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ANNUAL REPORT & ACCOUNTS



Computer Warehouse Group

...the technology of business

Mission

We deploy technology solutions that enable growth.

Vision

To be the Africa's No. 1 IT platform service provider by 2020.

Quality Policy

CWG shall deliver ICT solutions that will add value to our customers' operation, meet and exceed our customers' expectation and we shall deliver them right first time and all the time.

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN, that the 10th Annual General Meeting of **COMPUTER WAREHOUSE GROUP PLC** will hold at Lilygate Hotel, Olubunmi Owa Street, N.B.D., Lekki Phase 1, Lagos on **Thursday the 25th day of June, 2015 at 12.00 noon** prompt to transact the following ordinary business:

- To lay before the members, the Audited Financial Statements for the year ended 31st December, 2014, and the Reports of Directors, Auditor and Audit Committee;
- To declare dividend;
- To elect a director;
- To authorize Directors to fix the remuneration of Auditor
- To elect members of the Audit Committee.



**DATED THIS 1ST DAY OF JUNE 2015
BY ORDER OF THE BOARD**

**OKEY EJIBE
Company Secretary
FRC/2013/NBA/00000003272**

Notes:

- **Proxy:** A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. A form of Proxy must be completed and deposited at the office of the Company's Registrars, Africa Prudential Registrars Plc of 220B, Ikorodu Road, Palmgrove, Lagos not later than 48 hours before the time fixed for the meeting. Please note that the lodging of a proxy form does not prevent you from attending the meeting and voting in person should you so wish. However, if you attend the meeting in person, your proxy will not be permitted to attend or vote.
- **Audit Committee:** Any member of the Company may nominate a Shareholder as a member of the Audit Committee of the Company by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.
- **Closure of Register:** The Register of Members was closed on 8th June, 2015, for the purpose of updating the Register.
- **Election of Director:** Mr. Kunle Ayodeji is being proposed for election as Executive Director. He was appointed as a member of the Board of Directors on 16th April, 2015. He is being presented for Shareholders' approval at this meeting.

CORPORATE INFORMATION

DIRECTORS

Chief Willie Belonwu
Austin Okere

Philip Obioha
James Agada
Abiodun Fawunmi
Ravi Sharma
Emmanuel Ijewere
Kunle Ayodeji

Chairman
(Managing Director/
Chief Executive Officer)
Director-COO
Director-CTO
Non-executive
Non-executive
Non-executive
Executive Director
(Appointed 16th April, 2015)

REGISTERED OFFICE

Block 54A, Plot 10,
Off Rufus Giwa Street,
Off Adebayo Doherty Road,
Off Admiralty Way
Lekki Phase 1
Lagos
Tel: 01-7406817, 01-8936502
www.cwg-plc.com

AUDITORS

Ernst & Young
(Chartered Accountants)
13th Floor, UBA House
57, Marina, Lagos
Nigeria
E-mail: services@ng.ey.com

SOLICITORS

Ikeyi Arifayan
1st Floor, 21, Boyle Street
Onikan, Lagos

Charles Mekwunye & Co.
Plot 13A, Niger Street
Off Aso Road, Parkview,
Ikoyi, Lagos

Banwo & Ighodalo
98, Awolowo Road,
Ikoyi, Lagos.

BANKERS

First Bank of Nigeria Limited
Guaranty Trust Bank Plc
Access Bank Plc
Diamond Bank Plc
Zenith Bank Plc

Stanbic IBTC Bank Plc
Standard Chartered Bank Plc
United Bank for Africa Plc
First City Monument Bank Plc

REGISTRAR

Africa Prudential Registrars Plc
220B, Ikorodu Road
Palmgroove, Lagos

REPORT OF THE DIRECTORS AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors have pleasure in presenting their report on the affairs of Computer Warehouse Group Plc ("the company") together with its subsidiaries ("the Group") and the consolidated audited financial statements of the Group and Company for year ended 31 December 2014.

LEGAL FORM

Computer Warehouse Group Plc was incorporated in Nigeria as a private limited liability company on 1 February 2005 and became a public limited liability company on 15 November 2013. The registration number of the company is RC 615619

PRINCIPAL ACTIVITIES

The principal activity of the Company is the provision of integrated information and communications technology services

STATE OF AFFAIRS

In the opinion of the Directors, the state of the Group's affairs is satisfactory and there has been no material change since the reporting date, which would affect the financial statements as presented.

RESULTS FOR THE YEAR

	The Group 2014 N'000	The Company 2014 N'000
Turnover	15,356,280 =====	14,595,482 =====
Profit before taxation	57,636	109,018
Taxation	62,381 -----	67,215 -----
Profit after taxation	120,017 =====	176,233 =====

DIVIDEND

The directors recommend the payment of dividend of 2 kobo per share for the year ended 31 December 2014 (2013: 8 kobo per share) The dividend is subject to approval of the shareholders at the Annual General Meeting and withholding tax at the appropriate rate.

PROPERTY, PLANT AND EQUIPMENT

Information relating to movement in property, plant and equipment is shown in Note 15 to the financial statements. In the opinion of the Directors, the market values of the Group's properties are not less than the value shown in these financial statements.

DIRECTORS INTEREST IN CONTRACTS

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 of any discloseable interest in contracts with which the Company is involved as at 31 December

REPORT OF THE DIRECTORS AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014 CONT'D

DONATIONS

The company made a donation of N5,994,540 to charitable organization during the year ended 31 December 2014 (2013: N5,862,096).

DIRECTORS

The names of the Directors at the date of this report and of those who held office during the year are as follows:

Chief Willie Belonwu	Chairman
Austin Okere	Managing Director/Chief Executive Officer
Philip Obioha	Director - COO
James Agada	Director - CTO
Abiodun Fawunmi	Non Executive
Ravi Sharma	Non-Executive
Emmanuel Ijewere	Non-Executive
Kunle Ayodeji	Executive Director (Appointed 16th April, 2015)

SHARE HOLDINGS AND SUBSTANTIAL INTEREST IN SHARES

The issued and fully paid share capital of the Company as at 31 December 2014 was beneficially owned as follows:

	Number of Shares Holding	%	Nominal Value N
Aureos Africa Fund LLC	517,576,289	20.50	258,788,145
Abiodun Bamidele Fawunmi	500,671,088	19.83	250,335,544
Philip Obioha	500,671,088	19.83	250,335,544
Austin Okere	647,829,608	25.66	323,914,804
James Agada	101,707,006	4.03	50,853,503
Ijewere Emmanuel	1,000,000	0.04	500,000
Others	255,371,280	10.11	127,685,640
	-----	-----	-----
	2,524,826,359	100.00	1,262,413,180
	=====	=====	=====

DIRECTORS' INTERESTS

Directors' interests in the issued share capital of the Company are as disclosed above.

EMPLOYMENT AND EMPLOYEES

1. Employment of Physically Challenged Persons

It is the Company's policy that there is no discrimination in considering applications for employment including those from physically challenged persons. All employees whether or not physically challenged are given equal opportunities to develop their expertise and knowledge and to qualify for promotion in furtherance of their careers. The company had one physically challenged person in its employment as at 31 December 2014.

REPORT OF THE DIRECTORS AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014 CONT'D

2. Welfare

The Company is registered with a Health Management Organisation (HMO) – (KBL Healthcare Limited). Staff, Spouse and 4 children choose a primary health care provider, where cases of illness are referred for treatment.

3. Training

The Company attaches great importance to training and all categories of staff attend courses or seminars as considered necessary by the Company's management.

Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of these schemes include, bonus promotions and wages review.

FINANCIAL COMMITMENTS

The Directors are of the opinion that all known liabilities and commitments have been taken into account. These liabilities are relevant in assessing the company's state of affairs.

EVENTS AFTER REPORTING DATE

As stated in Note 32, there are no events or transactions that have occurred since the reporting date which would have a material effect on the financial statements as presented.

FORMAT OF FINANCIAL STATEMENTS

The financial statements of Computer Warehouse Group Plc have been prepared in accordance with the reporting and presentation requirements of the Companies and Allied matters Act, CAP C20, Laws of the Federation of Nigeria, 2004 and are in compliance with the International Financial Reporting Standards reporting format as approved by the Financial Reporting Council of Nigeria. The Director considers that the format adopted is the most suitable for the Company.

AUDITORS

Ernst & Young has indicated its willingness to continue in office as the Company's auditors in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004. A resolution will be proposed at the Annual General Meeting empowering the Directors to fix their remuneration.

BY ORDER OF THE BOARD



Okey EJIBE
COMPANY SECRETARY
LAGOS, NIGERIA

31 March 2015
FRCN/2014/NBA/00000003272

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

INTRODUCTION

CWG strongly believes that good corporate governance fosters openness, transparency, accountability, honesty, selflessness, integrity, good leadership, and effective monitoring of performance in every corporate setting. As a company quoted on the Nigerian Stock Exchange, CWG places a lot of importance on its responsibility to protect and increase shareholder and stakeholder values. CWG prides itself as a company that applies global best practices in corporate governance, with a view to creating value for all its stakeholders.

The Board of Directors of CWG ("the Board") considers itself as a trustee of the Company's stakeholders and acknowledges its responsibilities towards safeguarding their interests in the Company. In line with its vision to be Africa's Number One IT Platform Service Provider by 2020, CWG aspires to be a global IT industry benchmark for value creation and good corporate governance. The Company's corporate governance practice is evident in its Board and Management structures, as well as the principles applied in the day-to-day activities of the Company. In addition to its corporate governance policy document, the Company complies with the Code of Corporate Governance for Public Companies issued by the Securities and Exchange Commission.

CWG continuously reviews its corporate governance policy in order to conform to additional compliance requirements and changes in global best practices. The Company also has an Ethics and Conduct Policy which encapsulates the Company's ethical values, and which all employees undertake to comply with in their relationship with both internal and external stakeholders.

At CWG, it is believed that institutionalizing best practices and corporate governance structures would go a long way to ensure the attainment of the Company's vision, mission and quality objective; thereby increasing stakeholder value.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31ST DECEMBER 2014 CONT'D

GOVERNANCE STRUCTURE

THE BOARD

The ultimate responsibility for the governance of the Company resides with the Board which is accountable to the shareholders of the Company for creating and delivering sustainable value through efficient management of the Company's business. The Board carries out its responsibility through its Committees: the Finance, Audit & Risk Committee ("FARCOM") and the General and All Purpose Committee ("GENCOM"), which also report and make recommendations to the Board on issues within their respective terms of reference. Through these Committees, interactive dialogue is employed on a regular basis to set broad policy guidelines, and to ensure proper management and direction of the Company. All members of the Board and Board Committees have access to the services of the Company Secretary.

Currently, the Board comprises eight (8) members, four (4) of whom are Executive Directors, while the other four (4) are Non-Executive Directors. One of the Non-Executive Directors is an Independent Director. The effectiveness of the Board derives from the appropriate balance and mix of skills and experience of the Directors, both Executive and Non-Executive. The Company's Board is made up of seasoned professionals who have excelled in their various fields of endeavour, including computer science, engineering, economics as well as accounting, and possess the requisite integrity, skills and experience to bring independent judgment to bear on the deliberations of the Board.

The Board and the Board Committees respectively meet quarterly in each financial year, although additional meetings may be convened when the need arises. Decisions are taken at the Board meetings by way of resolutions, as provided for in the Companies and Allied

Matters Act, 2004. The Board met four (4) times during the year ended 31st December, 2014.

RESPONSIBILITIES OF THE BOARD

The Board is saddled with the responsibility of determining the strategic objectives and policies of the Company with a view to deliver long-term value by providing overall strategic direction within a framework of rewards, incentives and controls. The Board also ensures that Management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives. In fulfilling its primary responsibility, the Board is aware of the importance of achieving a balance between conformance to corporate governance principles and economic performance of the Company.

Powers reserved for the Board include, inter alia, the approval of the Company's strategy and financial objectives, as well as monitoring the implementation of the strategy and objectives; approval of the Company's investment policy and framework, as well as investments and strategic commitments that may have material effects on the assets, profits or operations of the Company, and any material changes in the nature of the business of the Company; approval of the Company's financial statements and any significant change in the accounting policies and/or practices; appointment or removal of Company Secretary; approval of major changes in the Company's corporate or capital structure; recommendation to shareholders of the appointment or removal of Auditors and the remuneration of Auditors; approval of resolutions and corresponding documentation for shareholders in general meeting(s).

Other powers reserved for the Board are the determination of Board structure, size

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31ST DECEMBER 2014 CONT'D

and composition, including appointment and removal of Directors, succession planning for the Board and senior management and Board Committee membership; oversee the establishment, implementation and monitoring of the Company's risk management framework to identify, assess and manage risks facing the Company, and also review and approve new or revised risk policies recommended by FARCOM for approval; approval of remuneration policy and packages of the Directors, appointment of the Managing Director; approval of the Board performance evaluation process, corporate governance framework and review of the performance of the Executive Directors; approval of policy documents on significant issues including Enterprise Risk Management, Human Resources, Corporate governance and Anti – Money laundering, and approval of all matters of importance to the Company as a whole because of their strategic, financial, risk or reputational implications or consequences for the Company, among others.

ROLES OF CHAIRMAN AND MANAGING DIRECTOR

The positions of Chairman and Managing Director are separate and both perform distinct functions in line with good corporate governance practices and in compliance with relevant statutory/legal provisions. The Chairman of the Board, who is a Non-Executive Director, is saddled with the responsibilities of ensuring that the Board fulfils its obligations as required under relevant legislations and to provide appropriate leadership to the Board and to the Company; ensuring efficient organisation and conduct of the Board; monitoring Board and Board Committees' performances annually; facilitating Board discussions and ensuring that the discussions are conducted in an open and professional manner where every Director is encouraged to express his/her views, leading to objective, robust analysis and

debate; ensuring the effective induction of new Directors and continuous development of all Directors; promoting consultative and respectful relationship among the Board members, and between the Board and Management; ensuring effective communication with shareholders and chairing the Company's general meetings, among others.

The Board has delegated the responsibility for the day-to-day management of the Company to the Managing Director/Chief Executive Officer, who is supported by the Executive Management. The Managing Director executes the powers delegated to him in accordance with guidelines approved by the Board. The Managing Director is also empowered to sub-delegate certain responsibilities and authority to such members of the Executive Management team as he deems fit. The Executive Management is accountable to the Board for the development and implementation of the Company's strategies and policies.

BOARD COMMITTEES

The effectiveness of the Board of the Company is fortified and strengthened by its two (2) Committees, viz; FARCOM and GENCOM, each chaired by a Non-Executive Director. The Board carries out its responsibilities through its Committees, which have clearly defined terms of reference, setting out their roles, responsibilities, functions and scope of authority. The Committees make recommendations to the Board, which retains responsibility for final decision making.

FARCOM

The Committee, among other functions, oversees the design and implementation of the Company's internal control and risk management systems, and periodically review and assess the adequacy of the

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31ST DECEMBER 2014 CONT'D

Company's internal control systems, both financial and non-financial. Also, the Committee reviews and advises the Board on accounting policies to be used in the preparation of the Company's audited financial statements.

The Committee currently consists of five (5) members: three (3) executive members and (2) non-executive members. The Committee meets 4 times in each financial year, and may convene additional meeting if the need arises.

