as all revenue generated above was from external customers.

The accounting policies of the reportable segments are the same as the company's accounting policies described in note 3. Segment profit represents the gross profit earned by each segment without allocation of general operating expenses, other gains and losses recognised on investment income, other operating income as well as finance costs.

This is the measure reported to the Chief Operating Decision Maker for the purpose of resource allocation and assessment of segment performance.

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| | 2022 | | | 2021 | | |
|---|---|---|---|---|---|---|
| | Nigeria | Other Countries | Total | Nigeria | Other Countries | Total |
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| **7.4 Business and geographical segment** | | | | | | |
| Revenue and other income | **5,190,404** | **-** | **5,190,404** | 3,698,124 | - | 3,698,124 |
| Loss before depreciation, interest and tax | **108,011** | **-** | **108,011** | (269,862) | - | (269,862) |
| Interest income | **65,062** | **-** | **65,062** | 76,416 | - | 76,416 |
| Finance cost | **(188,660)** | **-** | **(188,660)** | (171,696) | - | (171,696) |
| Income tax expense or income | **(246,184)** | **-** | **(246,184)** | 133,110 | - | 133,110 |
| Segment assets | **16,288,880** | **-** | **16,288,880** | 11,825,349 | - | 11,825,349 |
| Capital expenditure | **-** | **-** | **-** | - | - | - |

**7.5 Segment assets and liabilities**

All assets and liabilities are jointly used by the reportable segments.

Impairment loss on land and other items of property,plant and equipment 86 million does not relate specifically to any of the segments of the business

**7.6 Information about major customers**

There are no customers that represent more than 10% of the total revenue of any of the reported segments.

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **N'000** | N'000 | **N'000** | N'000 |
| **8. Other operating income** | | | | |
| Rental Income (Note 8.1) | **35,000** | - | **35,000** | 24,112 |
| Profit on disposal of property, plant and equipment | **2,809** | 10,240 | **2,809** | 9,583 |
| Exchange Gain | **106** | 590 | **86** | 7 |
| Miscellaneous Income | **4,945** | 49,230 | **131** | 33,984 |
| Accruals no longer required (Note 8.2.) | **81,397** | 275,124 | **-0** | 64,158 |
| Share services costs gained (Note 8.3) | **-** | - | **143,193** | - |
| Write back of over provision for VAT & WHT (Note 8.4.) | **-** | 38,188 | **-** | - |
| | **124,257** | 373,371 | **181,219** | 131,844 |

**8.1.** The rental income is earned on some part of the floor space of the company's Head Office which is leased out to its subsidiaries and some other companies. This has been fully eliminated on consolidation.

**8.2.** This represents previous year accrual no longer required.

**8.3.** This represent payment made by subsidiaries as a result of professional services rendered by the Holding Company to them by way of legal/ company sec., internal audit and risk management, group GMD, finance and account and rent

**8.4.** Write back of execess tax accrued on VAT& WHT after back duty audit

| | | | | |
|---|---|---|---|---|
| **9. Selling and marketing expenses** | | | | |
| Branding and media advertisement | **10,143** | 16,786 | **6** | 1,954 |
| Marketing and promotion | **20,184** | 12,306 | **1,073** | 6,358 |
| | **30,327** | 29,092 | **1,079** | 8,312 |

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| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **N'000** | N'000 | **N'000** | N'000 |
| **10. Employees and other related expenses** | | | | |
| Salaries ,wages, allowances and benefits | **567,351** | 501,237 | **168,572** | 125,900 |
| Pension contributions (Note 29.2.1) | **26,057** | 23,430 | **7,157** | 10,188 |
| Staff Medical and Recruitment | **16,809** | 17,945 | **3,523** | 6,622 |
| Other staff costs | **51,367** | 30,907 | **723** | 2,700 |
| | **661,584** | 573,519 | **179,976** | 145,410 |
| **11. Depreciation and amortisation expenses** | | | | |
| **Depreciation expenses:** | | | | |
| Building | **45,595** | 45,717 | **45,595** | 45,595 |
| Furniture and fittings | **3,940** | 3,599 | **435** | 428 |
| Computer equipment | **14,197** | 8,953 | **6,667** | 5,544 |
| Equipment | **1,819** | 3,920 | **304** | 1,270 |
| Motor vehicles | **5,301** | 9,802 | **2,327** | 3,938 |
| Plant and machinery | **35,086** | 44,661 | **-** | 35 |
| Right-of-use- assets | **6,600** | 9,900 | **-** | - |
| **12. Amortisation expenses:** | | | | |
| Software development | **931** | 1,332 | **-** | 1,132 |
| | **113,469** | 127,885 | **55,328** | 57,942 |
| **13. Administrative expenses** | | | | |
| Director fees and expenses | **40,815** | 41,632 | **30,010** | 33,540 |
| Repairs and maintenance | **24,788** | 14,149 | **2,024** | 3,951 |
| Bank charges | **8,974** | 10,061 | **424** | 2,416 |
| Insurance expenses | **4,559** | 3,354 | **1,716** | 1,743 |
| Gift and donations | **21,174** | 33,760 | **623** | 19,824 |
| Printings and stationeries | **4,467** | 5,741 | **767** | 1,271 |
| Legal and professional charges | **337** | 126,795 | **17,309** | 40,170 |
| Audit fees | **10,815** | 10,750 | **2,500** | 2,500 |
| Travelling and transport expenses | **48,202** | 47,410 | **8,382** | 6,592 |
| Entertainment expenses | **30,467** | 7,573 | **618** | 1,211 |
| Telephone, postage and Carriage | **11,891** | 9,845 | **3,114** | 2,271 |
| Rents and rates | **33,161** | 9,750 | **6,234** | 7,928 |
| Electricity and power | **15,919** | 13,686 | **1,964** | 3,646 |
| Computer and Internet expenses | **68,407** | 42,584 | **2,222** | 7,338 |
| Subscriptions | **14,663** | 13,772 | **13,341** | 10,133 |
| Security expenses | **4,385** | 4,519 | **1,402** | 1,444 |
| Cleaning expenses | **2,667** | 3,632 | **2,104** | 3,052 |
| **Impairment loss (write back)/charge on financial assets:** | | | | |
| Impairment loss (write back)/charge on trade receivable (Note 27.3) | **388,461** | (34,173) | **350,935** | (70,805) |
| Impairment loss (write back)/charge on other receivable (Note 25.4) | **(535,071)** | 202,036 | **(686,664)** | - |
| Impairment charge on placement with banks (Note 28.3) | **251** | 1,709 | **-** | - |
| Impairment loss charge on investment in subsidiaries (Note 22.1) | **-** | - | **-** | (153,775) |
| Impairment loss charge on property,plant and equipment (Note 18) | **-** | 86,324 | **-** | 20,230 |
| Impairment loss charge on investment project (Note 20) | **460** | - | **460** | - |
| Intangible assets written off (Note 21) | **1,132** | - | **1,132** | **-** |
| AGM expenses | **5,410** | 5,903 | **5,305** | 5,853 |
| Expatriate labour registry | **678** | 13,300 | **678** | 13,300 |
| Exchange loss | **7,245** | 1,915 | **87** | 607 |
| Miscellaneous expenses | **114,868** | 110,277 | **5,857** | 31,042 |
| | **329,124** | 786,304 | **(227,457)** | (4,521) |

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **2022** | 2021 | **2022** | 2021 |
| | | **N'000** | N'000 | **N'000** | N'000 |
| **14.** | **Net interest expense** | | | | |
| **14.1.** | **Interest income:** | | | | |
| | Finance Income (Bank deposits calculated using effective Interest rate method) | **65,062** | 76,416 | **9,716** | 14,316 |
| **14.2** | **Finance costs** | | | | |
| | **Interest expenses:** | | | | |
| | Interest on bank loans calculated using effective Interest rate methods | | | | |
| | Overdraft | **(51,008)** | (16,504) | **-** | **-** |
| | Bank loans | **(137,652)** | (155,192) | **(90,670)** | (101,082) |
| | | **(188,660)** | (171,696) | **(90,670)** | (101,082) |
| | **Net interest expense** | **(123,598)** | (95,279) | **(80,954)** | (86,766) |
| **15.** | **(Loss)/profit for the year is arrived at after charging:** | | | | |
| | Directors' remuneration | **40,815** | 41,632 | **30,010** | 33,540 |
| | Auditors' remuneration | **10,815** | 10,750 | **2,500** | 2,500 |
| | Depreciation property,plant and equipment | **105,937** | 116,653 | **55,328** | 56,810 |
| | Depreciation right-of-use assets | **6,600** | 9,900 | **-** | - |
| | Amortisation of intangible assets | **931** | 1,332 | **-** | 1,132 |
| **16.** | **Taxation** | | | | |
| **16.1.** | **Income tax recognised in profit or loss** | | | | |
| | **Current tax** | | | | |
| | **Current tax expense in respect of the current year:** | | | | |
| | Income tax/minimum tax | **19,322** | **7,722** | **3,441** | 1,038 |
| | Education tax | **15,101** | **(2,263)** | **1** | (0) |
| | Information Technology tax | **804** | - | **-** | - |
| | Police fund level | **2** | - | **-** | - |
| | National Agency for Scheme & Engineering | **103** | - | **-** | - |
| | Under/(over) provision | **54,396** | (138,569) | **54,396** | (134,188) |
| | | **89,728** | (133,110) | **57,838** | (133,150) |
| | Deferred tax expense (Note 16.4) | **156,456** | - | **156,454** | - |
| | **Total income tax expense recognised in current year for continuing operations** | **246,184** | (133,110) | **214,292** | (133,150) |

**16.1.a.** Corporation tax is calculated at 30 per cent (2021: 30 per cent) of the estimated taxable profit for the year. The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21, LFN, 2021 as amended.

**16.1.b.** The charge for education tax of 2 per cent (2021: 2 per cent) is based on the provisions of the Education Tax Act, CAP E4, LFN, 2021.

**16.2. Reconciliation of income tax expense for the year to the accounting profit as per profit or loss:**

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **N'000** | N'000 | **N'000** | N'000 |
| **Loss before tax on continuing operations** | **(129,056)** | (493,026) | **68,812** | (97,933) |
| Tax at the statutory corporation tax rate of 30% (2021: 30%) | **(38,717)** | (147,908) | **20,643** | (29,380) |
| **Effect of:** | | | | |
| Effect of exempted income from taxation | **-** | - | **-** | (1,020) |
| Effect of exempted expenses from taxation | **-** | - | **-** | 65,069 |
| Effects of Minimum tax | **19,322** | 7,722 | **3,441** | 1,038 |
| Effects of education tax | **15,101** | (2,263) | **-** | (0) |
| Effects of information Technology tax | **804** | - | **-** | - |
| Effects of Police fund level | **2** | - | **-** | - |
| Unrecognised tax losses for the current year | **-** | - | **-** | 39,924 |
| **Income tax expense recognised in profit or loss for continuing operations** | **(3,488)** | (142,449) | **24,085** | 75,631 |
| Effective rate (%) | **0.0** | 0.3 | **0.4** | -0.8 |

**16.3. Current tax liabilities**

| | | | | |
|---|---|---|---|---|
| At 1 January | **109,710** | 310,954 | **76,696** | 220,956 |
| Charge for the year (Note 16.1) | **35,229** | 5,459 | **3,442** | 1,038 |
| Payments during the year | **(37,175)** | (44,071) | **(14,013)** | (11,110) |
| Witholding tax credit notes | **-** | (24,063) | **-** | - |
| Under/(over) provision | **54,396** | (138,569) | **54,396** | (134,188) |
| **At 31 December** | **162,160** | 109,710 | **120,521** | 76,696 |

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **2022** | 2021 | **2022** | 2021 |
| | | **N'000** | N'000 | **N'000** | N'000 |
| **16.4.** | **Deferred tax liabilities** | | | | |
| | Deferred tax liabilities | **156,454** | **-** | **156,454** | - |