During the period under review, the members of FARCOM were:

S/N	NAME	STATUS	DESIGNATION
1.	Mr. Emmanuel Ijewere	Non-Executive	Chairman
2.	Mr. Austin Okere	Executive	Member
3.	Mr. Philip Obioha	Executive	Member
4.	Mr. Kunle Ayodeji	Non-Executive (Representative of Abraaj)	Member

GENCOM

GENCOM, among other functions, oversees and makes recommendation to the Board with respect to the implementation of the Company's business strategies, capital expenditure, regulatory compliance, Directors' annual performance target and compensation, as well as other human resources matters. The Committee also ensures that the Company's Ethics and Conduct Policy is complied with.

The Committee currently consists of six (6) members: three (3) Executive Members and (3) Non-Executive Members. The Committee meets 4 times in each financial year, and may convene additional meeting if the need arises.

During the period under review, the members of GENCOM were:

S/N	NAME	STATUS	DESIGNATION
1.	Mr. Abiodun Fawunmi	Non-Executive	Chairman
2.	Mr. Austin Okere	Executive	Member
3.	Mr. Philip Obioha	Executive	Member
4.	Mr. James Agada	Executive	Member
5.	Mr. Wale Agbeyangi	Non-Executive	Member
6.	Mr. Kunle Ayodeji	Non-Executive (Representative of Abraaj)	Member

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31ST DECEMBER 2014 CONT'D

AUDIT COMMITTEE

This Committee is responsible for ensuring that the Company complies with all relevant regulatory policies and procedures, as well as policies laid-down by the Board of Directors. Its major functions include the review and approval of the audit scope and plan of the external auditors, review of the audit report on internal weaknesses observed by both the internal and external auditors during their respective examinations and to ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices. The Committee is responsible for the review of the integrity of the Company's financial reporting and oversees the independence and objectivity of the external auditors. The Committee has access to external auditors to seek explanations and additional information, while the internal and external auditors have unrestricted access to the Committee, which ensures that their independence is in no way impaired.

The Committee is made up of 3 Directors and 3 Shareholders of the Company appointed at Annual General Meetings, while the Company Secretary of the Company serves as the secretary to the Committee. The membership of the Committee at the Board level is based on relevant experience of the Board members, while one of the shareholders serves as the Chairman of the Committee.

The internal and external auditors are invited from time to time to attend the Meetings of the Committee. Appropriate members of Management also attend the meetings upon invitation. The Committee meets at least 3 times in a year. The following members served on the Committee during the 2014 financial year:



“
**CWG aspires to
be a global IT
industry
benchmark for
value creation
and good
corporate
governance.**

”

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31ST DECEMBER 2014 CONT'D

During the period under review, the members of AUDIT COMMITTEE:

S/N	NAME	STATUS	DESIGNATION
1.	Mr. Amaechi Patrick Onyema	Shareholders' Representative	Chairman
2.	Mr. Ibekwe Robert	Shareholders' Representative	Member
3.	Alhaji Wahab Ajani	Shareholders' Representative	Member
4.	Mr. Philip Obioha	Executive Director	Member
5.	Mr. Emmanuel Ijewere	Non-Executive Director	Member
6.	Mr. Kunle Ayodeji	Non-Executive Director	Member

ATTENDANCE OF BOARD AND BOARD COMMITTEE MEETINGS

The table below shows the frequency of meetings of the Board of Directors and Board Committees, as well as attendance of their respective members, for the financial year ended December 31, 2014.

S/N		BOARD	GENCOM	FARCOM
	DATE OF MEETINGS	17/04/14 28/08/14 16/10/14 11/12/14	17/04/14 28/08/14 16/10/14 11/12/14	15/04/14 26/08/14 14/10/14
	NUMBER OF MEETINGS	4	4	3
1.	Chief Willie Belonwu	4	N/A	N/A
2.	Mr. Austin Okere	3	3	2
3.	Mr. Philip Obioha	3	3	2
4.	Mr. James Agada	4	4	N/A
5.	Mr. Abiodun Fawunmi	4	4	N/A
6.	Abraaj Representative	4	4	3
7.	Mr. Emmanuel Ijewere	4		3
8.	Mr. Wale Agbeyangi	N/A	4	N/A



■ BOARD OF DIRECTORS OF COMPUTER WAREHOUSE GROUP PLC

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31ST DECEMBER 2014 CONT'D

PROFILE OF BOARD OF DIRECTORS AND BOARD COMMITTEE MEMBERS



Chief Willie Belonwu
- Chairman

Chief Willie Belonwu is an astute professional with a credible track record of business and board management. He graduated as an accountant in 1973 from the University of Nigeria, Enugu Campus, where he finished as the best student in his class. He obtained an MBA in 1982 from Century University, USA. During his professional career, he worked with Exxon Mobil where he held various key positions in Nigeria and the United States of America. He was the Executive Finance Director of Exxon Mobil for fourteen (14) years and ended his Exxon Mobil career as Vice Chairman and Chief Financial Officer of Mobil Producing Nigeria Unlimited, in December 2005. Chief Belonwu is currently a director in Ecobank Nigeria Plc, and also the Chairman of Dreamworld Leisures Limited.



Austin Okere
- CEO

Austin Okere is the Chief Executive Officer of the Company. He possesses an unprecedented flair for visioning, strategy and branding. Austin is a graduate of Computer Science from the University of Lagos. He also holds an MBA degree from the International Graduate School of Management (IESE), Navarra, Spain. He is a member of several professional and leadership bodies, including ICT Advisory Board, Nigerian Competitive Council and Nigerian Economic Summit Group. He also serves on the Executive Committee of the Nigerian-South African Chamber of Commerce. He has been recognized and honoured locally and internationally with many awards in recognition of his contribution to the information and communications technology world. He is currently an Entrepreneur in Residence at Massachusetts Institute of Technology's Legatum Centre.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31ST DECEMBER 2014 CONT'D



Phillip Obioha

Phillip Obioha is a consummate professional with a reputation for brokering and assuring the smooth conclusion of the most complicated negotiations and transactions. Philip trained as an Electrical Engineer at the West Virginia University, Morgantown, West Virginia in USA. However, his mastery of financial engineering and operations raises the bar in the realm of business finance and operations. Phillip also holds an MBA from the International Graduate School of Management (IESE), Navara, Spain, as well as several information technology product certifications. He is a member of several professional bodies including the Institute of Directors (IOD). He is the Chief Operating Officer of the Company.



Abiodun Fawunmi

Abiodun Bamidele Fawunmi is a highly experienced technology expert who, in his career, has led multi-cultural professional teams to high levels of effectiveness in a variety of competitive industries and fast-paced environments. Armed with strong technical and business qualifications, he has created an impressive track record of more than 35 years of hands-on experience in strategic planning, business unit development and resource management. He holds Post-graduate level degrees in Engineering, Computing and Business Administration from various African and European Universities. He also had short term training in Finance, Management of International Organizations and Developmental Economics from Ivy League Universities.

He has played significant roles in multi-national organizations such as Shell, Unilever, PriceWaterhouseCoopers and Coca-Cola. Between 2004 and 2011, he was the Head of Infrastructure Services at the United Nations International Atomic Energy Agency (IAEA) in Vienna. He is currently the Chief Information Officer (CIO) at the United Nations International Criminal Tribunal for Rwanda (UNICTR).

As co-founder of NEOPANORA (an international network of Energy professionals) he led a team that provided pro bono advisory services to National Governments on renewable energy. He relishes working with and supporting Nigerian Institutions of Higher learning as well as People living with HIV/AIDS (PLWHA). Abiodun is a Non-Executive Director of CWG and the Chairman of GENCOM.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31ST DECEMBER 2014 CONT'D



James Agada

James Agada is a highly innovative and versatile technology expert. He holds both a first class degree and a Master's Degree in Electronic Engineering, with specialization in Digital Systems, from the University of Nigeria, Nsukka. He also holds an MBA from the international Graduate School of Management (IESE), Navara, Spain. James is an Executive Director of the Company and is highly regarded in the IT industry where he has spent over 20 years building a career in consulting, software development, implementation and support. He was pro tem president, Lagos Chapter of the Nigeria Computer Society, and was conferred with the "Titans of Tech Merit Award" in 2013, by Technology Africa. He is the Chief Technology Officer of the Company, and the Executive Director overseeing the Company's software division, ExpertEdge. James has the primary responsibility for the Company's research and development unit.



Ravi Sharma

Ravi Sharma is a Non-Executive Director of the Company. He is a Managing Director with the Abraaj Group ("Abraaj"), with over 15 years' experience gained in the fields of private banking, investment banking and private equity. He holds an MBA from the University of Wales and has a BSc in Economics & Accounting from the City University, London.

Ravi is responsible for sourcing, structuring, monitoring and exiting investments across various sectors, for Abraaj. Ravi joined Abraaj in 2001 as a consultant and was a key member of the local team that established the Aureos West Africa Fund LLC (AWAF) in 2003 and subsequently the Aureos Africa Fund LLC (AAF) in 2008. Prior to joining Aureos Nigeria Advisers, Ravi worked for Aureos Ghana Advisers, where he was involved in 11 exits from Ghana Venture Capital Funds (GVCF) portfolio companies. He has been instrumental to the investment of over US\$600million of Abraaj Funds in West Africa. He was also responsible for the partial divestment from two of the AWAF portfolio companies in Nigeria. Ravi sits on the board of nine Abraaj portfolio companies.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31ST DECEMBER 2014 CONT'D



Emmanuel Ijewere

Emmanuel Ijewere is one of Nigeria's most eminent accountants with very extensive connections across the banking, finance and political spectrums. Emmanuel started his accounting career in 1965 with Coopers & Lybrand and set up his own firm of Chartered Accountants, Emmanuel Ijewere & Co in 1979. He has served as President to a number of notable organizations such as, the Institute of Chartered Accountants of Nigeria, Nigerian Red Cross Society, Institute of Directors, among others. Over the years, he has garnered immeasurable experience in business and corporate management, particularly from his Chairmanship role in several companies, including Learn Africa Plc, Best Foods Global (Nigeria) Limited, Longman Nigeria Plc, Petra Microfinance Bank, Salus Health Trust Management, CSN Investment Concepts Limited, Drum Resources Nigeria Limited, among others. His National Assignments includes Chairmanships of the Agriculture and Food Security Commission and the Modified Value Added Tax Committee. He is a member of the National Economic Forum, the International Investment Council and the Technical Committee on the Privatization of Federal Government Companies and Parastatals. He is a Non-Executive Director of the Company and the Chairman of FARCOM.



Kunle Ayodeji

Kunle Ayodeji is a seasoned professional with over 15 years' experience in the fields of banking, financial consulting and private equity. He joined Computer Warehouse Group Plc ("CWG" or "the Company") on 9th March, 2015 to oversee the operations and finance functions of the Company. Prior to his joining CWG, He was an Investment Principal with Aureos Capital and later became an Associate Director at Abraaj, where he was instrumental in the investment of over US\$45 million of Abraaj Funds, two partial divestments and two full exit of Abraaj's portfolio companies in Nigeria. He also sat on the boards of a number of Abraaj's portfolio companies.

Before joining Aureos in 2007, Kunle was a Senior Consultant with the Financial Advisory Services unit of KPMG Nigeria where he was involved with the valuation, due diligence and feasibility studies for various corporations and state governments. He also worked at the Treasury Operations department of Triumphbank Plc in Lagos, Nigeria.

Kunle was the Aureos representative on the Board of CWG from 2009 when Aureos invested in CWG, until December 2014. He has also been a member of both the Company's Finance, Audit and Risk Committee (where he was the pioneer Chairman), as well as the General Purpose Committee. He holds a B.Sc. in Economics from Obafemi Awolowo University, Nigeria and an MBA from The University of Birmingham, United Kingdom.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31ST DECEMBER 2014 CONT'D



Wale Agbeyangi

Wale Agbeyangi has valuable experience in the capital market, covering stockbroking, capital raising and financial advisory services spanning over 15 years. He has a background in Law with a Master's Degree (LL.M), an MBA and he is a Fellow of the Chartered Institute of Stockbrokers (FCS) and an Authorized Dealing Clerk of The Nigerian Stock Exchange. Wale worked with Great Africa Trust Limited, Meristem Securities Limited and currently is the Managing Director/CEO of Cordros Capital Limited. He is a member of GENCOM



Okey Ejibe

Okey Ejibe is a solicitor with vast corporate and commercial law experience, as well as a commendable track record of professional practice. He is currently the Company's General Counsel and Company Secretary; and he oversees the legal function of the group. Prior to his engagement with CWG, Okey was a Senior Consultant at KPMG where he was consistently rated as an Exceptional Performer.

He trained at the international law firm of Banwo & Ighodalo. Okey has participated in, negotiated and closed many commercial transactions with interesting dynamics; and his major objective on any task/engagement is to solve-problems creatively within the confines of diligence and integrity. His specialties include corporate governance, contract management, mergers and acquisitions, intellectual property, taxation, as well as shareholders and board management.

Aside from being an astute legal practitioner, he is a Chartered Tax Consultant and a member of several international and local professional bodies.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31ST DECEMBER 2014 CONT'D



Temi Marcella Olatunde

Temi Marcella Olatunde is an investor at The Abraaj Group. Prior to Abraaj, Temi was on the founding team of the EchoVC Partners' Africa Fund, manager for the Nigerian Ministry of Communication Technology ICT innovation Fund. Temi was a founding board member and also on the board of trustees of the Olusegun Obasanjo Foundation and the Africa Investment Council.

Temi began her career at Goldman Sachs International in London where she played an instrumental role in building the firm's investment and valuation framework for European small and mid cap companies. She was honoured as a Goldman Sachs Global Leader and as a Global Shaper on behalf of the World Economic Forum and serves on the board of Generation Enterprise.

Temi received a First Class Masters and Bachelor of Arts in Economics from the University of Cambridge, where she was honored as a Christ's College Scholar and has attained an MBA from the Stanford Graduate School of Business. She is an Alternate Director representing Abraaj interest in CWG.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31ST DECEMBER 2014 CONT'D

BOARD EVALUATION

In line with the Company's effort to adopt and maintain best corporate governance practices, the Board engaged an Independent Consultant, DCSL Corporate Services Limited, to carry out the annual Board and Directors evaluation for the 2014 financial year. The evaluation covered all aspects of the Board's structure, composition, responsibilities, processes, relationships, individual members' competencies and respective roles in the Board performance, as well as the Company's compliance status with provisions of relevant regulations.

DIRECTOR NOMINATION PROCESS

The GENCOM is charged with the responsibility of leading the process for Board appointments and for identifying and nominating suitable candidates for the approval of the Board. When considering an appointment, the Board seeks to achieve a balance and mix of appropriate skills and experience, with due consideration for integrity, professionalism, career success and ability to add value to the Company. The appointment of Directors is subject to the approval of the shareholders.

INDUCTION AND CONTINUOUS TRAINING

On appointment to the Board and to Board Committees, Directors receive an induction tailored to meet their individual requirements. The induction, which is arranged by the Company Secretary, may include meetings with senior management staff and key external advisors, to assist Directors in building a detailed understanding of the Company's operations, its strategic plan, its business environment, the key issues the Company faces, and to introduce Directors to their fiduciary duties and responsibilities. Training and education of Directors on issues pertaining to their oversight functions is a

continuous process, in order to update their knowledge and skills and keep them informed of new developments in the Company's business and operating environment. The Company attaches great premium to training its Directors; all the Directors attended trainings during the financial year ended December 31, 2014.

CHANGES ON THE BOARD

As part of the Company's strategy to strengthen its structures towards achieving its short and long term goals, the Board made some strategic appointments. Mr. Austin Okere, the CEO of the CWG, was appointed as the Vice Chairman. Also, Mr. Kunle Ayodeji was appointed as Executive Director in charge of Finance and Operations. His detailed profile is provided in page 16.

The Nigerian Stock Exchange has been notified about the appointments, and Mr. Ayodeji's appointment will be presented for shareholders' approval at the 10th Annual General Meeting of the Company.

SHAREHOLDERS

The General Meeting of the Company is the highest decision making body of the Company. The Company's General Meetings are conducted in a transparent and fair manner. Shareholders have the opportunity to express their opinions on the Company's financial results and other issues affecting the Company.

The Board ensures the protection of the statutory and general rights of shareholders at all times, particularly their right to vote at general meetings. All shareholders are treated equally, regardless of volume of shareholding or social status.

The Board and Management of the Company ensures that communication and dissemination of information regarding the operations and management of the

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31ST DECEMBER 2014 CONT'D

Company to shareholders via the NSE and other media is timely, accurate and continuous.

THE COMPANY SECRETARY

The Company Secretary provides a point of reference and support for all Directors. The Company Secretary also consults regularly with Directors to ensure that they receive required information promptly. The Board may obtain information from external sources, such as consultants and other advisers, if there is a need for external expertise, via the Company Secretary or directly. The Company Secretary is also responsible for assisting the Board and Management in the implementation of the Company's Corporate Governance principles; assisting the Chairman and Managing Director to formulate an annual Board Plan and with the administration of other strategic issues at the Board level; organizing Board meetings and ensuring that the minutes of Board meetings clearly and properly capture Board's discussions and decisions.

INDEPENDENT ADVICE

Independent professional advice is available, on request, to all Directors at the Company's expense when such advice is required to enable a member or committee of the Board effectively perform certain responsibilities. The Company bears the costs of independent professional advice obtained jointly or severally by a Director or Directors, where such advice is necessary to enable them fulfil the obligations imposed on them by virtue of their Board membership.

EXECUTIVE MANAGEMENT COMMITTEE

The Executive Management Committee comprises senior management staff of the Company. The Committee analyzes and make recommendations on business prospects as well as risks arising from day to

day activities of the Company. The Committee provides inputs for the Board Committees and also ensures that recommendations of the Board and Board Committees are effectively and efficiently implemented. The Committee meets as frequently as necessary to immediately take action and decisions within the confines of its powers.

CODE OF PROFESSIONAL CONDUCT FOR EMPLOYEES

The Company has an internal Ethics and Conduct Policy which all members of staff are expected to subscribe to upon assumption of duties. All members of staff are expected to strive to maintain the highest standards of ethical conduct and integrity in all aspects of their professional life as contained in the Ethics and Conduct Policy which prescribes the common ethical standards, policies and procedures of the Company relating to employee values.

INTERNAL MANAGEMENT STRUCTURE

The Company operates an internal management structure where all officers are accountable for duties and responsibilities attached to their respective offices and there are clearly defined and acceptable lines of authority and responsibility.

CONFLICT OF INTEREST

The Directors of the Company are expected to avoid any action, position or interest that conflicts or may likely conflict with the interest of the Company. Every Director is expected to declare annually his/her economic interests in any contract or arrangement between CWG and any other company in which he/she is also a director, officer, servant, creditor, or a holder of substantial shares or other securities. Every Director who has any material or personal interest in any matter

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31ST DECEMBER 2014 CONT'D

that relates to the affairs of CWG, is required to give the other Directors a notice of such interest during any meeting in which the matter is to be discussed. The Company Secretary is mandated to note such notice of interest in the minutes of that meeting. The Director who has a conflict of interest is excluded from taking part in discussions and decisions relating to the conflicted matter.

WHISTLE BLOWING

The Company's whistleblowing Policy is an integral part of the Company's commitment towards achieving the highest possible ethical standards in all its activities and in compliance with the requirements of global best practices and relevant laws and regulations. The Policy is designed to encourage the Company's Employees to raise concerns about malpractices, danger and wrongdoings internally without fear of any negative repercussion.

The Policy also seeks to provide avenues for Employees and stakeholders to raise concerns and define a way to handle these concerns; enable Management to be informed at an early stage about any act of fraud or misconduct; reassure Employees of their protection from punishment or unfair treatment for disclosing concerns in good faith; develop a culture of openness, accountability and integrity; foster good relations, avoid crisis management and minimize damaging incidents and unpleasant publicity about the Company.

The Policy demonstrates the Company's commitment to ensuring that its affairs are conducted ethically, honestly and to high standards, and confirms the Company's commitment to a culture of openness, accountability and integrity in line with its core values.



“
**We consistently
ensure that our
staff and
companies receive
the necessary
training
and certification**
”

STRATEGIC PARTNERSHIPS

Over the years, CWG has established and maintained very key strategic business relationships with leading ICT companies across the globe. In order to effectively deploy the tools developed by our numerous partners, we consistently ensure that our staff receive the necessary training and certification required to serve our clients effectively.

OEM	PARTNERSHIP LEVEL	NEXT STEP
Oracle Hardware & Software	Platinum Level	-
HP: Hardware & Software	Silver	Gold
IBM Hardware	Premier	Premier (Specialty Partner)
EMC Storage	Affiliate Elite	Gold
NetApp	Platinum Level	Platinum
HDS	Platinum	ASP
Symantec	Gold Partner	Platinum
Cisco	Gold	Gold
Infosys	Business Partner	Business Partner
Checkpoint	Bronze	Gold
Commscope	Select Partner	Gold
Aviat	App. for partnership submitted	VAR
APC By Schneider Electric	Registered Partner	Premier Partner
Bluecoat	Authorized	Elite Partner
RedHat	Registered Partner	Gold Partner
Vmware	Enterprise Partner	Service Provider
EION	Gold	-

2014 - 2015 CWG AWARDS

AWARD	INSTITUTION	RECIPIENT
E-Commerce Platform of the year, 2015	Nigeria Communications Week	CWG
Distinguished SME Partner Award, 2014	Fidelity Bank	Austin Okere
IIM Special Award for Public/private Sector 2014	Institute of Information Management	CWG
Information Management Personality of the year 2014	Institute of Information Management	Austin Okere
Renewals Partner of the year (WECA), 2013/14	Vmware	CWL
Solution Provider of the year (WECA), 2013/14	Vmware	CWL
IT Personality of the Year	Nigeria Computer Society(NCS)	Austin Okere
Most Pragmatic CEO in ICT Enterprise	The Nigeria ICT Centenary Awards	Austin Okere
Certificate of Honour as a Technology Entrepreneur in Nigeria's ICT Sector, 2014	Centre for Values in Leadership (CVL)	Austin Okere
Global Growth Company, 2014	World Economic Forum	CWG
ICT Man of the year, 2014	Nigeria Communications Week	Austin Okere
ICT Infrastructure provider of the year, 2014	Nigeria Communications Week	CWG

CHAIRMAN'S REPORT



“

*Your company is
seizing the
opportunity to
drive steadily
towards her new
vision of becoming
the No. 1 IT
Platform Service
Provider in Africa
by 2020,*

”

Chief Willie
Belonwu
(Chairman)

Fellow shareholders, invited guests, distinguished ladies and gentlemen, I am pleased to welcome you to the 10th Annual General Meeting of your Company. I am equally honoured to present to you a review of the business and operations of your Company for the financial year ended 31st December, 2014

Our key business objective for 2014 was to Scale out the Subscription business in order to be the Number 1 IT Utility enabler in Africa by 2015, a business model that would provide predictability, as well as ensure annuity revenues. I am happy to report that we made significant in-road into this mission, but have not achieved the desired scale that would put your company in the forefront of this business model.

We also made further progress in the consolidation of our position as a leading systems integrator in Nigeria despite the several macroeconomic challenges.

MACROECONOMIC ENVIRONMENT

Nigeria has faced recent challenges to macroeconomic management related to weakening oil revenues and volatile short-term capital flows. Gross foreign and fiscal reserves declined steadily from April 2013 into the first quarter of 2014. The Government met these challenges with prudent fiscal, monetary, and exchange rate policies, which succeeded in maintaining economic stability, reducing the pace of inflation, and contributing to investor confidence and a stabilization of

CHAIRMAN'S REPORT CONT'D

the balance of payments position in the second quarter of 2014. The planned Revenue Framework and Federal Budget for 2014 suggested a resolve to maintain fiscal prudence in light of lower oil revenues, despite growing pressures in the pre-election environment.

The oil sector remains a primary source of macroeconomic uncertainty. Given the high dependence of the budgetary and balance of payments positions of the country on oil. Changes in prices or in the performance of the oil sector can have a major impact on the macroeconomic picture. A combination of regulatory uncertainty and increasing security challenges in the Niger Delta have limited investment and output in the oil sector in recent years. Declining oil revenues relative to the size of the Nigerian economy are already necessitating fiscal adjustment.

The National Bureau of Statistics (NBS) announced new (re-based) numbers for GDP from 2010-2013. National accounts statistics in Nigeria had not been re-based since 1990. The re-basing exercise involved Updating the universe of firms assessed to be operating in Nigeria by roughly ten times. The new GDP numbers imply that Nigeria had a Gross national product of US\$ 509 billion in 2013, making it the largest economy in Africa and the 26th largest economy in the world. The higher level of GDP in Nigeria also changes the assessments of a number of other key economic indicators. Government budget deficits now appear lower at close to 1% of GDP in recent years.

However, the new GDP numbers suggest a more diversified and complex economy than do previous estimates. According to the former GDP numbers, the three sectors of agriculture, crude oil and gas, and trade accounted for as much as 85% of GDP. Now, agriculture, oil and gas, and trade cover only half (54%) of Nigerian output. Sectors that received significantly higher new estimates of their shares in GDP include

telecommunications, real estate, manufacturing, construction, and entertainment. The higher share of manufacturing in Nigerian GDP is encouraging, and this is due in part to the previously under-accounted food industry (4.4% of GDP)

While the re-basing has reduced the estimate of the share of oil and gas in GDP, this sector still accounts for a strong majority of exports and budgetary revenues in the country, and is therefore critical to macroeconomic and budgetary stability. The oil sector has faced a number of challenges in recent years in slower output growth, vandalism and theft, an uncertain regulatory environment, and low levels of investment. The Petroleum Industry Bill, which was intended to clarify and improve regulatory conditions in the industry, has still not been passed into law in light of long standing controversies surrounding various PIB drafts under consideration in the National Assembly.

FOREIGN EXCHANGE

The fall in oil prices in 2014, created downward pressure on our foreign reserves which consequently led to various new CBN policies that saw to an eventual devaluation of the naira. The devaluation of the naira coupled with the political uncertainty towards the end of the year also saw portfolio investors, divesting from the economy and taking their money out of the country. This further increased the funding gap in the foreign exchange market, as the demand for dollars outpaces the supply, putting pressure on the value of the naira.

INFLATION

Inflation has continued its general downward trend in line with tighter macroeconomic policy since 2011. The rate of CPI inflation remained high in 2012 (12%) due largely to non-monetary factors,

CHAIRMAN'S REPORT CONT'D

including increases in administrative prices, a national strike, and severe flooding in some regions. CPI inflation fell to 8% in 2013, and has remained in this range in the first half of 2014. Upward pressure on food prices prevented what would have been lower inflation in early 2014.

The new Central Bank Governor assumed office in June, 2014 and has emphasized a high degree of continuity in the pursuit of monetary policy. This includes a high degree of exchange rate stability and a goal to gradually reduce interest rates along with progress in bringing down inflation. The Central Bank also focused on programs aimed at assisting development in priority sectors of the economy.

The Boko haram insurgency which led to the declaration of state of emergency in Borno, Adamawa and Yobe States, in the northern Nigeria, persisted towards the end of the year.

The ministry of communication technology has supported the National broadband IT policy with the licensing of 2 out of the 7 proposed Infracore companies. However, the much promised broadband revolution is yet to be felt

The telecoms industry has continued to thrive, with MTN leading the pack, albeit at a slower growth rate. The tele-density as at January 2015 was 101% at 142,589,775 active subscribers

FINANCIAL RESULTS

Against the background of the harsh operating environment stated above, the operating results show an improvement in operating indices across most financial segments and also affirm the Company's position as the foremost Pan African ICT services provider.

The Company's gross margin percentage grew by 5% to 20% (2013: 19%) while the

financing costs and general operating costs declined by 43% and 15% respectively to N199.8m and N2.7bn (2013: Financing cost 348.7m, OPEX N3.2bn) showing better efficiency of our operations. The Company also finished with an improved cash position of over N1.5bn at the year end.

However, the company's revenues declined by N5.3b to N15.3bn (2013: N20.6bn) while the gross profit declined by 27% to N3.0bn (2013: N3.9bn), reflecting the harsh operating environment leading up to the elections in Nigeria, coupled with the fall in oil prices which slowed down economic activities during the year.

The bottom line figures were affected primarily by two factors. First was the drop in the revenue figures with a less than corresponding drop in the operating costs. The second was the foreign exchange losses, of up to N380m, arising from the devaluation of the Naira and the Central Bank of Nigeria's (CBN) directive that excluded IT related companies from the Retail Dutch Auction System (RDAS) foreign exchange window.

The Company shall continue to focus, in continuing investments in new lines of business, christened CWG2.0, which are better positioned to withstand macroeconomic shocks, especially those relating to foreign exchange. For instance, SMERP, the cloud based Enterprise Resource Planning (ERP) product for SME's is ready for roll out and is currently being tested by a few organizations. There are also collaborative agreements with multilateral organizations, which are focused on the growth of SME's, in achieving inclusive growth in Nigeria, to deploy this product. CWG's flagship e-commerce technology platform, openshopen.ng, is currently being deployed, with a few online shops running on it, with the plan for a mass rollout towards the 3rd quarter of 2015.

CHAIRMAN'S REPORT CONT'D

Openshopen, an investee company of CWG, (also operating globally in Ireland, Spain, Brazil, Portugal, Chile, Mexico, Kenya, Colombia & Panama), is an online enabling technology at the forefront of facilitating businesses which aspire to grow fast at a lower cost, by going online and making their goods and services available on a wider spread, on the internet.

CWG's smart grid solution for Electricity distribution Companies (DISCOS) has been running POC's for some of the Discos in Nigeria and we expect that this new line of business will be at implementation stage by Q3 2015. It is targeted at eliminating electricity theft, thereby improving the efficiency of the whole electricity distribution ecosystem.

The cloud based systems would also be made available to other African countries starting from the existing CWG operating bases in Ghana, Uganda and Cameroun and then to other African countries. This is in pursuit of the Groups PAN-African vision to be Africa's No. 1 IT platform service provider by 2020

Based on our immense contribution in the economy through various programmes, Within the period under review, CWG received several awards, amongst which is the "Distinguished SME Partner Award", "Solution Provider of the year (WECA), 2013/14", "IT Personality of the Year for the CEO", "Most Pragmatic CEO in ICT Enterprise", "Global Growth Company", "ICT Man of the year, 2014 for the CEO" and "ICT Infrastructure provider of the year, 2014"

CORPORATE SOCIAL RESPONSIBILITY

Computer Warehouse Group, in pursuit of its social corporate responsibility has continued the promotion of educational excellence in higher institutions in our communities, as our niche area of contribution to sustainable development.

We have committed to advance this value in specific Higher Institutions in Countries in Africa where we have established physical presence. We have continued to support the following universities for our CSR focus: University of Lagos, Lagos; Makerere University, Uganda and University of Ghana, Legon. We reward the best graduating student in Computer Sciences department of the aforementioned Higher Institutions, and also provide immediate employment for them.