**16.4.1.** Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax liabilities after offset presented in the Statement of Financial Position:

| Group<br>At 31 December 2021 | At 1 January | Recognise in net income | Recognise in OCI | Reclassify from equity to net income | At 31 December |
|---|---|---|---|---|---|
| | **N'000** | **N'000** | **N'000** | **N'000** | **N'000** |
| **Deferred tax liabilities in relation to:** | | | | | |
| Property, plant & equipment | **-** | **156,456** | **-** | **-** | **156,456** |
| Provisions | **-** | **-** | **-** | **-** | **-** |
| **Total** | **-** | **156,456** | **-** | **-** | **156,456** |
| **Deferred tax assets in relation to:** | | | | | |
| Unutilised capital allowance | **-** | **-** | **-** | **-** | **-** |
| Write-off | **-** | **-** | **-** | **-** | **-** |
| **Total** | **-** | **-** | **-** | **-** | **-** |
| **Net deferred tax liabilities** | **-** | **156,456** | **-** | **-** | **156,456** |

| At 31 December 2020 | At 1 January | Recognise in net income | Recognise in OCI | Reclassify from equity to net income | At 31 December |
|---|---|---|---|---|---|
| | **N'000** | **N'000** | **N'000** | **N'000** | **N'000** |
| **Deferred tax liabilities in relation to:** | | | | | |
| Property, plant & equipment | - | - | - | - | - |
| Provisions | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** |
| **Deferred tax assets in relation to:** | | | | | |
| Unutilised capital allowance | - | - | - | - | - |
| Write-off | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** |
| **Net deferred tax liabilities** | - | - | - | - | - |

**16.4.1. Cont'd**

| Company<br>At 31 December 2022 | At 1 January | Recognise in net income | Recognise in OCI | Reclassify from equity to net income | At 31 December |
|---|---|---|---|---|---|
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| **Deferred tax liabilities in relation to:** | | | | | |
| Property, plant & equipment | - | 156,454 | - | - | 156,454 |
| Provisions | - | - | - | - | - |
| **Total** | - | 156,454 | - | - | 156,454 |
| **Deferred tax assets in relation to:** | | | | | |
| Unutilised capital allowance | - | - | - | - | - |
| Write-off | - | - | - | - | - |
| **Total** | - | - | - | - | - |
| **Net deferred tax liabilities** | - | 156,454 | - | - | 156,454 |

| At 31 December 2021 | At 1 January | Recognise in net income | Recognise in OCI | Reclassify from equity to net income | At 31 December |
|---|---|---|---|---|---|
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| **Deferred tax liabilities in relation to:** | | | | | |
| Property, plant & equipment | - | - | - | - | - |
| Provisions | - | - | - | - | - |
| **Total** | - | - | - | - | - |
| **Deferred tax assets in relation to:** | | | | | |
| Unutilised capital allowance | - | - | - | - | - |
| Write-off | - | - | - | - | - |
| **Total** | - | - | - | - | - |
| **Net deferred tax liabilities** | - | - | - | - | - |

**16.4.2.** The Group has tax losses of N189 million and unused tax credit (capital allowance not utilised) of N6.5 million that are available indefinitely for offsetting against future taxable profits of the Company. The Company also has deductible temporary difference of N200 million not used as at 31 December 2022.

**16.4.3.** Deferred tax assets have not been recognised in respect of the above tax losses, unused tax credit and deductible temporary difference as it is not probable that the related deferred tax assets will be recovered in the near future and there are no other tax planning opportunities or other evidence of recoverability in the near future.

## 17. Loss/(profit) per share

Loss/(profit) per share are calculated on the basis of (loss)/profit after taxation and the number of issued and fully paid ordinary shares of each financial year.

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **N'000** | N'000 | **N'000** | N'000 |
| **(Loss)/profit from continuing operations** | | | | |
| (Loss)/profit attributable to owners of the Group | **(325,495)** | (299,972) | **(145,480)** | 35,217 |
| **Weighted average number of shares** | | | | |
| Number of ordinary shares for the purposes of basic (loss)/profit per share | **4,696,060** | 4,696,060 | **4,696,060** | 4,696,060 |
| Number of ordinary shares for the purposes of diluted loss per share | **4,696,060** | 4,696,060 | **4,696,060** | 4,696,060 |
| (Loss)/profit per share (Kobo) - Basic | **(6.93)** | (6.39) | **(3.10)** | 0.75 |
| (Loss)/profit per share (Kobo) - Diluted | **(6.93)** | (6.39) | **(3.10)** | 0.75 |

**17.1** The denominators for the purposes of calculating both basic (loss)/profit per share is based on issued and paid ordinary shares of 50 kobo each.

| | **2022** | **2021** |
|---|---|---|
| **18. Leases** | **N'000** | **N'000** |
| **18.1 Right-of-use assets** | | |
| **Shops in lease** | | |
| **Cost:** | | |
| At 1 January | **31,800** | - |
| Additions | **-** | 31,800 |
| **At 31 December** | **31,800** | 31,800 |
| **Accumulated depreciation:** | | |
| At 1 January | **9,900** | |
| Charge in the period | **6,600** | 9,900 |
| **At 31 December** | **16,500** | 9,900 |
| Carrying amount | **15,300** | 21,900 |
| **18.2 Lease liabilities** | | |
| At 1 January | **10,680** | - |
| Additions | **-** | 10,680 |
| Interest expense | **-** | - |
| **At 31 December** | **10,680** | 10,680 |

**19.** Property,plant and equipment-Group

| | Land | Building | Motor Vehicles | Furniture and fittings | Computer equipments | Office equipments | Plant and machinery | Total |
|---|---|---|---|---|---|---|---|---|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| **Cost or Valuation:** | | | | | | | | |
| **At 1 January 2021** | **76,667** | **2,000,000** | **196,034** | **299,252** | **452,862** | **1,336,641** | **909,382** | **5,270,838** |
| Additions | - | - | - | 8,878 | 4,113 | 4,259 | 22,963 | 40,213 |
| Disposal | | | (60,403) | - | (209,239) | (190,898) | (30,980) | (491,520) |
| Impairment | (76,667) | - | - | - | (5,275) | (4,382) | - | (86,324) |
| Reclassified | - | - | - | - | 22,898 | (9,669) | (13,229) | - |
| Reclassified to intangible | - | - | - | - | (73,216) | - | | (73,216) |
| **At 31 December 2021** | **-** | **2,000,000** | **135,631** | **308,130** | **192,143** | **1,135,951** | **888,136** | **4,659,991** |
| **At 1 January 2022** | **-** | **2,000,000** | **135,631** | **308,130** | **192,143** | **1,135,951** | **888,136** | **4,659,991** |
| Additions | **-** | **-** | **16,212** | **7,587** | **17,463** | **11,652** | **39,642** | **92,556** |
| Disposal | **-** | **-** | **(9,150)** | **-** | **-** | **-** | **-** | **(9,150)** |
| Impairment | **-** | **-** | **5** | **-** | **0** | **(0)** | **0** | **5** |
| **At 31 December 2022** | **-** | **2,000,000** | **142,698** | **315,717** | **209,606** | **1,147,603** | **927,778** | **4,743,402** |
| **Accumulated depreciation** | | | | | | | | |
| **At 1 January 2021** | **-** | **246,814** | **177,336** | **299,252** | **426,336** | **1,284,844** | **388,718** | **2,823,300** |
| Charge in the year | - | 45,717 | 9,802 | 3,599 | 8,953 | 3,920 | 44,661 | 116,653 |
| Disposal | - | (126) | (58,055) | (413) | (210,639) | (192,411) | (7,792) | (469,436) |
| Reclassified | | | | | 16,282 | (8,223) | (8,059) | - |
| Reclassified to intangible | - | - | - | - | (72,067) | - | - | (72,067) |
| **At 31 December 2021** | **-** | **292,405** | **129,083** | **302,438** | **168,865** | **1,088,130** | **417,528** | **2,398,450** |
| **At 1 January 2022** | **-** | **292,405** | **129,083** | **302,438** | **168,865** | **1,088,130** | **417,528** | **2,398,450** |
| Charge in the year | - | **45,595** | **5,301** | **3,940** | **14,197** | **1,819** | **35,086** | **105,937** |
| Disposal | - | **-** | **(9,150)** | **-** | **-** | **-** | **-** | **(9,150)** |
| Adjustment | - | **(0)** | **57** | **54** | **(1,876)** | **2,085** | **(1,193)** | **(874)** |
| **At 31 December 2022** | **-** | **337,999** | **125,291** | **306,432** | **181,185** | **1,092,035** | **451,421** | **2,494,364** |
| **Carrying amount:** | | | | | | | | |
| **At 31 December 2022** | **-** | **1,662,001** | **17,407** | **9,285** | **28,421** | **55,568** | **476,357** | **2,249,038** |
| At 31 December 2021 | - | 1,707,595 | 6,548 | 5,692 | 23,278 | 47,821 | 470,608 | 2,261,541 |

**19.1** The Group building was professionally valued by Jide Alabi & Co (Estate Surveyors and Valuers) as at 31 December, 2014 on the basis of their open market values. The revised value of the properties was N2,000,000,000 resulting in a surplus on revaluation of N959,065,000 which has been credited to the property, plant and equipment revaluation account. The revaluation report was dated 31 December 2014.

**19.2** At 31 December 2022, the Company had none of its assets pledged as security (31 December 2021: Nil)

**19.** **Property,plant and equipment- Company**

| | Land | Building | Motor Vehicles | Furniture and fittings | Computer equipments | Office equipments | Plant and machinery | Total |
|---|---|---|---|---|---|---|---|---|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| **Cost or Valuation:** | | | | | | | | |
| **At 1 January 2021** | **20,230** | **2,000,000** | **108,920** | **200,246** | **99,504** | **1,096,592** | **47,976** | **3,573,468** |
| Additions | - | - | - | 925 | 1,486 | 86 | - | 2,497 |
| Disposal | - | - | (33,957) | - | - | (24,365) | (7,016) | (65,338) |
| Impairment | (20,230) | | | | | | | (20,230) |
| Reclassified to intangible | | | | | (73,216) | | | (73,216) |
| **At 31 December 2021** | **-** | **2,000,000** | **74,963** | **201,171** | **27,774** | **1,072,313** | **40,960** | **3,417,181** |
| **At 1 January 2022** | **-** | **2,000,000** | **74,963** | **201,171** | **27,774** | **1,072,313** | **40,960** | **3,417,181** |
| Additions | **-** | **-** | | **3** | **459** | **3,770** | **-** | **4,232** |
| Disposal | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Impairment | **-** | **-** | **5** | **-** | **0** | **(0)** | **0** | **5** |
| **At 31 December 2022** | **-** | **2,000,000** | **74,968** | **201,174** | **28,233** | **1,076,083** | **40,960** | **3,421,418** |
| **Accumulated depreciation** | | | | | | | | |
| **At 1 January 2021** | **-** | **246,814** | **102,656** | **199,215** | **78,828** | **1,053,951** | **47,975** | **1,729,439** |
| Charge in the year | - | 45,595 | 3,938 | 428 | 5,544 | 1,270 | 35 | 56,810 |
| Disposal | - | - | (33,957) | - | - | (24,365) | (7,051) | (65,373) |
| Reclassified to intangible | | | | | (72,067) | | | (72,067) |
| **At 31 December 2021** | **-** | **292,409** | **72,637** | **199,643** | **12,305** | **1,030,856** | **40,959** | **1,648,809** |
| **At 1 January 2022** | **-** | **292,409** | **72,637** | **199,643** | **12,305** | **1,030,856** | **40,959** | **1,648,809** |
| Charge in the year | **-** | **45,595** | **2,327** | **435** | **6,667** | **304** | **-** | **55,328** |
| Disposal | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Impairment | **-** | **(4)** | **(0)** | **2** | **0** | **150** | **(0)** | **147** |
| **At 31 December 2022** | **-** | **337,999** | **74,963** | **200,080** | **18,972** | **1,031,311** | **40,959** | **1,704,284** |
| **Carrying amount:** | | | | | | | | |
| **At 31 December 2022** | **-** | **1,662,001** | **5** | **1,094** | **9,261** | **44,772** | **1** | **1,717,134** |
| At 31 December 2021 | - | 1,707,591 | 2,326 | 1,528 | 15,469 | 41,457 | 1 | 1,768,372 |

**19.1** The company building was professionally valued by Jide Alabi & Co (Estate Surveyors and Valuers) as at 30 June 2022 on the basis of their open market values. The revised value of the properties was N2,000,000,000 resulting in a surplus on revaluation of N959,065,000 which has been credited to the property, plant and equipment revaluation account. The revaluation report was dated 31 December 2014.

**19.2** At 31 December 2022, the Company had none of its assets pledged as security (31 December 2021: Nil)

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **2022** | 2021 | **2022** | 2021 |
| | | **N'000** | N'000 | **N'000** | N'000 |
| **20.** | **Investment projects** | | | | |
| | Chams Versity (Note 20.2) | **4,083** | 4,083 | **4,083** | 4,083 |
| | Chams Consortium (Note 20.3) | **146,589** | 146,589 | **146,589** | 146,589 |
| | Chams Mobile Limited (Note 20.4) | **-** | - | **-** | - |
| | | **150,672** | 150,672 | **150,672** | 150,672 |
| | Impairment allowance on defunct units | **(150,672)** | (150,213) | **(150,672)** | (150,213) |
| | | **-** | 460 | **-** | 460 |

**20.1.** 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.

**20.2.** **Chams Versity:** a defunct division of Chams Plc established for training professionals on technical areas of Information technology. However, the unit is no longer in operation. Thus, full impairment has been made.