CWG has continued to grow the talent pool for the IT industry and in effect increase the overall knowledge base, for the benefit of the society at large, through the CWG training academy. We have graduated over 300 students to-date, and most of them are currently working with us as well as with renowned organizations like IBM, MTN, KPMG among others.

CWG through her group CEO is engaged in voluntary teaching in Entrepreneurial development centres such as Lagos Business School; Fate Foundation; Columbia Business School; Massachusetts Institute of Technology; United States International University, Nairobi amongst others.

I am happy to report back that in 2014, CWG fulfilled her CSR scheme in the six universities and also sponsored the Activ8 youth camp; an annual convention aimed at inspiring and empowering young minds.

LOOKING FORWARD

While the risks to growth do pose challenges, the Federal Government via its Economic Management Implementation Team had anticipated, discussed, and formulated policies with the view of a negative price shock on crude oil prices some of which had been rolled out by the Coordinating Minister of the Economy during her 2015 budget presentation; shoring up non-oil revenues by increasing

CHAIRMAN'S REPORT CONT'D

the tax base, while cutting back on government expenditures. The crude oil price shocks, the resulting declining government expenditure and its multiplier effects are likely to impact businesses as well. Nevertheless, prioritization of infrastructure such as roads and power are likely to mean that while growth may slow, it is likely to be stable. While growth is expected to peak at 6.79 percent in 2014, the economy is expected to grow by 5.5 percent in 2015, as the non-oil sector of the economy is expected to drive growth. Over the 2015 through 2017 period, growth is expected to average 5.7 percent

Your company is seizing the opportunity to drive steadily towards her new vision of becoming the no. 1 IT Platform Service Provider in Africa by 2020, by focussing on her new lines of business under the CWG 2.0 banner

As usual, the accomplishments we celebrate today would not have been possible without the passionate contribution exhibited by every CWG staff, customers and other stakeholders. I want to specially thank you all for your immeasurable contribution.

Finally, we acknowledge and hereby show appreciation to you our shareholders, for your continued belief and support in the institution we are building together. I am confident that the future is very bright for Computer Warehouse Group Plc.

Thank you and God bless you.



Chief Willie Belonwu
Chairman

“
**Our key business
objective for
2014 was to
Scale out the
Subscription
business in order
to be the
Number 1 IT
Utility enabler in
Africa by 2015,**
”

GROUP CHIEF EXECUTIVE'S REVIEW



Austin Okere
Group CEO

“
We have signed a partnership with the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) to enable MSMEs take their businesses online.

”

In 2014, our company continued in her bold transformation efforts to become a premier provider of information technology platforms that promote economic and social growth in Africa. We chose this path early this decade as a reaction to the changes happening in the technology space both locally and globally as well as a clear recognition of the dire need for drivers of economic growth in our country.

In our review last year, we pointed out that *'statistics show that there are about 17.7 million Micro, Small and Medium Enterprises (MSME) in Nigeria today. If we could help each of them to build sufficient capacity to employ one more person, we shall inadvertently create 17.7million additional jobs, enough to absorb all the 16 million unemployed youths with a generous surplus to spare. While this may seem like a dream whose reality is far-fetched, it is precisely what CWG2.0 is all about; the freedom to dream and the passion to execute. CWG2.0 defines the future direction of our great company.'*

In 2014, we continued on the CWG 2.0 track with notable partnerships and product launches. One of the notable product launches during the year on CWG's mobile banking platform – FinEdge, was The Diamond Yello Account (“DYA”). The DYA is a mobile banking application between Diamond Bank Plc and MTN, launched on the CWG's FinEdge platform, which has experienced an astronomical growth, providing banking solutions to more than 1.5 million subscribers within four months. This service is forecast to grow significantly to reach a larger percentage of MTN approximately 60 million subscribers in 2015 and subsequent years. In the coming years, the Diamond Yello account franchise will be spreading to more banks. We are also engaging Microsoft to review the technology and architecture of FinEdge. The certification from Microsoft will be a strong endorsement for taking FinEdge global.

We have signed a partnership with the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) to enable MSMEs take their businesses online. We have since commenced a program of national sensitisation campaigns to bring this service to the door steps of millions of MSMEs and in the process change the perception and

GROUP CHIEF EXECUTIVE'S REVIEW CONT'D

reality of e-Commerce in Nigeria. In the coming years this foundation will enable us to sign up a significant number of online shops which will provide these merchants with increased market access while assuring us of predictable subscription revenue. Please do visit our <http://openshopen.ng> site to open your own online web store today.

We were certified as a payment terminal services provider by CBN and have initiated partnerships with the Nigerian Interbank Settlement System (NIBSS Plc) and other banks to further deepen the penetration of cashless transactions. Our unique PoSApp framework is allowing us to quickly add value added services like lottery, inventory management, sales management, agency banking and others to the functionality of PoS terminals. From this vantage position, we are poised to become one of the major players in enabling electronic payments and cashless transactions.

2014 was also a difficult year plagued by uncertainty in the foreign exchange markets, insurgency and general insecurity as well as a precipitous drop in the price of oil. These conditions will extend through 2015 and possibly longer. As in the previous year, the immense opportunity presented by Nigeria transforming from a Frontier Economy to an Emerging Market force also presented a key risk to local businesses: the risk that when the recurring problems of security and power supply have been tamed, global Original Equipment Manufacturers (OEMs) who were hitherto happy to operate at the periphery through Reseller Channels shall seek direct entry into the country, putting the businesses of scores of Reseller middlemen at risk. We are

responding to these challenges by improving our service delivery (~ 99% delivery on SLAs), streamlining our operations and building out various platforms.

Distinguished shareholders, despite the various challenges that we faced, and the uncertainties that prevailed in the domestic and global business environment, we retained our enviable position as one of the foremost and most admired companies in Africa. We were elected as a World Economic Forum (WEF) Global Growth Company and was also recognised by peers, the media and OEMs for outstanding performance.

We are confident that with your support we shall continue to delight our customers, maintain excellent service standards and report sustainably growing financial results.

Thank you.



Austin Okere
Group CEO

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2014

The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the company at the end of the year and of its profit or loss. The responsibilities include ensuring that the company:

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004;
- b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The directors accept responsibility for the annual consolidated financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards issued by International Accounting Standard Board and the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, and Financial Reporting Council of Nigeria Act, No 6, 2011.

The directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs of the group and of its profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal 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 statement.



Austin Okere (Chief Executive Officer)
FRC/2014/IODN/00000003266



Philip Obioha (Chief Operating Officer)
FRC/2014/IODN/00000003269

31 March 2015

REPORT OF THE AUDIT COMMITTEE TO THE MEMBERS OF COMPUTER WAREHOUSE GROUP PLC

In accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act 2004, the members of the Audit Committee of Computer Warehouse Group Plc ("the Company") hereby report as follows:

- We have exercised our statutory functions under Section 359 (6) of the Companies and Allied Matters Act, 2004 and acknowledge the cooperation of management and staff in the conduct of these responsibilities.
- We are of the opinion that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December, 2014 were satisfactory and reinforce the Company's internal control systems.
- We have deliberated with the External Auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses to the External Auditor's recommendations on accounting and internal control matters and with the effectiveness of the Company's system of accounting and internal control.



Mr. Amaechi Patrick Onyema
Chairman, Audit Committee
30 March, 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF COMPUTER WAREHOUSE GROUP PLC



REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompany consolidated financial statements of Computer Warehouse Group Plc and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council Act, No 6, 2011, 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF COMPUTER WAREHOUSE GROUP PLC CONT'D

accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Computer Warehouse Group Plc as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards, provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, we confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) in our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- iii) the Company's consolidated statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.



Yusuf Aliu, FCA/FRC/2014/ICAN/00000000138

For: Ernst & Young Chartered Accountants

Lagos, Nigeria31st March 2015..... 2015



THE BOARD EVALUATION REPORT

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REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF COMPUTER WAREHOUSE GROUP PLC ("CWG PLC") FOR THE YEAR-ENDED DECEMBER 31, 2014.

DCSL Corporate Services Limited (DCSL) was engaged by Computer Warehouse Group Plc to carry out an appraisal of the Board's performance for the year-ended December 31, 2014. Being its inaugural Board appraisal, we undertook a detailed review of the Company's corporate and statutory documents, the Minutes of Board and Committee meetings, the policies currently in place and other ancillary documents made available to us, questionnaires administered as well as information derived from our interactions with the Board members and select members of the Executive Management team. We benchmarked the Company's corporate governance structures, policies and processes against the provisions of the Securities and Exchange Commission (SEC) Code of Corporate Governance 2011 ("SEC Code") as well as global Best Practices.

In undertaking the appraisal, we considered seven (7) key corporate governance areas as follows:

1. Board Structure and Composition
2. Strategy and Planning
3. Board Operations and Effectiveness
4. Measuring and Monitoring of Performance
5. Risk Management and Compliance
6. Corporate Citizenship; and
7. Transparency and Disclosure.

The Board has a responsibility to put in place structures, policies and processes that will help guarantee the Company's growth and sustainability. As Consultants, our responsibility is to draw conclusions on the effectiveness of these structures, policies and processes based on our review of the Board's activities and performance during the year-ended December 2014 and as outlined in our letter of engagement dated 20th January 2015. Following our review, we have provided the details of our findings, highlighted areas of improvement, reviewed status of previous year recommendations and made recommendations aimed at further improving the performance of the Board of its oversight functions.

THE BOARD EVALUATION REPORT CONT'D

At the conclusion of the evaluation exercise, we are of the opinion that the Board has substantially complied with the provisions of the Codes. The Board of CWG Plc is comprised of individuals possessing relevant skills and competencies and of an appropriate mix in terms of relevant experience.

We however note the absence of a Succession Planning Framework for the Board in line with its role as outlined in **Section 3.1(c) of the SEC Code** and recommend that one be prepared and approved by the Board urgently. We recommend that the Board needs to be more involved in Strategy definition and monitoring. We observe that the Company's Enterprise Risk Management Policy and Framework are yet to be approved by the Board and recommended that they be considered and approved by the Board as soon as practicable. We also recommend that the Board should consider appointing a female Director to bring some gender diversity to the Board.

Details of our key findings and other recommendations are contained in our Report.

Yours Faithfully,
For: DCSL Corporate Services Limited



Bisi Adeyemi
Managing Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	NOTES	The Group		The Company	
		2014 N'000	2013 N'000	2014 N'000	2013 N'000
Revenue	6	15,356,280	20,669,298	14,595,482	20,055,736
Cost of sales		(12,305,952)	(16,761,765)	(11,679,608)	(16,296,111)
Gross profit		3,050,328	3,907,533	2,915,874	3,759,625
Other income	7	89,754	216,568	89,696	204,916
Administrative expenses	8	(2,739,040)	(3,206,806)	(2,561,447)	(3,039,051)
Currency devaluation loss	9	(192,290)	(34,648)	(192,153)	(34,648)
Finance cost	10	(199,827)	(348,778)	(191,663)	(343,330)
Finance income	11	48,711	84,587	48,711	84,587
Profit before taxation		57,636	618,456	109,018	632,099
Income tax expense	12.1	62,381	(5,609)	67,215	-
Profit after taxation		120,017 =====	612,847 =====	176,233 =====	632,099 =====
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss					
Translation of foreign entities		(1,869)	39,632	-	-
Available for sale financial assets	18	5,390	4,437	5,390	4,437
Other comprehensive income		3,521 -----	44,069 -----	5,390 -----	4,437 -----
Total comprehensive income for the year net of tax		123,538 =====	656,916 =====	181,623 =====	636,536 =====
Earnings per share:					
Basic earnings per share	13.1	N0.05	N0.24	N0.07	N0.25
Diluted earnings per share		N0.05	N 0.25	N0.07	N0.26


**** All subsidiaries are 100% owned by the Group hence all the profits or losses and other comprehensive income belong to the owners of the company.**


See notes to the financial statements


CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Notes	31-Dec-14 N'000	31-Dec-13 N'000	31-Dec-14 N'000	31-Dec-13 N'000
NON-CURRENT ASSETS					
Goodwill	14.2	814,088	814,088	814,088	814,088
Property, plant & equipment	15	552,655	659,238	545,087	649,369
Intangible assets	16	79,761	111,831	79,761	111,831
Investment in subsidiaries	17	-	-	30,610	30,307
Available for sale financial assets	18	78,768	19,275	78,768	19,275
		1,525,272	1,604,432	1,548,314	1,624,870
CURRENT ASSETS					
Inventories	19	3,122,790	2,721,207	3,122,384	2,720,502
Trade and other receivables	20	6,847,598	7,068,684	6,828,766	7,121,507
Prepayments	21	317,227	492,001	286,005	489,256
Cash & cash equivalents	22	1,833,382	1,561,901	1,631,093	1,557,187
		12,120,997	11,843,793	11,868,248	11,888,452
TOTAL ASSET		13,646,269	13,448,225	13,416,562	13,513,322
EQUITY					
Share capital	23	1,262,413	1,262,413	1,262,413	1,262,413
Share premium		1,852,748	1,852,748	1,852,748	1,852,748
Retained earnings		1,767,202	1,849,170	2,122,250	2,148,002
Available for sale reserve		17,274	11,884	17,274	11,884
Foreign currency translation reserve		64,105	65,974	-	-
		4,963,742	5,042,189	5,254,685	5,275,047
NON CURRENT LIABILITIES					
Deferred tax liabilities	12.3	-	67,215	-	67,215
		-	67,215	-	67,215
CURRENT LIABILITIES					
Trade & other payables	24	5,726,953	6,131,958	5,266,099	5,951,393
Income tax payable	12.2	553,614	548,780	561,584	561,584
Employee benefits	25	56,848	90,922	56,848	90,922
Deferred revenue	26	1,299,573	1,058,645	1,299,573	1,058,645
Short term loans & borrowings	27	1,045,539	508,516	977,773	508,516
		8,682,527	8,338,821	8,161,877	8,171,060
Total liabilities		8,682,527	8,407,032	8,229,092	8,238,275
Total equity & liabilities		13,646,269	13,448,225	13,416,562	13,513,322

Signature







Name

Austin Okere (Chief Executive Officer)

Philip Obioha (Director- Operations)

Adeyanju Jelili (HOD Accounts)

FRC. No.

FRC/2014/IODN/00000003266

FRC/2014/IODN/00000003269

FRC/2014/ICAN/00000003668

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – THE GROUP AS AT 31 DECEMBER 2014

DESCRIPTION	Share Capital N'000	Retained Earnings N'000	Share Premium N'000	Convertible loan reserve N'000	Available for sale reserve N'000	Foreign currency translation reserve N'000	TOTAL N'000
Bal as at 1 Jan 2013	1,000,000	1,356,323	410,883	244,253	7,447	26,342	3,045,248
Issue of ordinary shares	262,413	-	-	-	-	-	262,413
Issue share premium	-	-	1,441,865	(244,253)	-	-	1,197,612
Dividend paid	-	(120,000)	-	-	-	-	(120,000)
Profit for the year	-	612,847	-	-	-	-	612,847
Other comprehensive income	-	-	-	-	4,437	39,632	44,069
Bal as at 31 Dec 2013	1,262,413	1,849,170	1,852,748	-	11,884	65,974	5,042,189
Profit for the year	-	120,017	-	-	-	-	120,017
Other comprehensive income	-	-	-	-	5,390	(1,869)	3,521
Dividend	-	(201,985)	-	-	-	-	(201,985)
Bal as at 31 Dec 2014	1,262,413	1,767,202	1,852,748	-	17,274	64,105	4,963,742

STATEMENT OF CHANGES IN EQUITY – THE COMPANY

DESCRIPTION	Share Capital N'000	Retained Earnings N'000	Share Premium N'000	Convertible loan reserve	Available for sale reserve N'000	Foreign currency translation reserve	TOTAL N'000
Bal as at 1 Jan 2013	1,000,000	1,635,903	410,883	244,253	7,446	-	3,298,486
Issue of ordinary shares	262,413	-	-	-	-	-	262,413
Issue share premium	-	-	1,441,865	(244,253)	-	-	1,197,612
Dividend paid	-	(120,000)	-	-	-	-	(120,000)
Profit for the year	-	632,099	-	-	-	-	632,099
Other comprehensive income	-	-	-	-	4,438	-	4,438
Bal as at 31 Dec 2013	1,262,413	2,148,002	1,852,748	-	11,884	-	5,275,047
Profit for the year	-	176,233	-	-	-	-	176,233
Other comprehensive income	-	-	-	-	5,390	-	5,390
Dividend Paid	-	(201,986)	-	-	-	-	(201,985)
Bal as at 31 Dec 2014	1,262,413	2,122,250	1,852,748	-	17,274	-	5,254,685

Dividend per share in 2014: 2 kobo (8 kobo in 2013)

See notes to the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014 GROUP & COMPANY

	Note	The Group		The Company	
		31-Dec-14 N'000	31-Dec-13 N'000	31-Dec-14 N'000	31-Dec-13 N'000
Cash flows from operating activities					
Cash received from customers		16,252,752	20,060,053	15,590,174	19,505,264
Cash paid to suppliers & employees		(12,753,638)	(15,992,309)	(12,221,092)	(15,580,024)
Net Input /Output VAT		(3,003,340)	(2,671,791)	(3,003,340)	(2,671,791)
Tax paid		-	(4,779)	-	-
		-----	-----	-----	-----
Net cash provided by operating activities	22.2	495,774	1,391,174	365,742	1,253,449
		-----	-----	-----	-----
Cash flows from investing activities					
Purchase of Property, plant & equipment	15	(183,659)	(78,344)	(180,647)	(76,675)
Acquisition of intangible asset	16	(16,330)	(49,996)	(16,330)	(49,996)
Investment in subsidiary	17	-	-	(303)	-
Purchase of financial assets	18	(54,103)	-	(54,103)	-
Proceeds from sale of equipment		17,722	392,576	17,722	392,485
		-----	-----	-----	-----
Net cash utilised in investing activities		236,370	264,236	233,661	265,814
		-----	-----	-----	-----
Cash flows from financing activities					
Increase in share capital		-	25	-	25
Loan received		606,861	-	526,591	-
Loan repaid		(680)	(1,085,765)	(680)	(923,829)
Interest paid		(199,827)	(348,778)	(191,663)	(343,330)
Dividend paid		(201,985)	(120,000)	(201,985)	(120,000)
		-----	-----	-----	-----
Net cash (utilised)/provided by financing activities		204,369	(1,554,518)	132,263	(1,387,134)
		-----	-----	-----	-----
Net Increase in cash & cash equivalent		463,773	100,892	264,344	132,129
Net foreign exchange difference		(44,611)	(1,617)	(42,757)	-
Cash & cash equivalents at 01/01/2014	22.1	1,171,989	1,072,714	1,167,275	1,035,146
		-----	-----	-----	-----
Cash and cash equivalents at 31/12/2014	22.1	1,591,151	1,171,989	1,388,862	1,167,275
		=====	=====	=====	=====

See notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The consolidated financial statements of Computer Warehouse Group Plc and its subsidiaries (collectively, the Group) for the year ended 31 December 2014 were authorised for issue in accordance with the approval of the board of directors. Computer Warehouse Group Plc (the Company) is a limited liability company incorporated and domiciled in Nigeria and became public by listing on 15 November 2013. The registered office is located at Block 54A, Plot10, Adebayo Adebayo Doherty Road, off Admiralty Road, Lekki Phase 1, Lagos State in Nigeria.

The Group is principally engaged in the supply, installation, integration, maintenance and support of computer equipment, e-payment hardware and ancillary equipment.

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared on a historical cost basis, except for available-for-sale financial instruments that have been measured at fair value. The consolidated financial statements are also presented in Naira and all values are rounded to the nearest thousand (N000), except when otherwise indicated.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2014. Subsidiaries are entities controlled by the Group. Subsidiaries are consolidated from the date of acquisition,

being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied by the Group in preparing its financial statements:

2.3.1 BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an

NOTES TO THE FINANCIAL STATEMENTS CONT'D

acquisition is measured as the aggregate of the consideration transferred, measured at the fair value on the date of acquisition. All the Group's subsidiaries are wholly owned and therefore the issue of Non-controlling interest does not arise. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit and loss immediately.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's Cash Generating Units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.3.2 FOREIGN CURRENCIES

The Group's consolidated financial statements are presented in Naira, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation; the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

I) TRANSACTIONS AND BALANCES

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

II) FOREIGN OPERATIONS

On consolidation, the assets and liabilities of foreign operations are translated into Naira at the rate of exchange prevailing at the reporting date and their statement of comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.3.3 REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The specific recognition criteria described below must also be met before revenue is recognised. The group also separate out the revenue from the sales of goods for hardware and software and form service contract and determines the recognition criteria for these two separately.

SALE OF GOODS

Revenue from the IT infrastructure services such as hardware devices and accessories is recognised when the significant risks and rewards of ownership of the items have passed to the buyer, usually on delivery of the items.

RENDERING OF SERVICES

Revenue from the provision of communication services (maintenance, support services, communication and integration, software licenses etc) is recognised by reference to the stage of completion. Stage of completion is measured by reference to data and service usage. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

COMMISSIONS

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

INTEREST INCOME

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in profit and loss.

DEFERRED REVENUE

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Deferred revenue is a liability as of the balance sheet date related to revenue producing activity for which revenue has not yet been recognized. The deferred revenue represents revenue received in advance in respect of long term service contract. Deferred revenue is subsequently recognised in the period that the service is delivered.

2.3.4 TAXES

CURRENT INCOME TAX

Current income tax and education tax for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income, respectively and not in the profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

DEFERRED TAX

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change.

The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

2.3.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit and loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the components of each item of Property plant and equipment as follows:

PPE Class	%	PPE Class	%
Buildings	2	Plant & machinery	25
Furniture and fittings	25	Loose tools	25
Office equipment	33.33	Service option equipment	33.33
Communication equipment	25	Land	Not depreciated
Motor vehicles	25	Software	33.33
Building improvement	25		

NOTES TO THE FINANCIAL STATEMENTS CONT'D

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of each item of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.3.6 LEASES

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

GROUP AS A LESSEE

Finance leases that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no

reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

Contingent rents are recognised as revenue in the period in which they are earned.

2.3.7 INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting

NOTES TO THE FINANCIAL STATEMENTS CONT'D

estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit and loss as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

As at 31 December 2014, the group did not have any indefinite intangible assets.

LICENCES

Licences represent the cost of an operating licence obtained from the Nigerian Communication Commission (NCC) for a period of 10 years. Upon expiration of the license terms, the group may renew the licence with NCC. Licence fees are amortised over a period of 10 years.

2.3.8 FINANCIAL INSTRUMENTS

The Group recognises financial assets and financial liabilities on the Group's statement of financial position when it becomes a party to the contractual provisions of the instrument. The Group determines the classification of its financial assets and liabilities at initial recognition. All financial assets and liabilities are recognised initially at fair value plus directly attributable transaction costs, except for financial assets and liabilities classified as fair value through profit or loss.

FINANCIAL ASSETS

(I) NATURE AND MEASUREMENT

The Group's financial assets include

Available for sale financial assets, Loans and receivables, Trade and other receivables, and Cash and short-term deposits. After initial measurement, the subsequent measurement of financial assets depends on their classification as follows:

FINANCIAL ASSETS - SUBSEQUENT MEASUREMENT

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance/interest income in the statement of comprehensive income. Gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at fair value as the invoice amount and subsequently measured at amortised cost. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor and default or delinquency in payments are considered indicators that the trade receivable is impaired. The Group deploys age analysis tools to track the payment pattern of customers. The carrying amount of trade receivable is

NOTES TO THE FINANCIAL STATEMENTS CONT'D

reduced through the use of an allowance account. When trade receivables are uncollectible, it is written off as bad debts in administrative expenses in profit or loss. Subsequent recoveries of amounts previously written off are included as 'Bad debt recoveries' in other income in the statement of comprehensive income.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets include equity investments. Equity investments classified as available for sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to profit and loss.

ii. DE-RECOGNITION OF FINANCIAL ASSETS

The Group derecognizes a financial asset only and only if the Group's contractual rights to the cash flows from the asset expires or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

- (a) the Group has transferred substantially all the risks and rewards of the asset, or
- (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

III IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired.

A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the 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 observable data indicating that there is a measurable decrease in the estimated future cash

NOTES TO THE FINANCIAL STATEMENTS CONT'D

flows, such as changes in arrears or economic conditions that correlate with defaults.

FINANCIAL ASSETS CARRIED AT AMORTISED COST

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, 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 expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. Loans and receivables together with the associated allowance are written off when there is no realistic prospect of future recovery. If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is recognised as

other income in the profit or loss.

AVAILABLE FOR SALE FINANCIAL ASSETS

For available-for-sale financial assets, the Group assesses at each reporting date whether there is objective evidence that an assets or a group of financial assets is impaired. In the case of equity instruments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit and loss – is removed from other comprehensive income and recognised in profit and loss. Impairment losses on equity instruments are not reversed through profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

FINANCIAL LIABILITIES

(I) NATURE AND MEASUREMENT

The company's financial liabilities include trade payables and interest bearing loans and borrowings and convertible loan stock. All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. The subsequent measurement of financial assets depends on their classification as follows:

FINANCIAL LIABILITIES-SUBSEQUENT MEASUREMENT LOANS AND BORROWINGS

After initial recognition, interest bearing

NOTES TO THE FINANCIAL STATEMENTS CONT'D

loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit and loss.

FINANCIAL LIABILITIES-SUBSEQUENT MEASUREMENT

TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest.

CONVERTIBLE LOAN STOCKS

At inception, convertible loan stocks are separated into liability and equity components based on the terms of the contract. For the purpose of the separation, the fair value of the liability component is determined on the date of issuance using a market rate for an equivalent non-convertible bond. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds (thus after deducting the fair value of the liability) is allocated to the conversion option that is recognised and included in equity. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are

apportioned between the liability and equity components of the convertible loan stock based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

(ii) DERECOGNITION OF FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit and loss.

2.3.8.1 OFF-SETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.3.8.2 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined

NOTES TO THE FINANCIAL STATEMENTS CONT'D

using appropriate valuation techniques. Such techniques may include:

- the market approach;
- the cost approach and;
- the income approach.

2.3.9 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials: Purchase cost on a first in, first out basis.
- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.3.9 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of

money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit and loss in those expense categories consistent with the function of the impaired asset

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit and loss.

The following criteria are also applied in assessing impairment of specific assets:

NOTES TO THE FINANCIAL STATEMENTS CONT'D

GOODWILL

Goodwill is tested for impairment annually at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.3.10 CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less from the date of acquisition. For the purpose of the cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.3.11 DIVIDEND DISTRIBUTIONS

The Group recognises dividends when the distribution is authorised and is no longer at the discretion of the Group.

2.3.12 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in profit and loss net of any reimbursement.

2.3.13 EMPLOYEE BENEFITS

Employee benefits are all forms of benefits given in exchange for services rendered by employees. These are classified as:

- (a) Short-term employee benefits - benefits due to be settled within 12 months after the end of the period in which the employees rendered the related services
- (b) Post-employment benefits are benefits payable after the completion of employment. Such plans (or funds) may be either defined contribution funds or defined benefit funds.
- © Termination benefits are employee benefits payable as a result of either the Group's decision to terminate an employee's employment before normal retirement date, or an employee's decision to accept voluntary redundancy in exchange for those benefits.

SHORT-TERM BENEFITS

The cost of all short-term employee benefits, such as salaries, profit sharing arrangements, employee entitlements to leave pay, bonuses, medical aid and other contributions, are recognised during the period in which the employee renders the related service. The Group recognises the expected cost of bonuses only when the Group has a present legal or constructive obligation to make such payment and a reliable estimate can be made. During the year the Group companies contributed to employee benefits in the following categories: - remuneration in the form of salaries, wages and bonuses.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

POST-EMPLOYMENT RETIREMENT BENEFIT FUNDS

In line with statutory pension/retirements laws, the Group and its employees contribute to statutory retirement benefits plans for the benefits of its qualifying staff. The Funds which are defined contribution plans are independently administered with no obligations on the Group other than the defined contribution as a percentage of employees' qualifying remunerations. Both employees' and the group's share of the contributions are charged as staff cost in the administrative expenses in the profit and loss when the employee renders the service.

Other long-term benefits Other long-term benefits are recognised when an obligation arises. The Group had no other long-term benefit commitments during the year.

TERMINATION BENEFITS

The Group recognises termination benefits as a liability and an expense when it is demonstrably committed to either:

- (a) terminate the employment of an employee or group of employees before the normal retirement date; or
- (b) provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Termination benefits are recognised as expense in the period they arise. The Group had no termination benefit commitments during the year.

2.3.15 SEGMENT REPORTING

The Group identifies segments as components of the Group that engage in business activities from which revenues are earned and expenses incurred. The segments' operating results are regularly

reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to each segment and assess its performance, and for which discrete financial information is available. The identification of operating segments is on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance. The Group has identified the Chief Executive Officer as the chief operating decision maker.

MEASUREMENT OF SEGMENT INFORMATION

The amount reported for each operating segment is based on the measure reported to the chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

NOTES TO THE FINANCIAL STATEMENTS CONT'D

TAXES

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

GOING CONCERN

The Group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

Therefore, the financial statements continue to be prepared on the going concern basis.

RE-ASSESSMENT OF USEFUL LIVES AND RESIDUAL VALUES

The Group carries its fixed assets at cost in the statement of financial position. The annual review of the useful lives and residual value of PPE result in the use of significant management judgements.

IMPAIRMENT OF NON-CURRENT ASSETS

The Group subjects a number of its assets to impairment reviews annually. Key inputs into these calculations include estimates of cash flow amount and timing, cash generating unit, discounting factors, which involve the use of significant amount of management judgement.

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in Note 13.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the company's financial statements are listed below. This listing is of standards and interpretations issued, which the company reasonably expects to be applicable at a future date. The company intends to adopt those standards when they become effective.

IFRS 9 FINANCIAL INSTRUMENTS

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The Group is still assessing the impact of applying this standard.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The principles in IFRS 15 provide a more structured approach to measuring and

recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The standard will impact on the revenue recognition of the Group.

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**We provide
total solutions
that add value
to the
operations of
private and
public
enterprises**

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NOTES TO THE FINANCIAL STATEMENTS CONT'D

The following are standards that are issued but not yet effective. These will be adopted as they become effective but are not expected to impact the company or group.