**20.3.** **Chams Consortium:** a defunct division of Chams Plc established for business advisory units with responsibility of prospecting for new contracts. However, the unit is no longer in operation. Thus, full impairment has been made.

**20.4.** **Chams Mobile 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. However, the total expenditure till date has been capitalised and transferred to investment in subsidiaries.

**20.5.** **Movement in Investment projects-31 December 2022**

| Name of projects | At 1 Jan | Additions | Transferred to investment in subsidiaries | At 31 Dec |
|---|---|---|---|---|
| | **N'000** | N'000 | **N'000** | N'000 |
| Chams Versity | **4,083** | **-** | **-** | **4,083** |
| Chams Consortium | **146,589** | **-** | **-** | **146,589** |
| Chams Mobile Limited | **-** | | | **-** |
| | **150,672** | **-** | **-** | **150,672** |

**Movement in Investment projects-31 December 2021**

| Name of projects | At 1 Jan | Additions | Transferred to investment in subsidiaries | At 31 Dec |
|---|---|---|---|---|
| | **N'000** | N'000 | **N'000** | N'000 |
| Chams Versity | 4,083 | - | - | 4,083 |
| Chams Consortium | 146,589 | - | - | 146,589 |
| Chams Mobile Limited | 27,620 | 509,949 | (537,569) | - |
| | 178,292 | 509,949 | (537,569) | 150,672 |

21.

| Intangible assets-Group | Euro Master Verve Certificate | Naira.com | NCC Licences | Konal Solution | IT Softwares | Software Development | ODO software | Work in progress | Total |
|---|---|---|---|---|---|---|---|---|---|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| **Cost :** | | | | | | | | | |
| **At 1 January 2021** | **48,282** | **705,223** | **186,863** | **20,000** | **591** | **125,589** | **-** | **63,636** | **1,150,184** |
| Additions-externally acquired | - | 17,043 | - | - | 744,263 | - | - | 93,258 | 854,564 |
| Revaluation surplus | - | 3,522,299 | - | - | 443,938 | - | - | - | 3,966,237 |
| Disposal | - | - | - | (20,000) | - | (240) | - | - | (20,240) |
| Write off | (48,282) | - | (186,863) | - | - | - | - | - | (235,145) |
| Reclassified | | (354,237) | - | - | 354,237 | - | - | - | - |
| Reclassified from property and equipment (Note 19) | - | - | - | - | 73,216 | - | - | - | 73,216 |
| **At 31 December 2021** | **-** | **3,890,328** | **-** | **-** | **1,616,245** | **125,349** | **-** | **156,894** | **5,788,816** |
| **At 1 January 2022** | **-** | **3,890,328** | **-** | **-** | **1,616,245** | **125,349** | **-** | **156,894** | **5,788,816** |
| Additions-externally acquired | **-** | **16,666** | **-** | **-** | **13,004** | **1,132** | **6,983** | **102,164** | **139,949** |
| Revaluation surplus | **-** | **-** | **-** | **-** | **1,771,137** | **-** | **-** | **-** | **1,771,137** |
| Impairment | **-** | **-** | **-** | **-** | **(0)** | **0** | **(0)** | **(0)** | **(1)** |
| Write off | **-** | **-** | **-** | **-** | **-** | **(1,132)** | **-** | **-** | **(1,132)** |
| Reclassified | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **At 31 December 2022** | **-** | **3,906,994** | **-** | **-** | **3,400,386** | **125,349** | **6,983** | **259,058** | **7,698,769** |
| **Amortisation** | | | | | | | | | |
| **At 1 January 2021** | **48,282** | **-** | **150,000** | **-** | **279** | **125,677** | **-** | **-** | **324,238** |
| Charge in the year | - | - | - | - | 1,332 | - | - | - | 1,332 |
| Disposal | - | - | - | - | - | (328) | | | (328) |
| Reclassified | - | - | - | - | 354,271 | - | - | - | 354,271 |
| Write off | (48,282) | - | (150,000) | - | (407) | - | - | - | (198,689) |
| Reclassified from property and equipment (Note 19) | - | - | - | - | 72,216 | - | - | - | 72,216 |
| **At 31 December 2021** | **-** | **-** | **-** | **-** | **427,691** | **125,349** | **-** | **-** | **553,040** |
| **At 1 January 2022** | **-** | **-** | **-** | **-** | **427,691** | **125,349** | **-** | **-** | **553,040** |
| Charge in the year | **-** | **-** | **-** | **-** | **931** | **-** | **-** | **-** | **931** |
| Write off | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Impairment | **-** | **-** | **-** | **-** | **(0)** | **0** | **-** | **-** | **0** |
| Reclassified | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **At 31 December 2022** | **-** | **-** | **-** | **-** | **428,622** | **125,349** | **-** | **-** | **553,971** |
| | | | | | **428,622** | | | | |
| **Carrying amount:** | | | | | | | | | |
| **At 31 December 2022** | **-** | **3,906,994** | **-** | **-** | **2,971,764** | **-** | **6,983** | **259,058** | **7,144,798** |
| At 31 December 2021 | - | 3,890,328 | - | - | 1,188,554 | - | - | 156,894 | 5,235,776 |

**20.1** Naira.com was independently valued by Meristem Capital Limited at 31 December 2021 to ascertain the open market value of the assets.The Valuer's opinion of the market value was primarily derived from historical financial information provided by the management of the Company, as contained in their annual financial statements from 2016 to 2020, Company's forecasts of casflows and recent evidence of market transactions on comparable assets within the neighbourhood. The valuation resulted in a revaluation surplus of N3,185,355,000 on Naira.com which has been credited to revaluation reserve. No amortisation was charged on Naira.com in accordance with the Group's accounting policy.

The IT Software consisting of HR Payroll, I'm Alive, VOTA and Agent Management Solution was independently valued by Axis Partner at 30th August 2022 to ascertain the open market value of the assets.The Valuer's opinion of the market value was primarily derived from historical financial information provided by the management of the Company, as contained in their annual financial statements from 2017 to 2022, Company's forecasts of casflows and recent evidence of market transactions on comparable assets within the neighbourhood. The valuation resulted to a fair value of N2,973,135,565.00 using a projected discounted cashflow for intangible asset. No amortisation was charged on the asset in accordance with the Company's accounting policy.

| 21. Intangible assets-Company | IT Softwares | Software Development | Total |
|---|---|---|---|
| | N'000 | N'000 | N'000 |
| **Cost :** | | | |
| **At 1 January 2021** | **-** | **125,349** | **125,349** |
| Additions-externally acquired | - | - | - |
| Reclassified from property and equipment (Note 19) | **73,216** | **-** | **73,216** |
| **At 31 December 2021** | **73,216** | **125,349** | **198,565** |
| **At 1 January 2022** | **73,216** | **125,349** | **198,565** |
| Additions-externally acquired | | **1,132** | **1,132** |
| Write off | **-** | **(1,132)** | **(1,132)** |
| **At 31 December 2022** | **73,216** | **125,349** | **198,565** |
| **Amortisation** | | | |
| **At 1 January 2021** | **1,132** | **125,349** | **126,481** |
| Charge in the year | **-** | **-** | **-** |
| Reclassified from property and equipment (Note 19) | **72,084** | | **72,084** |
| **At 31 December 2021** | **73,216** | **125,349** | **198,565** |
| **At 1 January 2022** | **73,216** | **125,349** | **198,565** |
| Charge in the year | - | **-** | **-** |
| **At 31 December 2022** | **73,216** | **125,349** | **198,565** |
| **Carrying amount:** | | | |
| **At 31 December 2022** | **-** | **-** | **-** |
| At 31 December 2021 | - | - | - |

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **N'000** | N'000 | **N'000** | N'000 |
| **22. Investment in subsidiaries** | | | | |
| Chams Access Ltd | **-** | - | **1,810,600** | 1,810,600 |
| Chams Switch Ltd | **-** | - | **1,358,841** | 1,358,841 |
| Card Center Ltd | **-** | - | **2,298,002** | 1,531,302 |
| Chamsmobile Ltd | **-** | - | **622,764** | 537,569 |
| | **-** | - | **6,090,207** | 5,238,312 |
| Impairment on value of subsidiaries (Note 22.1) | **-** | - | **(1,690,148)** | (1,690,148) |
| | **-** | - | **4,400,059** | 3,548,165 |
| **22.1 Movement in impairment on value of subsidiaries** | | | | |
| At 1 January | - | - | **1,690,148** | 1,843,923 |
| Impairment loss recognised (Note 13) | **-** | - | **-** | 45,476 |
| Impairment loss reversed (Note 13) | **-** | - | **-** | (199,251) |
| **At 31 December** | **-** | - | **1,690,148** | 1,690,148 |

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**22.2 Movement in Investment subsidiaries-31 December 2022**

| Name of subsidiaries | At 1 Jan | Additions | Transferred from investment projects | At 31 Dec |
|---|---|---|---|---|
| | N'000 | N'000 | N'000 | N'000 |
| Chams Access Ltd | **1,810,600** | **-** | **-** | **1,810,600** |
| Chams Switch Ltd | **1,358,841** | **-** | **-** | **1,358,841** |
| Card Center Ltd | **1,531,302** | **766,700** | **-** | **2,298,002** |
| Chamsmobile Ltd | **537,569** | **85,195** | **-** | **622,764** |
| | **5,238,312** | **851,895** | **-** | **6,090,207** |

**Movement in Investment subsidiaries-31 December 2021**

| Name of subsidiaries | At 1 Jan | Additions | Transferred from investment projects | At 31 Dec |
|---|---|---|---|---|
| | N'000 | N'000 | N'000 | N'000 |
| Chams Access Ltd | 1,810,600 | - | - | 1,810,600 |
| Chams Switch Ltd | 806,343 | 552,498 | - | 1,358,841 |
| Card Center Ltd | 1,531,302 | - | - | 1,531,302 |
| Chamsmobile Ltd | - | | **537,569** | 537,569 |
| | **4,148,245** | **552,498** | **537,569** | **5,238,312** |

**22.3 Subsidiary undertakings**

All shares in subsidiaries undertakings are ordinary shares.

| Name of Subsidiaries | Principal activities | Country of incorporation | Percentage held | Statutory year end |
|---|---|---|---|---|
| Chams Access Ltd (Note 21.3.1) | Development of ATM, POS, printers and terminals | Nigeria | 66.00% | 31 December |
| Chams Switch Ltd (Note 21.3.2) | Processing of electronic payments | Nigeria | 60.07% | 31 December |
| Card Center Ltd (Note 21.3.3) | Printing of payment/ financial cards | Nigeria | 85.00% | 31 December |
| Chamsmobile Ltd (Note 21.3.4) | Platforms that will allow users to carry out transactions through their mobile phones | Nigeria | 49.00% | 31 December |

**22.3.1 Chams Access Ltd**

A Company incorporated in Nigeria on 21 December 2007 and commenced opeartions on 2 January 2009. Its engaged in the sales and maintenance of Dermalog machines, finger print scanners, BVN machines and data card products.

**22.3.2 Chams Switch Ltd**

A Company incorporated in Nigeria on 1 February 2008 and its Set up to provide e-payment infrastructure support to other e-payment platforms in the Chams Group and other Companies in the private and public sectors in general.

**22.3.3 Card Center Ltd**

A Company incorporated in Nigeria in August 2004 and its principal activities are designing, printing and personalisation of various types of Cards products including customised identity cards, ATM/Debit Cards and SIM Cards.

**22.3.4 Chamsmobile Ltd**

A Company incorporated in Nigeria on 1 February 2008 and its Set 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.

**22.4. Condensed results of consolidated entities**

The consolidated results of the consolidated entities of Chams Plc are shown in Note 21.4.The Chams Plc Group in the condensed results includes the results of the under listed entities:

Chams Plc
Chams Access Ltd
Chams Switch Ltd
Card Center Ltd
Chams Mobile Ltd

### 22.5.a Condensed results of consolidated entities

**31 December 2022**

| Condensed statement of profit or loss and other comprehensive income | Parent - Chams Plc | Chams Access Ltd | Chams Switch Ltd | Card Center Ltd | Chams Mobile Ltd | Total | Elimination | Group |
|---|---|---|---|---|---|---|---|---|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| **Gross earnings** | 242,917 | 2,746,148 | 1,329,050 | 583,615 | 441,581 | 5,343,312 | - 87,847 | 5,255,465 |
| Revenue | 51,983 | 2,746,128 | 1,247,653 | 578,801 | 441,581 | 5,066,147 | - | 5,066,147 |
| Costs of sales | (74,510) | (2,035,163) | (1,205,209) | (480,683) | (265,794) | (4,061,357) | - | (4,061,357) |
| **Gross (loss)/profit** | (22,527) | 710,966 | 42,445 | 98,119 | 175,787 | 1,004,789 | - | 1,004,789 |
| Other operating income | 181,219 | 20 | 81,397 | 4,814 | - | 267,450 | - 143,193 | 124,257 |
| Selling and marketing expenses | (1,079) | (9,932) | (15,470) | (2,037) | (1,810) | (30,327) | - | (30,327) |
| Employees and other related expenses | (179,976) | (237,188) | (38,290) | (113,272) | (92,859) | (661,584) | - | (661,584) |
| Depreciation and amortisation expenses | (55,328) | (14,206) | (5,837) | (35,786) | (2,311) | (113,469) | - | (113,469) |
| Administrative expenses | 227,457 | (383,044) | (128,330) | (116,718) | (71,682) | (472,317) | 143,193 | (329,124) |
| **Operating (loss)/profit** | 149,765 | 66,617 | (64,085) | (164,880) | 7,125 | (5,458) | - | (5,458) |
| Interest income | 9,716 | 676 | 20,446 | - | 34,225 | 65,062 | - | 65,062 |
| Interest expenses | (90,670) | (19,424) | (51,008) | (27,558) | - | (188,660) | - | (188,660) |
| **(Loss)/profit on continuing operations before taxation** | 68,812 | 47,868 | (94,648) | (192,438) | 41,350 | (129,056) | - | (129,056) |
| Income tax expenses | (214,292) | (21,219) | (6,747) | - | (3,927) | (246,185) | - | (246,185) |
| **(Loss)/profit for the year after tax** | (145,480) | 26,650 | (101,395) | (192,438) | 37,423 | (375,241) | - | (375,241) |
| **Condensed statement of cash flow** | | | | | | | | |
| Net cash from operating activities | 963,259 | 525,500 | (1,746,252) | 720,201 | (49,982) | 412,726 | (4,058,731) | (3,646,005) |
| Net cash used in investing activities | (844,836) | (24,097) | (146,303) | (446,628) | 17,413 | (1,444,451) | 872,046 | (572,405) |
| Net cash from financing activities | (160,050) | 18,409 | (51,008) | (21,145) | - | (213,794) | 3,186,307 | 2,972,513 |
| **Net cash flow** | (41,627) | 519,812 | (1,943,563) | 252,428 | (32,569) | (1,245,519) | (378) | (1,245,897) |

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## FOR THE YEAR ENDED 31 DECEMBER 2022

**31 December 2022**

| Condensed statement of financial position | Parent - Chams Plc | Chams Access Ltd | Chams Switch Ltd | Card Center Ltd | Chams Mobile Ltd | Total | Elimination | Group |
|---|---|---|---|---|---|---|---|---|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| **Assets** | | | | | | | | |
| Right-of-use assets | - | 15,300 | - | - | - | 15,300 | - | 15,300 |
| Property,plant and equipment | 1,717,134 | 20,658 | 26,106 | 476,668 | 8,473 | 2,249,038 | - | 2,249,038 |
| Investment projects | - | - | - | - | - | - | - | - |
| Intangible assets | - | 6,983 | 4,169,638 | 453 | 2,967,723 | 7,144,797 | - | 7,144,797 |
| Investment in subsidiaries | 4,400,059 | - | - | - | - | 4,400,059 | - 4,400,059 | 0 |
| Investment in associate | 75,000 | - | - | - | - | 75,000 | - | 75,000 |
| Investment in Joint Ventures | - | - | - | 425,044 | - | 425,044 | - | 425,044 |
| Financial assets - FVOCI | 84,454 | - | - | - | - | 84,454 | - | 84,454 |
| Inventories | - | 289,800 | 17,368 | 65,740 | - | 372,908 | - | 372,908 |
| Trade and other receivables | 415,625 | 1,434,674 | 2,024,208 | 554,431 | 114,842 | 4,543,780 | - 639,713 | 3,904,067 |
| Cash and cash equivalents | 2,736 | 567,108 | 74,898 | 300,133 | 1,073,395 | 2,018,270 | - | 2,018,270 |
| **Total assets** | 6,695,008 | 2,334,523 | 6,312,218 | 1,822,470 | 4,164,433 | 21,328,651 | - 5,039,772 | 16,288,880 |
| **Liabilities** | | | | | | | | |
| Deferred tax liabilities | 156,454 | - | - | - | - | 156,454 | - | 156,454 |
| Deferred income | - | 46,481 | 4,198 | - | - | 50,679 | - | 50,679 |
| Lease liabilities | - | 10,680 | - | - | - | 10,680 | - | 10,680 |
| Long term loan | 983,995 | 147,948 | 369,817 | 120,407 | - | 1,622,168 | - | 1,622,168 |
| Trade and other payables | 1,705,503 | 1,565,223 | 360,969 | 1,698,640 | 146,663 | 5,476,999 | - 639,713 | 4,837,286 |
| Current tax liabilities | 120,521 | 26,172 | 11,540 | - | 3,927 | 162,160 | - | 162,160 |
| **Total liabilities** | 2,966,473 | 1,796,505 | 746,525 | 1,819,047 | 150,590 | 7,479,139 | - 639,713 | 6,839,426 |
| **Equity** | | | | | | | | |
| Share capital and reserve | 3,728,535 | 539,780 | 5,111,891 | 32,289 | 3,994,757 | 13,407,252 | (8,414,575) | 4,992,677 |
| Non-controlling interest | - | (1,762) | 453,802 | (28,866) | 19,086 | 442,261 | 4,014,516 | 4,456,777 |
| **Total equity** | 3,728,535 | 538,018 | 5,565,693 | 3,423 | 4,013,843 | 13,849,512 | (4,400,059) | 9,449,453 |
| **Total liabilities and equity** | 6,695,008 | 2,334,523 | 6,312,218 | 1,822,470 | 4,164,433 | 21,328,651 | (5,039,772) | 16,288,879 |

### 22.5.b Condensed results of consolidated entities

**31 December 2021**

| Condensed statement of profit or loss and other comprehensive income | Parent - Chams Plc | Chams Access Ltd | Chams Switch Ltd | Card Center Ltd | Chams Mobile Ltd | Total | Elimination | Group |
|---|---|---|---|---|---|---|---|---|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| **Gross earnings** | 429,555 | 1,878,741 | 832,316 | 319,810 | 276,128 | 3,736,550 | 37,990 | 3,774,540 |
| Revenue | 283,396 | 1,839,314 | 709,873 | 306,587 | 185,582 | 3,324,752 | - | 3,324,752 |
| Costs of sales | (219,263) | (1,401,491) | (641,166) | (184,412) | (132,740) | (2,579,072) | - | (2,579,072) |
| **Gross profit** | 64,132 | 437,823 | 68,707 | 122,175 | 52,842 | 745,679 | - | 745,679 |
| Other operating income | 131,844 | 39,427 | 122,443 | 13,223 | 90,546 | 397,483 | (24,112) | 373,371 |
| Selling and marketing expenses | (8,312) | (5,384) | (3,912) | (8,921) | (2,562) | (29,091) | - | (29,091) |
| Employees and other related expenses | (145,410) | (182,734) | (46,832) | (133,263) | (65,280) | (573,519) | - | (573,519) |
| Depreciation and amortisation expenses | (57,942) | (19,626) | (4,007) | (45,806) | (504) | (127,885) | - | (127,885) |
| Administrative expenses | 4,521 | (193,181) | (95,423) | (194,842) | (177,716) | (656,641) | (129,663) | (786,304) |
| **Operating loss** | (11,167) | 76,325 | 40,976 | (247,434) | (102,674) | (243,974) | (153,775) | (397,749) |
| Interest income | 14,316 | 28 | 41,949 | - | 20,123 | 76,416 | - | 76,416 |
| Interest expenses | (101,082) | (33,698) | (16,504) | (20,412) | - | (171,696) | - | (171,696) |
| **(Loss)/profit on continuing operations before taxation** | (97,933) | 42,655 | 66,421 | (267,846) | (82,551) | (339,254) | - | (493,029) |
| Income tax expenses | 133,150 | 4,381 | (4,308) | - | (113) | 133,110 | - | 133,110 |
| **(Loss)/profit for the year after tax** | 35,217 | 47,036 | 62,113 | (267,846) | (82,664) | (206,144) | - | (359,919) |
| **Condensed statement of cash flow** | | | | | | | | |
| Net cash from operating activities | 961,723 | (93,437) | (1,264,422) | 124,310 | (156,927) | (428,753) | 1,686,989 | 1,258,236 |
| Net cash used in investing activities | (1,143,528) | (43,385) | (56,617) | (33,830) | (727,000) | (2,004,360) | 1,079,214 | (925,146) |
| Net cash from financing activities | (215,902) | 84,330 | 1,925,470 | (44,747) | 1,990,000 | 3,739,151 | (2,766,203) | 972,948 |
| **Net cash flow** | (397,707) | (52,492) | 604,431 | 45,733 | 1,106,073 | 1,306,038 | - | 1,306,038 |

# CHAMS PLC

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## FOR THE YEAR ENDED 31 DECEMBER 2021

**31 December 2021**

| Condensed statement of financial position | Parent - Chams Plc | Chams Access Ltd | Chams Switch Ltd | Card Center Ltd | Chams Mobile Ltd | Total | Elimination | Group |
|---|---|---|---|---|---|---|---|---|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| **Assets** | | | | | | | | |
| Right-of-use assets | - | 21,900 | - | - | - | 21,900 | - | 21,900 |
| Property, plant and equipment | 1,768,372 | 10,474 | 7,632 | 472,248 | 2,809 | 2,261,535 | - | 2,261,535 |
| Investment projects | 460 | - | - | - | - | 460 | - | 460 |
| Intangible assets | - | - | 4,047,575 | 453 | 1,187,748 | 5,235,776 | - | 5,235,776 |
| Investment in subsidiaries | 3,548,165 | - | - | - | - | 3,548,165 | (3,548,165) | (0) |
| Investment in associate | 74,898 | - | - | - | - | 74,898 | - | 74,898 |
| Investment in Joint Ventures | - | - | - | 17,375 | - | 17,375 | - | 17,375 |
| Financial assets - FVOCI | 92,827 | - | - | - | - | 92,827 | - | 92,827 |
| Inventories | - 0 | 149,704 | 17,701 | 65,740 | - | 233,145 | - | 233,145 |
| Trade and other receivables | 724,242 | 985,725 | 377,106 | 140,917 | 40,405 | 2,268,395 | (1,301,679) | 966,716 |
| Cash and cash equivalents | 44,363 | 47,297 | 1,675,165 | 47,925 | 1,105,961 | 2,920,711 | - | 2,920,711 |
| **Total assets** | 6,253,327 | 1,215,100 | 6,125,179 | 744,658 | 2,336,923 | 16,675,187 | (4,849,844) | 11,825,343 |
| **Liabilities** | | | | | | | | |
| Deferred tax liabilities | - | - | - | - | - | - | - | - |
| Deferred income | - | 58,972 | 2,817 | - | - | 61,789 | - | 61,789 |
| Lease liabilities | - | 10,680 | - | - | - | 10,680 | - | 10,680 |
| Long term loan | 962,706 | 119,848 | 28,121 | 113,993 | - | 1,224,668 | - | 1,224,668 |
| Trade and other payables | 1,331,536 | 474,100 | 418,060 | 2,162,283 | 130,133 | 4,516,112 | 1,167,744 | 5,683,856 |
| Current tax liabilities | 76,696 | 24,087 | 8,927 | - | - | 109,710 | - | 109,710 |
| **Total liabilities** | 2,370,937 | 687,687 | 457,925 | 2,276,276 | 130,133 | 5,922,958 | 1,167,744 | 7,090,702 |
| **Equity** | | | | | | | | |
| Share capital and reserve | 3,882,388 | 529,767 | 4,375,084 | (1,491,442) | 2,248,947 | 9,544,744 | (6,023,453) | 3,521,291 |
| Non-controlling interest | - | (2,354) | 1,292,170 | (40,177) | (42,158) | 1,207,481 | 5,863 | 1,213,344 |
| **Total equity** | 3,882,388 | 527,413 | 5,667,254 | (1,531,619) | 2,206,789 | 10,752,225 | (6,017,590) | 4,734,635 |
| **Total liabilities and equity** | 6,253,325 | 1,215,100 | 6,125,179 | 744,657 | 2,336,922 | 16,675,183 | (4,849,846) | 11,825,337 |

**22.6. Subsidiary with significant non-controlling interests**

Included in the Group are two subidiaries, Chams Switch Limited and Chams Mobile Limited with material non-controlling interests (NCI) as at 31 December 2022. A summary of the results and financial position of the two subsidiaries together with relevant disclosures relating to non-controlling interests is provided note 22.5 in accordance with the requirements of IFRS 12:

**22.7. Non-controlling interests**

Non-controlling interests have a 51% equity stake in Chams Mobile Ltd and 40% equity stake in Chams Switch. Loss attributable to non-controlling interests in the 2022 consolidated profit/(loss) amounts to N21.5 million (2021 - N17.3 million loss).