		Name	Effective Date
2013 Annual improvement (2010 -2012 cycle)	IFRS 2	Definition of vesting condition	1-Jul-14
2013 Annual improvement (2010 -2012 cycle)	IFRS 3	Accounting for contingent consideration in a business combination	1-Jul-14
2013 Annual improvement (2010 -2012 cycle)	IFRS 8	Aggregation of operating segments, Reconciliation of the total of the reportable segments' assets to the entity's assets	1-Jul-14
2013 Annual improvement (2010 -2012 cycle)	IAS 16	Revaluation method — proportionate restatement of accumulated depreciation	1-Jul-14
2013 Annual improvement (2010 -2012 cycle)	IAS 24	Key management personnel	1-Jul-14
2013 Annual improvement (2010 -2012 cycle)	IAS 38	Revaluation method — proportionate restatement of accumulated amortisation	1-Jul-14
2013 Annual improvement (2011 -2013 cycle)	IFRS 1	Meaning of 'effective IFRSs'	1-Jul-14
2013 Annual improvement (2011 -2013 cycle)	IFRS 3	Scope exceptions for JVs	1-Jul-14
2013 Annual improvement (2011 -2013 cycle)	IFRS 13	Scope of portfolio exception (para 52)	1-Jul-14
2013 Annual improvement (2011 -2013 cycle)	IAS 40	Clarifying inter-relationship between IFRS 3 and IAS 40	1-Jul-14
Amendment	IAS 19	Employee contributions	1-Jul-14
New	IFRS 14	Regulatory Deferral Accounts	1-Jan-16
Amendment	IAS 16	Clarification of acceptable methods of depreciation and amortisation	1-Jan-16
Amendment	IAS 38	Clarification of acceptable methods of depreciation and amortisation	1-Jan-16
Amendment	IAS 16	Agriculture: Bearer Plants	1-Jan-16
Amendment	IAS 41	Agriculture: Bearer Plants	1-Jan-16
Amendment	IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1-Jan-16
Amendment	IAS 27	Equity Method in Separate Financial Statements	1-Jan-16
Amendment	IAS 1	Disclosure initiative amendments	1-Jan-16
Amendment	IFRS 10, IFRS 12 and IAS 28	Amendments to the investment entities consolidation exception	1-Jan-16
2014 Annual improvement (2012 -2014 cycle)	IFRS 5	Changes in methods of disposal.	1-Jan-16
2014 Annual improvement (2012 -2014 cycle)	IFRS 7	Servicing contracts and applicability of the amendments to IFRS 7 to condensed interim financial statements.	1-Jan-16
2014 Annual improvement (2012 -2014 cycle)	IAS 19	Discount rate: regional market issue.	1-Jan-16
2014 Annual improvement (2012 -2014 cycle)	IAS 34	Disclosure of information 'elsewhere in the interim financial report'.	1-Jan-16

NOTES TO THE FINANCIAL STATEMENTS CONT'D

5. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's CEO reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- The IT infrastructure segment, which supplies, installs and supports Computer hardware, operating and middle ware systems, Automated Teller Machines "ATM" etc.
- The Software segment, which provides services in software deployment, implementation and supports, systems analysis, design and implementation and smartcard applications. The segment also provides training to their clients on the systems offered and other off-the-shelf packages.
- The Network and communications equipment segment, which specializes in VSAT and Fibre Connectivity, Metropolitan Area Networks, Wide Area Networks, Local Area Networks, and Systems Integration and provides provision of network communications support to clients.
- The Managed and support service segment provides internal and external clients managed /outsourcing services and provides related accessories for equipment and service maintenance.

Segment gross profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. However, financing (including finance costs and finance income) income taxes and assets and liabilities are managed on a group basis and are not allocated to operating segments. There are no transfers between the operating segments hence there are no transfer prices set for any transactions that may arise. The segments managers are assessed based on the performance on sales and cost of sales. They do not have control over the assets and liabilities. Segments results are as shown below:

SEGMENT RESULTS

	IT Infrastructure Services N'000	Managed & Support services N'000	Communications & Integrated N'000	Software N'000	Total N'000
2014					
Revenue	7,262,213	4,827,467	739,318	2,473,282	15,356,280
Cost of sales	(6,144,003)	(3,745,170)	(671,783)	(1,744,995)	(12,305,952)
	-----	-----	-----	-----	-----
Gross Profit	1,118,209	1,082,297	121,535	728,287	3,050,328
	=====	=====	=====	=====	=====
2013					
Revenue	9,996,030	5,570,381	1,420,558	3,682,329	20,669,298
Cost of sales	(8,687,191)	(3,976,918)	(1,082,528)	(3,015,128)	(16,761,765)
	-----	-----	-----	-----	-----
Gross Profit	1,308,839	1,593,463	338,030	667,201	3,907,533
	=====	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Operating assets and liabilities are controlled at group level and information on this is not readily available as they are not considered by the chief operating decision maker in resource allocation decisions.

GEOGRAPHICAL INFORMATION

Revenue	2014 N'000	2013 N'000
Nigeria	14,595,482	20,055,736
Ghana	489,026	297,996
Uganda	235,933	315,566
Cameroon	35,839	-
	-----	-----
Total	15,356,280	20,669,298
	=====	=====

INFORMATION ABOUT MAJOR CUSTOMERS

The Group				
	2014		2013	
	MTN N'000	UBA N'000	MTN N'000	UBA N'000
IT INFRASTRUCTURE	2,499,781	349,258	4,224,021	1,850,651
COMM	514,367	205	90,586	306,054
SOFTWARE	232,001	388,025	267,664	1,200
SUPPORT & MGED SERVICE	2,192,826	184,651	2,334,323	55,136
	-----	-----	-----	-----
	5,438,974	922,139	6,916,594	2,213,041
	=====	=====	=====	=====

The Company				
	MTN N'000	UBA N'000	MTN N'000	UBA N'000
IT INFRASTRUCTURE	2,499,781	349,258	4,224,021	1,850,651
COMM	514,367	205	90,586	306,054
SOFTWARE	232,001	388,025	267,664	1,200
SUPPORT & MGED SERVICE	2,192,826	184,651	2,334,323	55,136
	-----	-----	-----	-----
	5,438,974	922,139	6,916,594	2,213,041
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS CONT'D

As at 31 December 2014 the receivables from MTN and UBA are N568 million and N200 million respectively

7. OTHER INCOME

	The Group		The Company	
	2014 N'000	2013 N'000	2014 N'000	2013 N'000
IT infrastructure services	7,262,213	9,996,030	6,657,875	9,545,236
Communication & integration	793,318	1,420,558	793,318	1,420,558
Managed & support services	4,827,467	5,570,381	4,721,490	5,407,613
Software licenses	2,473,282	3,682,329	2,422,799	3,682,329
	-----	-----	-----	-----
	15,356,280	20,669,298	14,595,482	20,055,736
	=====	=====	=====	=====

	The Group		The Company	
	2014 N'000	2013 N'000	2014 N'000	2013 N'000
Rebate & other income	85,428	195,988	85,370	188,166
Profit on disposal of Property, Plant & Equipment	4,050	20,580	4,050	20,489
	-----	-----	-----	-----
	89,754	216,568	89,696	204,916
	=====	=====	=====	=====

8. ADMINISTRATIVE EXPENSES

	The Group		The Company	
	2014 N'000	2013 N'000	2014 N'000	2013 N'000
Audit fee	20,615	22,765	17,760	17,760
Amortisation	48,400	39,827	48,400	39,827
Depreciation	276,616	404,592	271,257	398,147
Salaries and allowances	1,385,289	1,342,600	1,282,290	1,243,327
Pension	61,890	55,310	61,616	50,750
Transport and travelling	137,073	170,403	124,986	163,606
Welfare and professional fees	201,966	364,115	198,058	360,312
Insurance	38,705	48,663	38,255	48,007
Rents	101,190	107,375	85,725	92,926
Repairs and maintenance	35,517	34,967	27,610	33,117
Advert & sales promotions	62,760	104,400	61,146	102,836
Research and development	50,407	15,679	50,407	15,679
Inventory write off	21,954	10,302	21,954	10,302
Others	296,657	485,808	274,483	462,455
	-----	-----	-----	-----
	2,739,040	3,206,806	2,561,447	3,039,051
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Other expenses relates to security services, office cleaning expenses, bandwidth subscription for internet, ITF and NSITF, pre bid contract expenses, awards and conferences expenses incurred during the year.

9. CURRENCY DEVALUATION LOSS

Exchange difference loss	387,329	38,387	387,192	38,387
Exchange difference gain	(195,039)	(3,739)	(195,039)	(3,739)
	-----	-----	-----	-----
	192,290	34,648	192,153	34,648
	=====	=====	=====	=====

Given the decline in crude oil prices during the year, the impact of capital flight out of Nigeria due to stronger economies in the West as well as the scheduled upcoming presidential elections, the naira was under immense pressure which led to the devaluation of the currency. As part of CBN's measures to reduce the pressure on naira, a circular was issued which excluded ICT companies from participating in RDAS. This policy led to re-measurement of CWG's Dollar transactions during the year, thereby resulting in a loss of about N387 million on the company's performance. Management is exploring options to ameliorate the current pressures.

10. FINANCE COST

	The Group		The Company	
	2014 N'000	2013 N'000	2014 N'000	2013 N'000
Bank charges	88,766	111,570	88,766	109,227
Interest on loan	111,061	237,208	102,897	234,103
	-----	-----	-----	-----
	199,827	348,778	191,663	343,330
	=====	=====	=====	=====

11. FINANCE INCOME

Interest income	48,711	84,587	48,711	84,587
	=====	=====	=====	=====

12. INCOMETAX

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

12.1. TAXATION: CONSOLIDATED INCOME STATEMENT

NOTES TO THE FINANCIAL STATEMENTS CONT'D

	The Group		The Company	
	2014 ₦'000	2013 ₦'000	2014 ₦'000	2013 ₦'000
Current income tax:				
Current Income tax charge	4,834	5,609	-	-
Education tax	-	-	-	-
	-----	-----	-----	-----
	4,834	5,609	-	-
Deferred tax	(67,215)	-	(67,215)	-
	-----	-----	-----	-----
Income tax expense reported in profit and loss	(62,381)	5,609	(67,215)	-
Consolidated statement of comprehensive income	-	-	-	-
Net exchange gain/(loss) on translation of foreign operations	-	-	-	-
Income tax charged directly to other comprehensive income	-	-	-	-

The company was granted a tax exemption (tax holiday) certificate by the Nigeria Investment Promotion Commission (NIPC) for a period of 5 years commencing in 2011 hence there is no taxation in the current period. Reconciliation between tax expense and the product of accounting profit multiplied by Nigeria's domestic tax rate for the years ended 31 December 2014 and 2013 is as follows:

	The Group		The Company	
	2014 ₦'000	2013 ₦'000	2014 ₦'000	2013 ₦'000
Reconciliation of tax charge				
Profit before tax charge	57,636	618,456	109,018	632,099
	=====	=====	=====	=====
Tax at Nigeria statutory income tax of 30%	17,290	185,537	32,705	189,630
Income exempt from tax	(12,456)	(180,468)	(32,705)	(189,630)
Assessed losses relating to prior year	(67,215)	-	(67,215)	-
	-----	-----	-----	-----
Effective tax charge	(62,281)	5,609	(67,215)	-
	=====	=====	=====	=====

12.2. Income tax: Statement of financial position

		The Group		The Company	
		2013 ₦'000	2014 ₦'000	2013 ₦'000	
At 1 Jan	548,780	1,174,094	561,584	1,174,093	
Income tax	4,834	5,609	-	-	
Education tax	-	-	-	-	
Tax paid	-	(4,779)	-	-	
Withholding tax utilised	-	(626,144)	-	(612,510)	
	-----	-----	-----	-----	
At 31 December	553,614	548,780	561,584	561,584	
	=====	=====	=====	=====	

NOTES TO THE FINANCIAL STATEMENTS CONT'D

12.3. Deferred tax

Deferred tax relates to the following:

	The Group		The Company	
	2014 ₦'000	2013 ₦'000	2014 ₦'000	2013 ₦'000
At 1 January	67,215	67,215	67,215	67,215
Write back during the year	(67,215)	-	(67,215)	-
	-----	-----	-----	-----
	-	67,215	-	67,215
	=====	=====	=====	=====

The deferred tax asset from the company was recognised to the extent of the liability during the year, the balance not recognised in the book of the company and the group was ₦541.56million. (2013: ₦216.65million). Also some of the subsidiaries are not paying tax and they do not have assessed losses during the year, (2013: Nil).

13. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	2014 ₦'000	2013 ₦'000
Net profit attributable to ordinary equity holders of the parent for basic earnings	120,017	612,847
Interest on convertible loan stock	-	-
	-----	-----
Net profit attributable for ordinary shareholders of the parent adjusted for the effect of dilution	120,017	612,847
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS CONT'D

13.1. EARNINGS PER SHARE

	2014 Thousands	2013 Thousands
Weighted average number of ordinary shares for Basic and diluted earnings per share		
Additional share issued	2,524,826	2,500,000
	-	524,826
	-----	-----
	2,524,826	5,524,826
	=====	=====
Weighted average number of ordinary shares	2,524,826	2,441,429
	=====	=====
Basic earnings per share	0.05	0.24
Diluted earnings per share	0.05	0.25

14. BUSINESS COMBINATION

14.1. Interest in subsidiaries: The summarised financial information of CWG Limited Ghana, CWG Limited Uganda and CWG Limited Cameroon are provided below. This information is based on amounts before inter-company eliminations.

SUMMARIZED STATEMENT OF PROFIT OR LOSS

	CWG Ghana		CWG Uganda		CWG Cameroon	
	31 Dec. 2014 N 000	31 Dec. 2013 N 000	31 Dec. 2014 N 000	31 Dec. 2013 N 000	31 Dec. 2014 N 000	31 Dec. 2013 N 000
Revenue	489,026	297,996	235,933	315,566	35,839	-
Operating expenses	(378,847)	(210,876)	(202,365)	(254,778)	(45,132)	-
Administrative expenses	(91,203)	(78,604)	(78,964)	(83,340)	(7,563)	(5,811)
Other operating income	58	11,652	-	-	-	-
Finance cost	-	(1,470)	(8,164)	(3,978)	-	-
	-----	-----	-----	-----	-----	-----
Profit before tax	19,034	18,698	(53,560)	(26,530)	(16,856)	(5,811)
Income tax expense	(4,834)	(5,609)	-	-	-	-
	-----	-----	-----	-----	-----	-----
Profit for the year	14,200	13,089	(53,560)	(26,530)	(16,856)	(5,811)
	=====	=====	=====	=====	=====	=====
Total comprehensive income	14,200	13,089	(53,560)	(26,530)	(16,856)	(5,811)
Attributable to:						
Equity holders of parent	14,200	13,089	(53,560)	(26,530)	(16,856)	(5,811)
Non-controlling interests	-	-	-	-	-	-
	14,200	13,089	(53,560)	(26,530)	(16,856)	(5,811)
	=====	=====	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS CONT'D

SUMMARISED STATEMENTS OF FINANCIAL POSITION

Inventories and cash and bank balances (current)	127,343	2,060	37,866	2,546	37,486	813
Trade and other receivables, Due from related parties and Prepayments	131,272	121,442	159,915	52,919	60,224	-
Property, plant and equipment and other non-current financial assets (non-current)	3,071	1,790	3,128	6,853	920	1,089
Income tax receivable	7,970	12,804	-	-	-	-
Trade and other payables (current)	(294,607)	(187,167)	(343,554)	(206,694)	(124,302)	(9,835)
Interest-bearing loans and borrowing (Current)	-	-	(67,766)	-	-	-
	(24,951)	(49,071)	(210,411)	(144,376)	(25,672)	(7,933)
	-----	-----	-----	-----	-----	-----
Total equity	(24,951)	(49,071)	(210,411)	(144,376)	(25,672)	(7,933)
Attributable to:						
Equity holders of parent	(24,951)	(49,071)	(210,411)	(144,376)	(25,672)	(7,933)
Non-controlling interests	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
	-	-	-	-	-	-
	(24,951)	(49,071)	(210,411)	(144,376)	(25,672)	(7,933)
	=====	=====	=====	=====	=====	=====

14.2. GOODWILL

Goodwill acquired through business combinations has been allocated to two CGUs, which are also operating and reportable segments, for impairment testing as follows:

1] Software CGU

2] Hardware CGU

Carrying amount of goodwill allocated to each of the CGUs:

	2014 N'000	2013 N'000
Software CGU	76,717	76,717
Hardware CGU**	737,371	737,371
	-----	-----
	814,088	814,088
	=====	=====

** The hardware CGU is included in the IT segment.

Software CGU

The recoverable amount of software cash generating unit was based on its value in use and was determined by discounting the future cash flow projections from the financial budgets approved by senior management covering a 5 years period. Unless indicated the value in use in December 2014 was determined in similar way as 31 December 2013.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

The calculation of value in use was based on the following key assumptions:

Cash flow was projected based on past experience, actual operating results and a 5- year operating cash-flow in both 2013 and 2014.

Revenue growth rate

The revenue growth rate was based on 4%(2015), 4%(2016) , 5%(2017), 6% (2018) and 6%(2019). The revenue growth included in the cash flow projections for the years 2015-2019 has been based on the trend of foreseeable growth in the business segments.

Pre-tax discount rate

The pre-tax discount rate of 17.5% was applied in determining the recoverable amount of the unit. The discount rate was estimated based on past experience and industry weighted average cost of capital which was based on the incremental borrowing rate.

Gross/Cost margin

The gross margin has been projected as 32% (2015), 32% (2016), 30% (2017), 30 (2018) and 28% (2019) while the relevant cost margin was estimated as 68% (2015), 68% (2016), 70% (2017) 70% (2018) and 72% (2019).

Hardware CGU

The recoverable amount of hardware CGU generating unit was based on its value in use and was determined by discounting the future cash flow projections from the financial budgets approved by senior management covering a 4 years period. Unless indicated the value in use in Dec ember 2014 was determined similarly to as in 31 December 2013. The calculation of value in use was based on the following key assumptions:

Cash flow was projected based on past experience, actual operating results and a 5- year operating plan in both 2013 and 2014.

Revenue growth rate

The revenue growth rate was based on 5% (2015), 5% (2016), 5% (2017), 5% (2018) and 4% (2016). The anticipated annual revenue growth projection for the period is based on trend of foreseeable growth in this business segment.

Pre-tax discount rate

The pre-tax discount rate of 18% was applied in determining the recoverable amount of the unit. The discount rate was estimated based on past experience and industry weighted average cost of capital which was based on the incremental borrowing rate.

Gross/Cost Margins

The gross margin was projected as 20% (2015), 20% (2016) 20% (2017) 20% (2018) and 19% (2016), while the cost margin was estimated at 80% (2015 – 2018) and 81% (2019).

A result of this analysis, there was no impairment charged for Hardware CGU and software CGU in 2013 and 2014.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

15. PROPERTY, PLANT & EQUIPMENT – THE GROUP

	Land N'000	Building N'000	Plant & Machinery N'000	Furniture & Fittings N'000	Office Equipment N'000	Motor Vehicles N'000	Loose tools N'000	Service Option Equipment N'000	Communication equipment N'000	Total N'000
Cost										
At 1 Jan. 2013	110,795	60,244	83,728	75,793	212,216	297,556	24,831	2,083,426	1,033,956	3,982,565
Additions	600	11,173		15,921	12,652	20,195	217	2,280	15,306	78,344
Disposals	-	-	(5,326)	-	(359)	(64,166)	-	(1,010,077)	(49,206)	(1,129,134)
Transfer	-	-	-	-	-	-	-	-	(27,744)	(27,744)
At 31 Dec. 2013	111,395	71,417	78,402	91,714	224,509	253,585	25,048	1,075,629	972,312	2,904,011
Additions	-	20,754	33,362	28,485	9,607	17,875	-	14,904	67,097	183,659
Disposals	-	-	(22,992)	(65,832)	(109,105)	(147,007)	-	-	(15,225)	(360,161)
Foreign currency exchange difference	-	-	23	-	16	9	-	-	12	60
At 31 December 2014	111,395	92,171	88,795	54,367	116,602	124,462	25,048	1,090,533	1,024,196	2,727,569
Depreciation										
At 1 Jan. 2013	-	16,511	48,842	63,361	126,850	214,798	18,861	1,496,565	641,643	2,627,450
Charge for the year	-	1,978	13,825	6,529	34,668	33,621	3,367	190,015	146,374	404,592
Disposals	-	-	(4,710)	-	(252)	(55,551)	-	(706,236)	-	(787,249)
At 31 Dec. 2013	-	18,489	57,957	69,890	161,266	192,868	22,228	980,344	741,730	2,244,773
Charge for the year	-	4,133	13,422	10,772	39,222	28,936	2,463	68,963	108,705	276,616
Disposals	-	-	(17,600)	(64,247)	(110,071)	(147,006)	-	-	(7,565)	(346,489)
Foreign currency exchange difference	-	-	6	-	3	2	-	-	4	15
At 31 December 2014	-	22,622	53,785	16,415	90,420	74,800	24,691	1,049,307	842,874	2,174,914
Net book Value										
At 31 December 2014	111,395	69,549	34,010	37,952	26,182	49,662	357	41,226	181,322	552,655
At 31 December 2013	111,395	52,928	20,445	21,824	63,243	60,717	2,820	95,285	392,313	659,238

NOTES TO THE FINANCIAL STATEMENTS CONT'D

15. PROPERTY, PLANT & EQUIPMENT – THE COMPANY

	Land N'000	Building N'000	Plant & Machinery N'000	Furniture & Fittings N'000	Office Equipment N'000	Motor Vehicles N'000	Loose tools N'000	Service Option Equipment N'000	Comm. equipment N'000	Total N'000
Cost										
At 1 Jan. 2013	110,795	60,244	83,728	70,958	202,004	287,174	24,831	2,083,425	1,022,842	3,946,001
Additions	600	11,173	-	15,921	10,983	20,195	217	2,280	15,306	76,675
Reclassified	-	-	-	-	-	-	-	-	(27,744)	(27,744)
Disposals	-	-	(5,326)	-	(359)	(62,910)	-	(1,010,077)	(49,206)	(1,127,878)
At 31 Dec. 2014	111,395	71,417	78,402	86,879	212,628	244,459	25,048	1,075,628	961,198	2,867,054
Additions	-	20,754	31,296	28,367	354	17,875	-	14,904	67,097	180,647
Disposals	-	-	(22,992)	(65,832)	(109,105)	(147,007)	-	-	(15,225)	(360,161)
At 31 Dec. 2014	111,395	92,171	86,706	49,414	103,877	115,327	25,048	1,090,532	1,013,070	2,687,540
Depreciation										
At 1 Jan. 2013	-	5,829	48,842	62,294	120,186	217,821	18,186	1,496,565	636,393	2,605,533
Charge for the year	-	1,978	13,825	5,887	33,500	32,037	3,367	190,015	117,538	398,147
Disposals	-	-	(4,710)	-	(252)	(54,295)	-	(706,236)	(20,502)	(785,995)
At 31 Dec. 2013	-	7,807	57,957	68,181	154,434	195,563	22,228	980,344	732,172	2,217,685
Charge for the year	-	4,133	13,290	9,896	37,859	27,923	2,463	68,963	106,730	271,257
Disposals	-	-	(17,600)	(64,247)	(110,071)	(147,006)	-	-	(7,565)	(346,489)
At 31 Dec. 2014	-	11,939	53,647	13,830	81,222	76,480	24,691	1,049,307	831,337	2,142,453
Net book Value										
At 31 Dec. 2014	-	80,232	33,059	35,584	22,655	38,847	357	41,225	181,733	545,087
At 31 Dec. 2013	111,395	64,610	20,445	18,698	59,194	48,896	2,820	95,284	229,026	649,369

NOTES TO THE FINANCIAL STATEMENTS CONT'D

16. INTANGIBLE ASSETS

	The group			The Company		
	Software N'000	Licence N'000	Total N'000	Software N'000	Licences	Total
Cost						
At 1 January 2013	89,835	25,000	114,835	89,835	25,000	114,835
Transferred from PPE	27,744	-	27,744	27,744	-	27,744
Additions	49,996	-	49,996	49,996	-	49,996
Write off.	(30,114)	-	(30,114)	(30,114)	-	(30,114)
	-----	-----	-----	-----	-----	-----
At 31 December 2013	137,461	25,000	162,461	137,461	25,000	162,461
Additions	16,330	-	16,330	16,330	-	16,330
	-----	-----	-----	-----	-----	-----
At 31 December 2014	153,791	25,000	178,791	153,791	25,000	178,791
	=====	=====	=====	=====	=====	=====
Amortisation						
At 1 January 2013	803	10,000	10,803	803	10,000	10,803
Amortisation charge for the year	37,327	2,500	39,827	37,327	2,500	39,827
	-----	-----	-----	-----	-----	-----
At 31 December 2013	38,130	12,500	50,630	38,130	12,500	50,630
Amortisation charge for the year	45,900	2,500	48,400	45,900	2,500	48,400
	-----	-----	-----	-----	-----	-----
At 31 December 2014	84,030	15,000	99,030	84,030	15,000	99,030
	=====	=====	=====	=====	=====	=====
Net book Value						
At 31 December 2014	69,760	10,000	79,761	69,760	10,000	79,761
	=====	=====	=====	=====	=====	=====
At 31 December 2013	99,331	12,500	111,831	99,331	12,500	111,831
	=====	=====	=====	=====	=====	=====

The intangible assets are in respect of software and an operating licence which was granted for a minimum of 10 years by the relevant government agency, the Nigerian Communication Commission. The licences have been acquired with the option to renew at the end of the period at little or no cost to the Group. The remaining useful life of the licence as at 31 December 2014 is 4 years. The software is deemed to have a finite useful life and it thus amortised over a period of 5 years. As at 31 December 2014, these assets were tested for impairment and no indicators of impairment were identified.

17. INVESTMENT IN SUBSIDIARIES – THE COMPANY

	2014 N'000	2013 N'000
CWG Ghana	883	883
CWG Uganda	29,424	29,424
CWG Cameroun	303	-
	-----	-----
	30,610	30,307
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS CONT'D

18. AVAILABLE FOR SALE FINANCIAL ASSET

	2014 N'000	2013 N'000
At 1 Jan 2014	19,275	14,838
Additions during the year	54,103	-
Gains on available for sale financial asset	5,390	4,437
	-----	-----
At 31 Dec 2014	78,768	19,275
	=====	=====

The group recognise gain or loss on available-for-sale financial asset within the other comprehensive income.

18.1 FAIR VALUE MEASUREMENT

The Group measures financial instruments and non-financial assets at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: In the principal market for the asset or liability, or In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

As at 31 December 2014, the company and the Group held the following financial instruments carried at fair value on the statement of financial position:

Assets measured at fair value	31 December 2013 ₹'000	Level 1 ₹'000	Level 2 ₹'000	Level 3 ₹'000
Available-for-sale financial assets: Quoted equity	19,275 =====	19,275 =====	- =====	- =====
	31 December 2014			
Available-for-sale financial assets: Quoted equity	78,768 =====	78,768 =====	- =====	- =====

19. INVENTORIES

	The Group		The Company	
	2014 ₹'000	2013 ₹'000	2014 ₹'000	2013 ₹'000
ATM and other inventory items	972,788	762,779	972,788	762,779
Work-in-progress	2,149,596	1,869,294	2,149,596	1,869,294
Goods-in-transit	406	89,134	-	88,429
	-----	-----	-----	-----
Total inventories at the lower of cost and net realisable value	3,122,790 =====	2,721,207 =====	3,122,384 =====	2,720,502 =====

During 2014, N21,954,000 (2013: N10,302,000) was written off and recognised as an expense for inventories carried at net realisable value.

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 ₹'000	2013 ₹'000	2014 ₹'000	2013 ₹'000
Trade receivable	3,109,781	3,542,171	2,933,458	3,415,803
Other receivables	314,789	436,683	179,723	408,694
Due from related parties	-	-	301,615	224,440
WHT receivables	3,501,425	3,217,646	3,484,700	3,200,386
Impairment allowance [20.1]	(70,427)	(127,816)	(70,427)	(127,816)
	-----	-----	-----	-----
	6,855,568 =====	7,068,684 =====	6,820,069 =====	7,121,507 =====

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. The carrying value of these items approximates their fair value.

As at 31 December 2014, trade receivables of an initial value of N 70,427,175 (2013: N 127,816,000) were impaired and fully provided for. See Note 20.1 below for the movements in the provision for impairment of receivables for the company and the group

20.1 ALLOWANCES FOR IMPAIRMENT ACCOUNT – GROUP AND COMPANY

	Individually impaired N'000	Total N'000
At 1 January 2013	143,022	143,022
Charge for the year	73,296	73,296
Unused amounts reversed	(88,502)	(88,502)
	-----	-----
At 1 January 2014	127,816	127,816
Charge for the year	-	-
Unused amounts reversed	(57,389)	(57,389)
	-----	-----
At 31 December 2014	70,427	70,427
	=====	=====

As at 31 December, the ageing analysis of trade receivables for group and the company are as follows:

Group	Total N'000	Current N'000	>30 days N'000	>60 days N'000	>90 days N'000
31 December 2014	3,109,781	1,772,932	139,315	284,873	912,661
31 December 2013	3,542,171	1,034,788	259,985	209,595	654,649
Company					
31 December 2014	2,933,458	1,669,757	92,495	264,354	906,852
31 December 2013	3,415,803	941,867	259,985	209,595	654,649

21. PREPAYMENTS

	The Group		The Company	
	2014 N'000	2013 N'000	2014 N'000	2013 N'000
Prepaid project cost	165,422	321,157	165,422	321,157
Other prepayments	141,974	158,969	112,217	156,429
Staff advances	9,876	11,875	8,366	11,670
	-----	-----	-----	-----
	317,227	492,001	286,005	489,256
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS CONT'D

The other payments are mainly attributable to rents and insurance during the year. This rent prepaid relates to an operating lease in respect of a staff apartment. Rentals are paid annually in advance if the Group elects to renew the lease.

The staff advances are in respect of short-term advances granted to employees of the group at no interest. The advances are expected to be received within one year. The carrying value of these items approximates their fair values

22.1. Cash and cash equivalents

	The Group		The Company	
	2014 N'000	2013 N'000	2014 N'000	2013 N'000
Bank	1,832,419	1,561,298	1,630,556	1,556,708
Cash	963	603	537	479
	-----	-----	-----	-----
	1,883,382	1,561,901	1,631,093	1,557,187
Bank overdrafts	(242,231)	(389,912)	(242,231)	(389,912)
	-----	-----	-----	-----
Net cash and cash equivalents used in the Statement of Cash Flows	1,591,151	1,171,989	1,388,862	1,167,275
	=====	=====	=====	=====

Cash at banks earn interest at floating rates on daily bank deposit rates. The bank overdrafts are unsecured and accrue interest at the prevailing market interest rate from time to time.