**22.8. Interest in unconsolidated structured entities**

The Group has no interests in unconsolidated structured entities

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **N'000** | N'000 | **N'000** | N'000 |
| **23. Investment in associates** | | | | |
| **Investment accounted for using equity method - in associates** | | | | |
| Paymaster Nigeria Limited | **263,471** | 263,471 | **263,471** | 263,471 |
| Smart Parcel Nigeria Limited | **75,000** | 74,898 | **75,000** | 74,898 |
| | **338,471** | 338,369 | **338,471** | 338,369 |
| Impairment on value of associate (Note 23.1) | **(263,471)** | (263,471) | **(263,471)** | (263,471) |
| | **75,000** | 74,898 | **75,000** | 74,898 |
| **23.1. Movement in impairment on value of associates** | | | | |
| At 1 January | **263,471** | 263,471 | **263,471** | 263,471 |
| Impairment loss recognised (Note 13) | **-** | - | **-** | - |
| Impairment loss reversed (Note 13) | **-** | - | **-** | - |
| **At 31 December** | **263,471** | 263,471 | **263,471** | 263,471 |

**23.2 Investment in associates undertakings**

All shares in subsidiaries undertakings are ordinary shares.

| Name of Associates | Principal activities | Country of incorporation | Percentage held | Statutory year end |
|---|---|---|---|---|
| Paymaster Nigeria Limited | POS devices and solutions | Nigeria | 34.00% | 31 December |
| Smart Parcel Nigeria Limited | Parcel delivery | Nigeria | 17.50% | 31 December |

**23.3 Summarised financial information of Assocoate Companies**

The summarised financial information below represents amounts shown in the Associates financial statements

| | Paymaster Nigeria Limited | Smart Parcel Nigeria Limited | Total | |
|---|---|---|---|---|
| | 2022 | | | 2021 |
| | N'000 | N'000 | N'000 | N'000 |
| Current assets | - | 9,599 | 9,599 | 9,599 |
| Non-current assets | 10,857 | 77,013 | 87,870 | 87,870 |
| **Total assets** | 10,857 | 86,612 | 97,469 | 97,469 |
| Current liabilities | - | 1,000 | 1,000 | 1,000 |
| Non-current liabilities | 6,673 | - | 6,673 | 6,673 |
| **Total liabilities** | 6,673 | 1,000 | 7,673 | 7,673 |
| **Net assets** | 4,184 | 85,612 | 89,796 | 89,796 |
| **The following amounts have been included in the amounts above:** | | | | |
| Cash and cash equivalents | - | - | - | - |
| Current financial liabilities (excluding trade and other payables and provisions) | - | 516 | 516 | 516 |
| Non-current financial liabilities (excluding trade and other payables and provisions) | - | 1,000 | 1,000 | 1,000 |

**23.3 Summarised financial information of Assocoate Companies**

The summarised financial information below represents amounts shown in the Associates financial statements

| | Paymaster Nigeria Limited | Smart Parcel Nigeria Limited | Total | |
|---|---|---|---|---|
| | 2022 | | | 2021 |
| | **N'000** | **N'000** | **N'000** | N'000 |
| **Revenue** | **-** | **-** | **-** | - |
| (Loss)/profit from contiuning operations | **-** | **(26,044)** | **(26,044)** | (26,044) |
| **(Loss)/profit for the year** | **-** | **(26,044)** | **(26,044)** | (26,044) |
| Other comprehensive (loss)/income for the year | **-** | **-** | **-** | - |
| **Total comprehensive (loss)/profit for the year** | **-** | **(26,044)** | **(26,044)** | (26,044) |
| **The following amounts have been included in the amount above:** | | | | |
| Direct expenses | **-** | **-** | **-** | - |
| Other income | **-** | **-** | **-** | - |
| Impairment charge | **-** | **-** | **-** | - |
| Depreciation expense | **-** | **(1,866)** | **(1,866)** | (1,866) |
| Administrative expenses | **-** | **(24,178)** | **(24,178)** | (24,178) |

**23.4 Reconciliation of the summarised financial information to the carrying amount of the interest in the associate companies recognised in the Group's financial statements:**

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **N'000** | N'000 | **N'000** | N'000 |
| Net assets of the associates | 89,796 | 89,796 | 89,796 | 89,796 |
| Proportion of the Group's ownership interest in the associates | **25.75%** | 25.75% | **25.75%** | 25.75% |
| **Gross amount of Group's interest in the associates** | **23,122** | 23,122 | **23,122** | 23,122 |
| Inter company's balances | **-** | - | **-** | - |
| **Carrying amount of the Group's interest in the associates** | **23,122** | 23,122 | **23,122** | 23,122 |

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **2022** | 2021 | **2022** | 2021 |
| | | **N'000** | N'000 | **N'000** | N'000 |
| **24.** | **Investment in Joint Venture** | | | | |
| | **Investment accounted for using equity method-in Joint Venture** | | | | |
| | Chams and IGear Smart Tech (Hong Kong)-JV | **425,044** | 17,375 | **-** | - |
| **24.1.** | Execution of MTN Sim card project and provision of equipment to deliver on such contract | | | | |
| **25.** | **Investment securities at fair value through other comprehensive income** | | | | |
| | **Unlisted equity (Note 25.1)** | **84,454** | 92,827 | **84,454** | 92,827 |
| **25.1** | **Movement in investment securities at fair value through other comprehensive income** | | | | |
| | At 1 January | **101,500** | 101,500 | **101,500** | 101,500 |
| | Additions | **-** | - | **-** | - |
| | Disposal | **-** | - | **-** | - |
| | | **101,500** | 101,500 | **101,500** | 101,500 |
| | Fairvalue loss/Impairment allowance (Note 25.3) | **(17,046)** | (8,673) | **(17,046)** | (8,673) |
| | **At 31 December** | **84,454** | 92,827 | **84,454** | 92,827 |
| **25.2** | **Analysis of equity instruments** | | | | |
| | 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 |
| **25.3** | **Movement in fair value reserve/impairment allowance** | | | | |
| | At 1 January | **8,673** | 1,500 | **8,673** | 1,500 |
| | Loss from changes in fair value recognised in OCI (Note 35) | **8,373** | 7,173 | **8,373** | 7,173 |
| | **At 31 December** | **17,046** | 8,673 | **17,046** | 8,673 |
| **26.** | **Inventories** | | | | |
| | Computers | **(0)** | (0) | **(0)** | (0) |
| | Chams Vasity | **0** | (0) | **0** | 0 |
| | LF10 | **(0)** | (0) | **(0)** | (0) |
| | Virtual airtimes | **82,820** | 83,591 | **-** | - |
| | Datacard/spare parts | **212,487** | 30,630 | **-** | - |
| | BVN | **19,993** | 36,205 | **-** | - |
| | Phones and accessories | **14,805** | 7,890 | **-** | - |
| | Goods In transit | **44** | 74,830 | | |
| | Stock Bulk SMS | **244** | **-** | | |
| | G+D Products | **42,515** | **-** | **-** | - |
| | | **372,908** | 233,145 | **- 0** | - 0 |

**26.1.** Inventories are reported net of obsolescence and impairment losses.

**26.2.** Inventories consumed within the year included in cost of sales amounted to N4.0 billion (2021: N2.6 billion).

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **2022** | 2021 | **2022** | 2021 |
| | | **N'000** | N'000 | **N'000** | N'000 |
| **27.** | **Trade and other receivables** | | | | |
| | Trade receivables | **2,345,277** | 1,672,983 | **860,576** | 811,752 |
| | Impairment loss on trade receivable based on ECL rate (Note 27.3) | **(989,399)** | (734,106) | **(855,305)** | (504,371) |
| | | **1,355,878** | 938,877 | **5,270** | 307,381 |
| | **Other receivables and prepayments** | | | | |
| | Receivable from related parties (Note 39.2.1) | **2,091,317** | 488,267 | **673,136** | 1,364,318 |
| | Receivable from staff | **85,152** | 70,765 | **50,303** | 50,094 |
| | Contract assets | **22,327** | 29,752 | **-** | - |
| | Withholding tax receivables | **525,212** | 454,867 | **232,216** | 233,504 |
| | Transit account | **(46,459)** | (45,804) | **(46,459)** | (45,804) |
| | Deposit for license*** | **1,000** | - | **1,000** | - |
| | Value added tax receivables | **55,238** | 52,186 | **2,376** | 2,376 |
| | Deposit for shares (Note 39.2.1) | **5,000** | 10,000 | **-** | - |
| | Other receivables | **107,179** | 57,830 | **1,095** | 1,095 |
| | Prepayments | **446,181** | 178,517 | **5,944** | 7,199 |
| | | **3,292,147** | 1,296,380 | **919,611** | 1,612,780 |
| | Impairment loss on other receivable based on specific (Note 27.4) | **(743,958)** | (1,268,541) | **(509,256)** | (1,195,920) |
| | | **2,548,189** | 27,838 | **410,355** | 416,860 |
| | | **3,904,067** | 966,716 | **415,625** | 724,242 |

**27.1.** The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

**27.2. Expected Credit Loss on account receivables**

The group processes transactions on behalf of partner banks and partner merchants and as such we settle transaction value and transaction income to banks and merchants on a daily basis for services routed through the platform. On a periodic basis the group will evaluate partner banks and partner merchants whose outstanding receivables are long overdue and will take the necessary steps to recover all outstanding balances due to us by withholding transaction income that should be settled to them up to the amount we are owed. This helps management recover outstanding balances.

Before accepting any new customer, the company uses an internal credit process to assess the potential customer's credit quality and defines credit limits by customer.

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The group has recognised a loss allowance of 100% against all receivables over 365 days past due because historical experience has indicated that these receivables are generally not recoverable. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

*** This represent amount deposited with the CBN for agent network registration for SANEF. However, on 25 November 2021, the CBN has returned the deposited amount with interest total N51,144,451 to the Company for non approval of license.

The group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of trade receivables based on the entity's provision matrix. As the group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the entity's different customer segments.

| Group | 2022 | | | |
|---|---|---|---|---|
| Days interval | Expected Credit Loss Rate | Estimated total gross carrying amount at default | Adjusted Balance | Expected Credit Loss (Average Weighted based on Scenarios) |
| | | N'000 | N'000 | N'000 |
| **0-30 days** | **0%** | **744,755** | **744,755** | **-** |
| **31-90 days** | **0%** | **118,689** | **118,689** | **-** |
| **91-180 days** | **10%** | **547,149** | **492,434** | **54,715** |
| **181-365days** | **20%** | **-** | **-** | **-** |
| **> 365 days** | **100%** | **934,684** | **-** | **934,684** |
| | | **2,345,277** | **1,355,878** | **989,399** |

| Group | 2021 | | | |
|---|---|---|---|---|
| Days interval | Expected Credit Loss Rate | Estimated total gross carrying amount at default | Adjusted Balance | Expected Credit Loss (Average Weighted based on Scenarios) |
| | | N'000 | N'000 | N'000 |
| 0-30 days | 0% | 25,430 | 25,430 | - |
| 31-90 days | 0% | 519,836 | 519,836 | - |
| 91-180 days | 10% | 437,347 | 393,612 | 43,735 |
| 181-365days | 20% | - | - | - |
| > 365 days | 100% | 690,371 | - | 690,371 |
| | | 1,672,984 | 938,878 | 734,106 |

The following table details the risk profile of trade receivables based on the entity's provision matrix. As the company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the entity's different customer segments.

| Company | 2022 | | | |
|---|---|---|---|---|
| Days interval | Expected Credit Loss Rate | Estimated total gross carrying amount at default | Adjusted Balance | Expected Credit Loss (Average Weighted based on Scenarios) |
| | | N'000 | N'000 | N'000 |
| 0-30 days | 0% | **5,271** | **5,271** | **-** |
| 31-90 days | 0% | **-** | **-** | **-** |
| 91-180 days | 10% | **-** | **-** | **-** |
| 181-365days | 20% | **-** | **-** | **-** |
| > 365 days | 100% | **855,305** | **-** | **855,305** |
| | | **860,576** | **5,271** | **855,305** |

| Company | 2021 | | | |
|---|---|---|---|---|
| Days interval | Expected Credit Loss Rate | Estimated total gross carrying amount at default | Adjusted Balance | Expected Credit Loss (Average Weighted based on Scenarios) |
| | | N'000 | N'000 | N'000 |
| 0-30 days | 0% | 9,651 | 9,651 | - |
| 31-90 days | 0% | - | - | - |
| 91-180 days | 10% | 32,709 | 29,438 | 3,271 |
| 181-365days | 20% | 335,366 | 268,293 | 67,073 |
| > 365 days | 100% | 434,026 | - | 434,026 |
| | | 811,752 | 307,382 | 504,370 |

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **2022** | 2021 | **2022** | 2021 |
| | | **N'000** | N'000 | **N'000** | N'000 |
| **27.3.** | **Reconciliation of impairment for trade receivables** | | | | |
| | At 1 January | **734,106** | 2,542,650 | **504,371** | 2,014,472 |
| | Impairment loss recognised (Note 13) | **388,461** | (34,173) | **350,935** | (70,805) |
| | Impairment loss reversed (Note 13) | **-** | - | **-** | - |
| | Reclassified | **-** | (139,054) | **-** | (139,054) |
| | Amount written off | **(133,168)** | (1,635,317) | **(0)** | (1,300,242) |
| | **At 31 December** | **989,399** | 734,106 | **855,305** | 504,371 |
| **27.4.** | **Reconciliation of impairment for other receivables** | | | | |
| | At 1 January | **1,268,541** | 1,069,632 | **1,195,920** | 1,056,866 |
| | Impairment loss recognised (Note 13) | **151,593** | 202,036 | **0** | - |
| | Impairment loss reversed (Note 13) | **(686,664)** | - | **(686,664)** | - |
| | Reclassified | **-** | 139,054 | **-** | 139,054 |
| | Eliminated on consolidation | **123,689** | - | **-** | - |
| | Amount written off | **(113,201)** | (142,181) | **0** | - |
| | **At 31 December** | **743,958** | 1,268,541 | **509,256** | 1,195,920 |
| **28.** | **Cash and cash equivalents** | | | | |
| | Cash and bank balances | **719,069** | 227,722 | **2,736** | 44,364 |
| | Short term investments (Note 28.2) | **1,299,561** | 2,694,699 | **-** | (0) |
| | | **2,018,630** | 2,922,420 | **2,736** | 44,363 |
| | Allowance for credit loss (Note 28.3) | **(360)** | (1,709) | **-** | - |
| | | **2,018,270** | 2,920,711 | **2,736** | 44,363 |

**28.1. Cash and cash equivalent for the purpose of cash flows**

For the purposes of the statement of cash flows, Cash and short term deposits include cash on hand and in banks, short term investments with an original maturity of three months or less, net of outstanding bank overdrafts. Cash and short term deposits at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **N'000** | N'000 | **N'000** | N'000 |
| Cash and bank balances (Note 28) | **719,069** | 227,722 | **2,736** | 44,364 |
| Short term investment -within 3 months maturity (Note 28) | **1,299,561** | 2,694,699 | **-** | (0) |
| | **2,018,630** | 2,922,420 | **2,736** | 44,363 |
| Overdraft (Note 28) | **(370,228)** | (28,121) | **-** | - |
| | **1,648,402** | 2,894,299 | **2,736** | 44,363 |

**28.2. Short term investments**

These represents cash held in fixed deposits in various banks. These investments are placed in short term deposits and are continuously rolled over throughout the year.

**28.3 Impairment loss on placements with financial institutions**

**a.** The table below shows the cedit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification.The amounts presented are gross of impairment allowances

| Group | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **31 December 2022** | **N'000** | **N'000** | **N'000** | **N'000** |
| **Performing** | | | | |
| High grade | - | - | - | - |
| Standard grade | **1,299,561** | - | **-** | **1,299,561** |
| Sub-standard grade | - | - | - | - |
| Past due but not impaired | - | - | - | - |
| **Non-performing** | | | | |
| Individually impaired | - | - | - | **-** |
| | **1,299,561** | - | **-** | **1,299,561** |

**b.** An analysis of changes in the carrying amount of and the corresponding ECL allowances is as

| | | | | |
|---|---|---|---|---|
| **Gross carrying amount** | | | | |
| At 1 January 2022 | **2,694,699** | **-** | **-** | **2,694,699** |
| New assets originated or purchased | **(1,395,138)** | **-** | **-** | **(1,395,138)** |
| Assets derecognised or repaid | **-** | **-** | **-** | **-** |
| **At 31 December 2022** | **1,299,561** | **-** | **-** | **1,299,561** |
| **ECL allowance** | | | | |
| At 1 January 2021 | **1,709** | **-** | **-** | **1,709** |
| New assets originated or purchased | **-** | **-** | **-** | **-** |
| Assets derecognised or repaid | **(1,349)** | **-** | **-** | **(1,349)** |
| Credit loss expnses (Note 13) | **(1,349)** | **-** | **-** | **(1,349)** |
| **At 31 December 2022** | **360** | **-** | **-** | **360** |

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **31 December 2021** | **N'000** | **N'000** | **N'000** | **N'000** |
| **Performing** | | | | |
| High grade | - | - | - | - |
| Standard grade | 2,694,699 | - | - | 2,694,699 |
| Sub-standard grade | - | - | - | - |
| Past due but not impaired | - | - | - | - |
| **Non-performing** | | | | |
| Individually impaired | - | - | - | - |
| | 2,694,699 | - | - | 2,694,699 |

An analysis of changes in the carrying amount of and the corresponding ECL allowances is as

| | | | | |
|---|---|---|---|---|
| **Gross carrying amount** | | | | |
| At 1 January 2021 | 1,892 | - | - | 1,892 |
| New assets originated or purchased | 2,692,807 | - | - | 2,692,807 |
| Assets derecognised or repaid | - | - | - | - |
| **At 31 December 2021** | 2,694,699 | - | - | 2,694,699 |
| **ECL allowance** | | | | |
| At 1 January 2021 | - | - | - | - |
| New assets originated or purchased | 1,709 | - | - | 1,709 |
| Assets derecognised or repaid | - | - | - | - |
| Credit loss expnses (Note 13) | 1,709 | - | - | 1,709 |
| **At 31 December 2021** | **1,709** | **-** | **-** | **1,709** |

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **2022** | 2021 | **2022** | 2021 |
| | | **N'000** | N'000 | **N'000** | N'000 |
| **29.** | **Trade and other payables** | | | | |
| | Trade payables | **1,684,934** | 468,059 | **131,252** | 70,621 |
| | **Other payables and accruals** | | | | |
| | Payables to related parties (Note 39.2.1) | **93,439** | 50,235 | **607,651** | 456,803 |
| | Salaries payable | **306,314** | 229,164 | **164,339** | 56,639 |
| | Other staff payable accounts | **23,157** | 23,157 | **23,157** | 23,157 |
| | Value added tax payable(Note 29.1.c) | **653,541** | 411,782 | **163,135** | 151,456 |
| | Withholding tax payable (Note 29.1.c) | **20,131** | 15,464 | **12,531** | 8,056 |
| | Other statutory deductions (Note 29.1.c & 29.2) | **270,215** | 237,655 | **173,661** | 157,249 |
| | Transit account | **5,585** | 1,259 | **-** | - |
| | Provision and accruals | **266,224** | 238,750 | **197,649** | 195,149 |
| | Deposit for shares | **230,474** | 70,193 | **10,731** | 10,731 |
| | Chams cooperative thrift & credit society | **6,443** | 6,443 | **6,345** | 6,345 |
| | Dividend payable | **65,629** | 65,629 | **65,629** | 65,629 |
| | E-Platform payable | **794,494** | 11,578 | **-** | - |
| | MFB deposit | **-** | - | **-** | - |
| | Other payables (Note 29.3) | **416,707** | 3,854,499 | **149,423** | 129,700 |
| | Advances from customers | **-** | - | **-** | - |
| | | **4,837,288** | 5,683,867 | **1,705,503** | 1,331,536 |

**29.1.a** All the liabilities above are classified as current.Trade and other payables are non-interest bearing and hence approximate their fair values. The Group does not have any derivative financial instrument.

**29.1.b** The average credit period for the purchases of major items is 30 days. However, with certain arrangement with major suppliers, payment terms can be renegotiated for longer periods.

**29.1.c** Statutory liabilities such as VAT, WHT, PAYE, ITF, NSIT,NHF, Pension are expected to be settled in line with the relevant laws/regulations setting them up. With the exception of ITF which is payable yearly, the rest are payable monthly. The entity has defaulted in remitting VAT on a monthly basis and expects future liabilities arising from penalties from the tax authorities.

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **2022** | 2021 | **2022** | 2021 |
| | | **N'000** | N'000 | **N'000** | N'000 |
| **29.2.** | **Other statutory deductions** | | | | |
| | PAYE | **103,157** | 90,406 | **65,674** | 56,978 |
| | Pension payable (Note 29.2.1) | **121,419** | 104,274 | **70,082** | 63,404 |
| | Govt rates, levy & charges | **(140)** | - | **(140)** | - |
| | NSITF | **3,911** | 3,431 | **2,899** | 2,420 |
| | NHF | **25,126** | 23,532 | **19,613** | 18,914 |
| | Police Trust Fund | **166** | - | | |
| | Industrial training fund ITF -levy | **16,575** | 16,012 | **15,533** | 15,533 |
| | | **270,215** | 237,655 | **173,661** | 157,249 |

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **N'000** | N'000 | **N'000** | N'000 |
| **29.2.1 Pension payable** | | | | |
| At 1 January | **104,274** | 171,674 | **63,404** | 79,696 |
| Contribution during the year (Note 10) | **26,057** | 23,430 | **7,157** | 10,188 |
| Remittance | **(8,912)** | (90,830) | **(480)** | (26,480) |
| **At 31 December** | **121,419** | 104,274 | **70,082** | 63,404 |

**29.3.** Included in the other payables are Sundry Creditors N372 million and non-controlling interest of N43.6 million (31 Dec 2021: N465 millon and N43.6 million)

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **N'000** | N'000 | **N'000** | N'000 |
| **30. Deferred income** | | | | |
| Bulk commission received for Virtual Airtime from Service providers | **50,679** | 61,789 | - | - |
| Deferred incom on loan | - | - | - | - |
| | **50,679** | 61,789 | **-** | - |
| **30.1. Movement in deferred income** | | | | |
| At 1 January | **61,789** | 119,342 | **-** | - |
| Accrued during the year | **249,050** | 179,570 | **-** | - |
| Recognised during the year | **(260,160)** | (237,123) | **-** | - |
| **At 31 December** | **50,679** | 61,789 | **-** | - |
| Current | **50,679** | 61,789 | **-** | - |
| Non-current | **-** | - | **-** | - |
| | **50,679** | 61,789 | **-** | - |

**30.2.** The deferred revenue for virtual airtime is in respect of the bulk commission received from the telecommunication service providers for bulk purchase of airtime.The bulk commission included in inventory of airtime has not been sold for revenue to be earned as at 31 December 2022.The revenue will be earned when the inventory is sold.

| | | | | |
|---|---|---|---|---|
| **31. Loans and borrowings** | | | | |
| Overdrafts | **370,228** | 28,121 | **-** | - |
| BOI loan (Note 31.3.i) | **983,995** | 962,706 | **983,995** | 962,706 |
| Bank loan (Note 31.3.ii) | **119,996** | 113,993 | **-** | - |
| EACA/Chamsaccess issue Note (Note 31.3.iii) | **54,959** | 119,848 | **-** | - |
| Providus bank-Finance Facility(Note 31.3.iv) | **92,989** | - | **-** | - |
| **Total borrowed fund** | **1,622,168** | 1,224,669 | **983,995** | 962,706 |

**31.1** All the borrowings were obtained in naira, the functional currency of the Group.The principal features of the Group's borrowings are described below:

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **N'000** | N'000 | **N'000** | N'000 |
| **31.2. Movement in borrowed funds other than overdraft** | | | | |
| At 1 January | **1,196,547** | 1,114,773 | **962,706** | 976,444 |
| Addition during the year | **111,945** | 119,848 | **11,945** | - |
| Interest accrued (Note 14.2) | **137,652** | 155,192 | **90,670** | 101,082 |
| Repayment (principal + interest) | **(194,204)** | (193,266) | **(81,325)** | (114,820) |
| **At 31 December** | **1,251,940** | 1,196,547 | **983,995** | 962,706 |
| Current | **370,228** | 28,121 | **-** | **-** |
| Non-current | **1,251,940** | 1,196,547 | **983,995** | 962,706 |
| | **1,622,168** | 1,224,669 | **983,995** | 962,706 |

**31.3. Summary of borrowing arrangements**

i. **Bank of Industry facility**

Bank of Industry granted the company a medium term facility of N2.5 billion on 27 May 2020 with initial drawdown on . The loan facility is for 4 years period (inclusive of one year moratorium) at interest rate of 10% per annum payable monthly in arrears. The loan is repayable in 36 equal and consecutive instalments of N69,444,444.44 after one year moratorium.

ii **Bank Loan**

The Company obtained a loan facility of N100 million from Providus Bank Plc in 2020. The loan was obtained to finance the supply of 200,000 units of GTBank Contactless Mastercard Naira Card (Mchip Advance).The loan is secured by an equitable mortgage on the office complex belonging to Chams Plc located 8, Louis Solomon Close, Off Ahmadu Bello Street, Victoria Island.The mortgage was valued by Jide Alabi&Co (a non-bank approved valuer) with a market value N2 billion. The loan was supported with a personal guarantee of the MD/CEO and an additional director supported with their notarised statement of net worth.

iii This represents N250Million issue note from Emerging Africa Capital limited to finance the Chams Access (investee) working capital requirements which took effect from 25th January 2021 and draw down date 19th February 2021 with an interest rate of 16.5% for 18months to be matured by 18th day of August 2022.

iv. N100 million facility from Providus bank to part finance the purchase of Printer ZC350, Dual Sided UK/EU Cords, USB & Ethernet ,PC/S from TD Africa of 150 pieces with N619,048.80 per piece totaled N92,857,320 . Effective 6 April 2022 with a tenor of 365 days with 120 days transaction cycle at 24% interest rate.

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **N'000** | N'000 | **N'000** | N'000 |
| **32. Share capital** | | | | |
| **Authorised:** | | | | |
| 10 billion ordinary shares of 50 kobo each | **5,000,000** | 5,000,000 | **5,000,000** | 5,000,000 |
| **32.1 Issued and fully paid:** | | | | |
| 4,696,060,000 ordinary shares of 50 kobo each | | | | |
| At 1 January | **2,348,030** | 2,348,030 | **2,348,030** | 2,348,030 |
| Issued during the year | **-** | - | **-** | - |
| **At 31 December** | **2,348,030** | 2,348,030 | **2,348,030** | 2,348,030 |

**32.1.a** The Company has one class of ordinary shares which carry no right to fixed income.

**32.1.b** In line with the Company's regulations of 2020 released by the Corporate Affairs Commission in December 2020, a company that has an unissued shares in its capital shall not later than 31 December 2022 fully issue such shares.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2022**

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **2022** | 2021 | **2022** | 2021 |
| | | **N'000** | N'000 | **N'000** | N'000 |
| **32.2** | **Share premium** | | | | |
| | At 1 January | **35,008** | 35,008 | **35,008** | 35,008 |
| | Issued during the year | **-** | 0 | **-** | 0 |
| | **At 31 December** | **35,008** | 35,008 | **35,008** | 35,008 |
| **32.2.** | | | | | |
| | Share premium represents the excess of share issue proceeds over the nominal value of the share. | | | | |
| **33.** | **Loss sustained** | | | | |
| | At 1 January | **(2,887,546)** | (2,587,574) | **43,159** | 7,942 |
| | Dividend paid | **-** | - | **-** | - |
| | Negative retained earnings written off (Note 33.2) | **741,541** | **-** | **-** | - |
| | Impact of balance sheet restructuring (Note 33.3) | **195,854** | - | **-** | - |
| | (Loss)/profit for the year | **(325,495)** | (299,972) | **(145,480)** | 35,217 |
| | **At 31 December** | **(2,275,646)** | (2,887,546) | **(102,321)** | 43,159 |

**33.1** Loss sustained represents accumulation of losses over the years up to the reporting date.

**33.2.** On 8th of November 2021, a resolution was passed by the board of Chams Switch ltd to restructure the net assets the Company. The exercise was conducted by Messrs BDO, which led to the accumulated losses written off and eliminated against the share premium.

**33.3.** On 22nd of December 2022, a resolution was passed by the board of Card Centre Ltd to restructure the net of assets the Company. The exercise was conducted by Messrs BDO, which led to the accumulated losses written off and eliminated against the issued share ordinary capital and premium.

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **2022** | 2021 | **2022** | 2021 |
| | | **N'000** | N'000 | **N'000** | N'000 |
| **34.** | **Capital reserve** | | | | |
| | At 1 January | **145,522** | 145,522 | **-** | - |
| | Capital reserve on consolidation | **0** | - | **-** | - |
| | **At 31 December** | **145,522** | 145,522 | **-** | - |
| **35.** | **Assets revaluation reserve** | | | | |
| | At 1 January | **3,887,450** | 1,482,164 | **1,463,364** | 959,065 |
| | Revaluation gain on intangible asset in the year | **867,857** | 2,405,286 | **-** | 504,299 |
| | **At 31 December** | **4,755,307** | 3,887,450 | **1,463,364** | 1,463,364 |
| **36.** | **Fairvalue reserve** | | | | |
| | At 1 January | **(7,173)** | - | **(7,173)** | - |
| | Fairvalue loss in the year | **(8,373)** | (7,173) | **(8,373)** | (7,173) |
| | **At 31 December** | **(15,546)** | (7,173) | **(15,546)** | (7,173) |
| **37.** | **Non-controlling interest** | | | | |
| | At 1 January | **1,213,344** | 5,963 | **-** | - |
| | Adjustment to the opening balance | **1,959,423** | - | - | - |
| | Share of share premium | **-** | - | - | - |
| | Share of revaluation reserve | **903,280** | 1,267,325 | - | - |
| | Negative retained earnings written off (Note 33.2) | **494,361** | - | - | - |
| | Share impact of balance sheet restructuring (Note 33.3) | **(63,885)** | - | - | - |
| | Share of capital reserve | **-** | - | - | - |
| | Share of loss for the year | **(49,745)** | (59,944) | - | - |
| | **At 31 December** | **4,456,777** | 1,213,344 | **-** | - |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **N'000** | N'000 | **N'000** | N'000 |
| **38. Employees and Directors** | | | | |
| **38.1 Employees** | | | | |
| **38.1.1** Compenstation for the staff are as follows: | | | | |
| Wages and salaries | **635,528** | 550,089 | **172,819** | 135,221 |
| Defined contribution pension | **26,057** | 23,430 | **7,157** | 10,188 |
| | **661,584** | 573,519 | **179,976** | 145,410 |
| | **Number** | **Number** | **Number** | **Number** |
| **38.1.2** Average number of persons employed during the year by category: | | | | |
| Executive directors | **2** | 5 | **2** | 2 |
| Management | **5** | 12 | **5** | 7 |
| Non-management | **12** | 15 | **12** | 8 |
| | **19** | 32 | **19** | 17 |
| **38.1.3** Number of employees whose emoluments during the year, fell within the ranges shown below: | | | | |
| Less than ₦500,000 | **12** | 15 | **12** | 8 |
| ₦500,000 - ₦1,000,000 | **5** | 12 | **5** | 7 |
| ₦1,000,000 and above | **2** | 5 | **2** | 2 |
| | **19** | 32 | **19** | 17 |
| | **₦'000** | ₦'000 | **₦'000** | ₦'000 |
| **38.2 Directors** | | | | |
| **38.2.1 Directors' emoluments:** The remuneration paid to directors are as follows: | | | | |
| Executive compensation | **38,315** | 39,132 | **27,510** | 31,040 |
| Fees and sitting allowances | **2,500** | 2,500 | **2,500** | 2,500 |
| | **38,315** | 39,132 | **27,510** | 31,040 |

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **N'000** | N'000 | **N'000** | N'000 |
| **38.2.2** Fees and other emoluments disclosed above | | | | |
| The Chairman | **2,500** | 2,500 | **2,500** | 2,500 |
| The highest paid director | **2,500** | 2,500 | **2,500** | 2,500 |
| **38.3** The number of directors who received fees and other emoluments (excluding pension contributions and other allowances) in the following ranges was: | | | | |
| | **Number** | Number | **Number** | Number |
| Below ₦2,000,000 | **-** | - | **-** | - |
| ₦2,000,000 - ₦4,000,000 | **2** | 5 | **2** | 2 |
| Above ₦5,000,000 | **-** | - | **-** | - |
| The total number of Directors were | **2** | 5 | **2** | 2 |

**39. Related party disclosures**

**39.1 Related party**

A related party is a person or an entity that is related to the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person has control, joint control or significant influence over the entity or is a member of its key management personnel.

- An entity is related to a reporting entity if, among other circumstances, it is a parent, subsidiary, fellow subsidiary, associate, or joint venture of the reporting entity, or it is controlled, jointly, jointly controlled, or significantly influenced or managed by a person who is a related party.

**39.2 Related parties transactions**

A **related party transaction i**s a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. If an entity has had related party transactions during the periods covered by the financial statements, IAS 24 requires it to disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the consolidated and separate financial statements.

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **N'000** | N'000 | **N'000** | N'000 |
| **39.2.1 Transactions with related parties** | | | | |
| Transactions/balances with related parties during the year are: | | | | |
| **Receivable from related parties** | | | | |
| Current Account with Paymaster Ltd (Note 39.2.1.1) | **390,949** | 390,949 | **390,949** | 390,949 |
| CurrentAccount with Chams Access Ltd (Note 39.2.1.2) | **-** | - | **17,386** | 19,029 |
| Current Account with Card Centre Ltd (Note 39.2.1.3) | **-** | - | **48,581** | 805,276 |
| Current Account with Chams Switch Ltd (Note 39.2.1.4) | **-** | - | **-** | - |
| Current Account with Chams Mobile Ltd (Note 39.2.1.5) | **84,699** | - | **84,278** | 57,121 |
| Current Account with Consurtium Ltd (Note 39.2.1.6) | **131,875** | 91,875 | **131,875** | 91,875 |
| Current Account with Argone Retail Business Ltd(Note 39.2.1.7) | **-** | - | **-** | - |
| Current Account with Chams Agency Ltd | **4,010** | 4,010 | **-** | - |
| Current Account with Chams Plc | **652,600** | **-** | **-** | **-** |
| Current Account with Smart Parcel | **-** | **-** | **-** | - |
| Current Account with Smart City | **-** | **-** | **-** | - |
| PPM-Femi Williams | **67** | 67 | **67** | 67 |
| Directors Current Account-ABA | **827,116** | 1,366 | **-** | - |
| Directors Current Account-KL | **-** | - | **-** | - |
| | **2,091,317** | 488,267 | **673,136** | 1,364,318 |
| **Deposit for shares** | **-** | **-** | **-** | **-** |
| Investment in Chams Switch Ltd | **5,000** | 10,000 | **-** | - |
| Investment in Argone Retail Business Ltd | **-** | - | **-** | - |
| | **5,000** | 10,000 | **-** | - |
| **Payable to related parties** | | | | |
| Current Account with Chams Plc (Note 39.2.1.8) | **599** | **-** | **-** | **-** |
| CurrentAccount with Chams Access Ltd | **-** | - | **-** | - |
| Current Account with Chams Switch Ltd (Note 39.2.1.4) | 215 | - | 536,631 | 428,173 |
| Directors Current Account | **92,625** | 50,235 | **71,020** | 28,630 |
| | **93,439** | 50,235 | **607,651** | 456,803 |
| **Net receivable from related parties** | **2,002,878** | 448,032 | **65,485** | 907,514 |

### 39.3.1 Compensation of key management personnel

The summary of compensation of key management personnel for the year is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **₦'000** | ₦'000 | **₦'000** | ₦'000 |
| Short term employee benefits | - | - | - | - |
| Post employment pension benefits | - | - | - | - |
| **Total compensation of key management personnel** | **-** | - | **-** | - |

### 40. Contigent liabilities and capital commitments

There were no contigent liabilities and capital commitments at the end of the year.

### 41. Events after reporting date

There are no events after the reporting date that require adjustments in the financial statements.

### 42. Material disclosure on the impact of COVID-19

The COVID-19 pandemic which started in China in December 2019 and rapidly spread across the world is impacting all aspects of life in a manner that is unprecedented. The impact cuts across businesses, the economy and social interactions. These impacts seem like they will remain for the foreseeable future. In a bid to curtail the spread the virus, the Federal Government of Nigeria imposed movement restrictions while various state governments established protocols to combat the spread of the virus.

In adapting to the government's response to COVID-19, the Company responded appropriately by activating its Business Continuity Plan to ensure continuous service to customers and safety of employees and other stakeholders. This was mostly achieved through the deployment of necessary secured technology for remote working and the observance of universally accepted Covid 19 protocols.

**Impact of COVID-19 on Impairment (Expected Credit Loss) of Financial Assets**

The Company does not see a significant impairment impact on its financial assets as a result of COVID-19. The Company's financial assets are predominantly cash and cash equivalents in nature and are subsequently classified as stage 1. The stage allocation remains unchanged as there is no significant increase in credit risk. The impact of forward looking information has also been considered in assessing the impact of COVID-19 on impairment of financial assets. These include GDP growth, exchange rate, country rating, bank rating, inflation and oil price. Whilst COVID-19 could ptentially negatively impact all of the forward looking information, other variables in the computation ensured that the impact remains minimal.

### 43. Going concern

The Group made a loss of ₦375 million for the year ended 31 December 2022 (2021: ₦360 million loss) while the Company made a loss of ₦145 million for the year ended 31 December 2022 (2021: ₦35 million profit) and as of that reporting date, the group reported a positive shareholders fund of ₦9.4 billion (2021: ₦4.7 billion ) while the company reported a positive shareholders fund of N3.7 billion (2021: N3.9 billion). These conditions do not indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Management believes that the Group will be able to realize its assets and settle liabilities in the ordinary course of business and that there is no significant doubt that the Company or Group will not continue as a going concern, for at least the next one year from issuance of these consolidated and separate financial statements.

Management believes the going concern basis is appropriate in the preparation of these consolidated and separate financial statements.

**39.2.1.1.** Basis and details of outstanding receivable on current account with Paymaster Ltd not known .This has been fully impaired

**39.2.1.2.** Balance representing outstanding accrued rent, service charge and other service shared costs receivable on current account with Chams Access.

**39.2.1.3.** Balance representing outstanding accrued rent, service charge and other service shared costs receivable on current account with Card centre.Also, N42 millon soft loan received during the year.

**39.2.1.4.** Balance representing outstanding accrued rent, service charge and other service shared costs receivable on current account with Chams Switch. Also, N152 millon soft loan received during the year with outstanding balance of N107 million. However, outstanding payable of N552,497,639 to account for the balance of 60% holdings in Cham Switch Ltd was booked during the year.

**39.2.1.5.** Balance representing outstanding accrued rent, service charge and other service shared costs receivable on current account with Chams Mobile. However, N28 million has been long outstanding without any repayment,this has been fully impairment.

**39.2.1.6.** Basis and details of N42 million out of the outstanding receivable on current account with Consurtium Ltd not known . This has been fully impaired.However, during the year N50 million was part paid to Afe Babalola in matter of Arbitration on Chams Consortium Ltd VS NIMC.

**39.3 Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the company, directly or indirectly, including any directors (whether executive or otherwise).

The key management personnel of the Group include all Directors (executive and non-executive) and senior management.

**Directors**

| | | |
|---|---|---|
| Sir Demola Aladekomo | - | Chairman |
| Mr. Gavin Young | - | Group Managing Director |
| Mrs. Mayowa Olaniyan | - | Non-Executive Director |

**Senior management**

| | | |
|---|---|---|
| Mr. Gavin Young | - | Group Managing Director |
| Mrs. Ifeoma Obasanya | - | Head, Finance and Account |

# CHAMS HOLDING COMPANY PLC (Formerly CHAMS PLC)

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

## OTHER NATIONAL DISCLOSURES

# CHAMS HOLDING COMPANY PLC (Formerly CHAMS PLC)

## CONSOLIDATED STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2022

| | Group | | | | Company | | | |
|---|---|---|---|---|---|---|---|---|
| | **2022** | | 2021 | | **2022** | | 2021 | |
| | **N'000** | % | N'000 | % | **N'000** | % | N'000 | % |
| Sales of products and services | **5,066,147** | | 3,324,752 | | **51,983** | | 283,396 | |
| Investment income | **65,062** | | 76,416 | | **9,716** | | 14,316 | |
| Other gains | **124,257** | | 373,371 | | **181,219** | | 131,844 | |
| | **5,255,466** | | 3,774,540 | | **242,917** | | 429,555 | |
| **Bought in materials and services:** | | | | | | | | |
| -Local | **(4,577,264)** | | (3,394,467) | | **(4,586)** | | (223,055) | |
| -Imported | - | | - | | **-** | | - | |
| **Value added** | **678,201** | **100** | 380,073 | 100 | **238,331** | **100** | 206,501 | 100 |
| **Applied as follows:** | | | | | | | | |
| **To pay employees:** | | | | | | | | |
| Wages,salaries and other benefits | **661,584** | **98** | 573,519 | 151 | **179,976** | **77** | 145,410 | 70 |
| **To pay government:** | | | | | | | | |
| Income tax expenses | **89,728** | **13** | (133,110) | -35 | **57,838** | **23** | (133,150) | -65 |
| **To pay provide of capital:** | | | | | | | | |
| Finance cost | **188,660** | **28** | 171,696 | 45 | **90,670** | **38** | 101,082 | 49 |
| **To provide for assets replacements, payment of dividend and future expansion:** | | | | | | | | |
| Depreciation of property, plant & equipment | **105,937** | **16** | 116,653 | 31 | **55,328** | **23** | 56,810 | 28 |
| Depreciation of right-of-use- assets | **6,600** | **1** | 9,900 | 3 | **-** | | - | |
| Amortisation of intangible | **931** | **-** | 1,332 | **-** | **-** | **-** | 1,132 | 1 |
| Loss for the year | **(375,240)** | **(55)** | (359,916) | (95) | **(145,480)** | **(61)** | 35,217 | 18 |
| | **678,201** | **100** | 380,073 | 100 | **238,331** | **100** | 206,501 | 100 |

Value added statement represents the additional wealth which the Group and the company have been able to utilised by its own and its employees' efforts. This statement shows the allocation of that wealth between the employees, government and that retained for the future creation of more wealth.

# CHAMS HOLDING COMPANY PLC (Formerly CHAMS PLC)

**FINANCIAL SUMMARY**

| **31 DECEMBER** | **2022** | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| | **N'000** | N'000 | N'000 | N'000 | N'000 |
| **Group** | | | | | |
| **Financial Position** | | | | | |
| **Non-current assets** | | | | | |
| Right-of-use assets | **15,300** | 21,900 | - | - | - |
| Property,plant and equipment | **2,249,038** | 2,261,541 | 2,447,538 | 2,512,096 | 2,663,076 |
| Investment projects | **-** | 460 | 460 | 460 | 460 |
| Intangible assets | **7,144,798** | 5,235,776 | 825,946 | 771,728 | 722,840 |
| Investment in subsidiaries | **-** | - | - | - | - |
| Investment in associates | **75,000** | 74,898 | - | - | - |
| Investment in Joint Ventures | **425,044** | 17,375 | - | - | - |
| Investment securities at fair value through other comprehensive income | **84,454** | 92,827 | 100,000 | 100,000 | 100,000 |
| **Non-current liabilities** | | | | | |
| Deferred tax liabilities | **(156,454)** | - | - | - | - |
| Deferred income | **-** | - | - | - | - |
| Lease liabilities | **(10,680)** | (10,680) | - | - | - |
| Long term loan | **(1,251,940)** | (1,196,547) | (1,114,773) | - | - |
| Net current liabilities | **874,890** | (1,762,916) | (830,058) | (1,409,440) | (1,833,135) |
| | **9,449,451** | 4,734,634 | 1,429,113 | 1,974,844 | 1,653,241 |
| **Equity** | | | | | |
| Share capital | **2,348,030** | 2,348,030 | 2,348,030 | 2,348,030 | 2,348,030 |
| Share premium | **35,008** | 35,008 | 35,008 | 35,008 | 35,008 |
| Loss sustained | **(2,275,646)** | (2,887,546) | (2,587,574) | (1,767,226) | (1,921,242) |
| **Other reserves:** | | | | | |
| - Capital reserve | **145,522** | 145,522 | 145,522 | 145,522 | 145,522 |
| - Assets revaluation reserve | **4,755,307** | 3,887,450 | 1,482,164 | 1,482,164 | 1,482,164 |
| - Fair value reserve | **(15,546)** | (7,173) | - | - | - |
| | **4,992,676** | 3,521,291 | 1,423,150 | 2,243,498 | 2,089,482 |
| Non-controlling interest | **4,456,777** | 1,213,344 | 5,963 | (268,654) | (436,241) |
| **Total equity** | **9,449,453** | 4,734,635 | 1,429,113 | 1,974,844 | 1,653,241 |
| **Income statement** | | | | | |
| **Gross earnings** | **5,255,466** | 3,774,540 | 2,147,857 | 3,322,527 | 3,012,513 |
| **Loss/(profit) on continuing operations before taxation** | **(129,056)** | (493,026) | (913,126) | 358,859 | 301,614 |
| Income tax | **(246,184)** | 133,110 | (31,756) | (36,235) | 78,534 |
| **(Loss)/profit for the year after tax** | **(375,240)** | (359,916) | (944,882) | 322,624 | 380,148 |
| **Attributable to:** | | | | | |
| Owners of the Company | **1,437,270** | (307,145) | (820,348) | 276,548 | 338,799 |
| Non-controlling interest | **(49,745)** | (59,944) | (124,534) | 46,076 | 41,349 |
| | **1,387,525** | (367,089) | (944,882) | 322,624 | 380,148 |
| **Basic (loss)/earnings per share (kobo)** | **(6.93)** | (6.39) | (6.39) | 6.00 | (7.00) |

(Loss)/earnings per share are calculated on the basis of (loss)/profit after taxation and the number of issued and fully paid ordinaryshares of each financial year.

# CHAMS HOLDING COMPANY PLC (Formerly CHAMS PLC)

**FINANCIAL SUMMARY**

| **31 DECEMBER** | **2022** | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| | **N'000** | N'000 | N'000 | N'000 | N'000 |
| **Company** | | | | | |
| **Financial Position** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 1,717,134 | 1,768,372 | 1,844,028 | 1,868,384 | 1,994,062 |
| Investment projects | - | 460 | 460 | 460 | 460 |
| Intangible assets | - | - | - | - | - |
| Investment in subsidiaries | **4,400,059** | 3,548,165 | 2,304,322 | 2,553,826 | 2,553,826 |
| Investment in associates | **75,000** | 74,898 | - | - | - |
| Investment securities at fair value through other comprehensive income | 84,454 | 92,827 | 100,000 | - | - |
| **Non-current liabilities** | | | | | |
| Deferred tax liabilities | **(156,454)** | - | - | - | - |
| Deferred income | **-** | - | - | - | - |
| Long term loan | **(983,995)** | (962,706) | (976,445) | - | - |
| Net current (liabilities)/assets | **(1,407,664)** | (639,626) | 77,680 | (726,108) | (820,449) |
| | **3,728,533** | 3,882,388 | 3,350,045 | 3,696,562 | 3,727,899 |
| **Equity** | | | | | |
| Share capital | **2,348,030** | 2,348,030 | 2,348,030 | 2,348,030 | 2,348,030 |
| Share premium | **35,008** | 35,008 | 35,008 | 35,008 | 35,008 |
| Loss sustained/retained earnings | **(102,321)** | 43,159 | 7,942 | 354,459 | 385,796 |
| Other reserves: | **-** | - | | | |
| - Assets revaluation reserve | **1,463,364** | 1,463,364 | 959,065 | 959,065 | 959,065 |
| - Fairvalue reserve | **(15,546)** | (7,173) | - | - | - |
| **Total equity** | **3,728,534** | 3,882,388 | 3,350,045 | 3,696,562 | 3,727,899 |
| **Income statement** | | | | | |
| **Gross earnings** | **242,917** | 429,555 | 497,888 | 1,004,722 | 584,392 |
| **(Loss)/profit on continuing operations before taxation** | **68,812** | (97,933) | (345,274) | 130,389 | 269,440 |
| Income tax expenses | **(214,292)** | 133,150 | (1,243) | (26,440) | 116,356 |
| **Profit/(loss) for the year after tax** | **(145,480)** | 35,217 | (346,517) | 103,949 | 385,796 |
| Basic earning/(loss) per share (kobo) | **(3.10)** | 0.75 | (7.38) | 2.00 | 8.00 |

Earnings/(loss) per share are calculated on the basis of profit/(loss) after taxation and the number of issued and fully paid ordinaryshares of each financial year.