22.2.Reconciliation of Net Profit after taxation to Net cash provided by Operating activities

	The Group		The Company	
	2014	2013	2014	2013
Profit after tax	120,017	612,847	176,233	632,099
	-----	-----	-----	-----
Adjustment to reconcile net cash provided				
Depreciation and amortisation	325,016	444,419	319,657	437,974
Interest paid	199,827	348,778	191,663	343,330
Net foreign exchange differences	121,219	1,617	119,665	-
(Gain)/ loss on disposal of property plant and equipment	(4,050)	(20,577)	(4,050)	(20,488)
Changes in assets and liabilities:				
Increase in Inventory	(401,583)	(1,291,911)	(401,882)	(1,296,451)
Decrease/(increase) in trade and other receivables	221,086	(1,121,863)	292,741	(1,061,919)
Decrease in prepayments	174,774	229,275	203,251	227,738
Increase/(decrease) in trade and other payables	(405,005)	2,230,627	(670,876)	2,020,400
Increase in Deferred Income	240,928	606,715	240,928	606,715
Decrease in Employee benefit	(34,074)	(23,440)	(34,074)	(23,440)
Increase/(decrease) in taxation	4,834	(625,313)	-	(612,509)
Decrease in deferred taxation	(67,215)	-	(67,215)	-
	-----	-----	-----	-----
Net Adjustments	375,757	778,327	189,509	621,350
	-----	-----	-----	-----
Cash provided by operating activities	495,774	1,391,174	365,742	1,253,449
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS CONT'D

23. SHARE CAPITAL

	2014 ₦000	2013 ₦000
Authorised shares: 3,500,000 ordinary shares of 50kobo each.	1,750,000	1,750,000
Issued and fully paid shares 2,524,826 ordinary shares of 50kobo each.		
At 1 January 2014	1,262,413	1,000,000
At 31 December 2014	1,262,413	1,000,000
Issued on 2 January 2013 from convertible loan	-	262,413
At 31 December 2014	1,262,413 =====	1,262,413 =====

23.1. NATURE AND PURPOSE OF RESERVES.

23.1.1. RETAINED EARNINGS

The Group's retained earnings reserve comprises Group's retained earnings, net of distribution made to equity holders.

23.1.2. SHARE PREMIUM

The share premium is excess amount received over and above the par value of the shares. They form part of the non-distributable reserves of the company which can be used only for the purposes specified under Companies and Allied Matters Act, CAP C20, LFN 2004.

23.1.3 CONVERTIBLE LOAN

On the 2 January 2013, the holder of a convertible loan stock instrument issued by the group converted the whole instrument worth US\$10,000,000 into 524,800,659 ordinary shares of the company.

23.1.4. AVAILABLE FOR SALE RESERVE

The available for sale reserve comprises the cumulative net change in the fair value of the Groups available for sale investments.

23.1.5. FOREIGN CURRENCY TRANSLATION RESERVE

The translation reserve comprises all currency exchange differences arising from the translation of the financial statements of non-Naira denominated operations into the presentation currency of the Group.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

24. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2014 ₦'000	2013 ₦'000	2014 ₦'000	2013 ₦'000
Trade payables	1,608,450	2,371,656	1,204,706	2,214,144
Other payables (Note 24.1)	3,266,042	2,933,750	3,240,418	2,910,697
Development Levy	15,028	21,349	15,028	21,349
Accruals	837,433	805,203	805,947	805,203
	-----	-----	-----	-----
	5,726,953	6,131,958	5,266,099	5,951,393
	=====	=====	=====	=====

24.1. OTHER PAYABLES

	The Group		The Company	
	2014 ₦'000	2013 ₦'000	2014 ₦'000	2013 ₦'000
Value Added tax	3,010,402	2,671,791	3,003,340	2,671,791
Withholding tax	221,977	224,487	221,977	224,487
Others	33,663	37,472	15,101	14,419
	-----	-----	-----	-----
	3,266,042	2,933,750	3,240,418	2,910,667
	=====	=====	=====	=====

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 45-day terms
- Other payables are non-interest bearing and have an average term of six months

For explanations on the Group's credit risk management processes, refer to Note 32.

25. EMPLOYEE BENEFIT

This is a defined contribution scheme promulgated under Pension Reform Act of 2004. The Group's obligation under the scheme is limited to specific contributions legislated from time to time. As such, the unpaid balance relates to amounts that were payable at the end of the relevant reporting periods.

	The Group		The Company	
	2014 ₦'000	2013 ₦'000	2014 ₦'000	2013 ₦'000
Pension	56,848	90,922	56,848	90,922
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS CONT'D

26. DEFERRED REVENUE

	The Group		The Company	
	2014 N'000	2014 N'000	2014 N'000	2014 N'000
At 1 January	1,058,645	451,930	1,058,645	451,930
Deferred during the year	1,299,573	1,058,645	1,299,573	1,058,645
Released to profit and loss	(1,058,645)	(451,930)	(1,058,645)	(451,930)
At 31 December	1,299,573	1,058,645	1,299,573	1,058,645

The deferred revenue represents revenue received in advance in respect of long term service contract. Deferred revenue is subsequently recognised in the period that the service is delivered.

27. SHORT-TERM INTEREST BEARING LOANS AND BORROWINGS

	The Group		The Company	
	2014 N'000	2013 N'000	2014 N'000	2013 N'000
Interest-bearing loans and borrowings (Note 27.1)	803,308	118,604	735,542	118,604
Bank overdraft	242,231	389,912	242,231	389,912
	1,045,539	508,516	977,773	508,516

27.1 INTEREST-BEARING LOANS AND BORROWINGS

		The Group		The Company	
		31 Dec 2014 N'000	31 Dec 2013 N'000	31 Dec 2014 N'000	31 Dec 2013 N'000
United bank for Africa Short term loan (Sub-limit of SBLC/ITF/LC)	I	70,164	14,000	70,164	14,000
Zenith Bank Short term import facility (STIF)	II	403,749	-	403,749	-
First Bank LPO/IFF/ULC/SBLC/USANE/B&C Facility.	III	161,292	9,476	161,292	9,476
Fidelity Bank LPO/IFF/Confirmation Line	IV	71,700	-	71,700	-
Cisco Systems Finance International Loan	V	28,637	77,398	28,637	77,398
Ecobank Uganda Limited & Stanbic Bank Uganda	VI	67,766	-	-	-
FCMB Term Loan		-	17,730	-	17,730
Total		803,308	118,604	735,542	118,604

NOTES TO THE FINANCIAL STATEMENTS CONT'D

27.2 TERMS AND CONDITIONS

I. UNITED BANK FOR AFRICA SHORT TERM LOAN (SUB-LIMIT OF SBLC/ITF/LC)

This is a term loan facility to meet short term obligation and to facilitate importation and purchase of computer hardware, IT software, Servers plus other telecoms and electrical equipment accessories via establishments of LCs/Bills for collection. The tenor of the loan is 240days. The interest rate is Naira UBA LCY PLR Currently 20% p.a, subject to a floor of 8% p.a

The loan is secured on debenture over the Company's Fixed and Floating Assets currently valued at N1.561 B OMV and N878.5m FSV, Currently to be shared pari-pasu with other lenders with UBA interest stamped for N50m, Domiciliation of the payments and personal Guarantee of the MD. Austin Okere supported with his notarized statements of personal Network.

II. ZENITH BANK SHORT TERM IMPORT FACILITY (STIF)

This is a term loan facility obtained to finance local purchases and importation of Computer hardware, Software, ATMs and other IT infrastructure equipment. The facility is available for the establishment of Stand-By Letters of Credit (SBLC), Unconfirmed LC, Confirmed LC, Deferred Payment LC Usane Line and regular STF. The tenor of the loan is 12 months with interest of 19% per annum, which is subject to upward or downward review in line with money market realities. The loan is secured on Domiciliation of contract proceeds from the clue chip companies to Zenith, irrevocable Standing payments Order (ISPO) of contract proceeds from CWG to Stanbic IBTC Chartered Bank Plc (Stanbic IBTC) committing to transfer MTN payments for contracts financed by Zenith.

III. FIRST BANK LPO/IFF/ULC/SBLC/USANE/B&C FACILITY

This is a term loan facility to finance importation of local purchase of IT software and hardware materials, equipment and machinery required for execution of LPOs awarded by approved principals. The tenor of the loan is 12months. The interest rate is 20% per annum subject to future review in line with changes in money market conditions. The loan is secured on charge over Company's assets (being managed by First Trustee Limited) and domiciliation of contract proceed into customer's account with First bank.

IV. FIDELITY BANK LPO/IFF/CONFIRMATION LINE

This is a term loan to finance importation (or Local Purchase) of IT software equipment. The tenor of the loan is 365 days from the day of set up with interest of 18% per annum, which shall be subject to review from time to time in line with the prevailing money market condition. The facility shall be secured on irrevocable Letter of Undertaking for domiciliation of entire contract /LPO proceeds to Fidelity bank. Shipping Document consigned to the order of Fidelity Bank. Comprehensive marine insurance on all items of import with Fidelity Bank noted as first loss payee and Personal Guarantee of MD Mr. Austin Okere supported by his statement of net worth.

V. CISCO SYSTEMS FINANCE INTERNATIONAL LOAN

This relates to a US Dollar term loan facility of \$3,500,000.00 given by Cisco Systems Finance International to pay for software/service equipment. The tenor of the loan is

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Name	Country of incorporation	% equity interest	
		2014	2013
CWG Ghana Limited	Ghana	100	100
CWG (Uganda) Limited	Uganda	100	100
CWG Cameroon Limited	Cameroon	100	100

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year (for information regarding outstanding balances at 31 December 2014 and 2013, refer to note).

Related party	Relationship	Nature of transaction	Balance receivable/ (payable)	Balance receivable/ (payable)
			31 Dec 2014 K'000	31 Dec 2013 K'000
CWG Uganda	Fellow subsidiary	Advances and payment of salaries	254,593	176,937
CWG Ghana	Fellow subsidiary	Advances and payment of salaries	13,620	36,359
CWG Cameroon	Fellow subsidiary	Advances and payment of salaries	33,402	11,144
TOTAL:			301,615	224,440
			=====	=====

TERMS AND CONDITIONS OF TRANSACTIONS WITH RELATED PARTIES

Transactions to and from related parties are made at terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2014, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2014: Nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

The Group has no related party transactions other than director's fees.

The average number of persons employed by the group during the year, including Directors, was as follows:

	The Group		The Company	
	2014	2013	2014	2013
Technical	397	469	387	459
Non-technical	173	143	155	127
	-----	-----	-----	-----
	570	612	542	586
	===	===	===	===

NOTES TO THE FINANCIAL STATEMENTS CONT'D

DIRECTORS' EMOLUMENTS COMPRISE:

	The Group		The Company	
	2014 N'000	2013 N'000	2014 N'000	2013 N'000
Fees	7,701	4,480	7,701	4,480
Other remuneration	196,151	191,711	196,151	191,711
Highest paid director	49,018	49,018	49,018	49,018

The numbers of directors whose gross emoluments are within the bands stated below were:-

		The Group		The Company	
		2014 Number	2013 Number	2014 Number	2013 Number
N	N				
Up to	- 1,000,000	-	-	-	-
1,000,001	- 2,000,000	-	-	-	-
1,000,001	- 3,000,000	-	-	-	-
3,000,001	and above	3	3	3	3
		---	---	---	---
		3	3	3	3
		==	==	==	==

Staff Costs - Salaries and allowances:

	The Group		The Company	
	2014 N'000	2013 N'000	2014 N'000	2013 N'000
Wages, Salaries, allowances and other benefits	1,385,289	1,342,600	1,282,290	1,243,327
Pension costs	61,890	55,310	61,616	50,750
	-----	-----	-----	-----
	1,447,179	1,397,910	1,343,906	1,294,077
	=====	=====	=====	=====

The number of employees with gross emoluments within the bands stated below were:

		The Group		The Company	
		2014 Number	2013 Number	2014 Number	2013 Number
N	N				
Up to -	1,000,000	152	165	148	160
1,000,001 -	2,000,000	164	261	157	254
1,000,001 -	3,000,000	65	38	61	33
3,000,001	and above	188	148	176	139
		-----	-----	-----	-----
		570	612	542	586
		===	===	===	===

NOTES TO THE FINANCIAL STATEMENTS CONT'D

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Compensation of key management personnel of the Company and the Group

	2014 ₦'000	2013 ₦'000
Short term employment benefits	196,151	190,511
Post-employment pension and medical benefits	7,701	4,480
Fees paid for meetings attended	-	1,200
Total compensation paid to key management personnel	297,782	196,191

29. COMMITMENTS AND CONTINGENCIES

The company as at 31 December 2014 had a commitments in respect of unused letter of credit with First Bank Plc. amounting to N209,197,113.47 (2013: Nil), and letter of credit with both Zenith Bank Plc of USD \$207,223.12 (2013:USD \$474,292.08) and United Bank for Africa amounting to USD \$1,484,200 (2013:Nil)

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group also holds available-for-sale investments.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's risk management is governed by the Board, through the Board Financial, Risk and Audit committee (FARCOM).

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

30.1 MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include: current loans and borrowings, deposits, available-for-sale investments.

30.1.1 INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a predominant

NOTES TO THE FINANCIAL STATEMENTS CONT'D

portfolio of fixed rate loans and borrowings. The Group's policy is to keep take floating rate borrowings only under exceptional circumstances, where the risks are thoroughly considered and approved. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the Group's only loan stock. With all other variables held constant, the Group's profit before tax will be affected as follows:

	Increase / decrease in basis points	Effect on profit before tax N'000
2014	+1.50 -1.50	(15,000) 15,000
2013	+1.00 -1.00	(12,000) 12,000

30.1.2 FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries. Management has set up a policy requiring the Group to manage their foreign currency risk against their functional currency. The Group is required to manage its entire foreign currency risk exposure with the Group finance. To manage their foreign currency risk arising from future commercial transactions and recognized assets and liabilities, companies in the Group ensure that significant transaction are contracted in the Group's functional currency. Foreign currency risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the group's functional currency. The Group is mostly affected by changes in USD rate than any other foreign currency. The table below shows the sensitivity analysis of the Group's profit before tax based on changes in USD rate:

	Change in USD rate	Effect on profit before tax N'000
2014	+5% -5%	(85,293) 85,293
2013	+5% -5%	(46,603) 46,603

30.2 CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The group and the company's maximum exposure to credit risk taking into account the guarantees granted and letters of credit as at year end are shown as follow:

NOTES TO THE FINANCIAL STATEMENTS CONT'D

	Group		Company	
	2014 ₦'000	2013 ₦'000	2014 ₦'000	2013 ₦'000
Trade receivables	3,109,781	3,542,171	2,933,458	3,415,803
Due from related parties	-	-	301,615	224,440
Cash and cash equivalents	1,591,151	1,171,989	1,388,862	1,167,275
	-----	-----	-----	-----
Letters of credit	4,700,932	4,714,160	4,623,935	4,807,518
	523,804	388,172	523,804	388,172
	-----	-----	-----	-----
	5,224,736	5,102,332	5,147,739	5,195,690
	=====	=====	=====	=====

30.2.1 TRADE RECEIVABLES

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Customer's credit ratings determine the proportion of sales invoice that is required in advance of delivery. The requirement for impairment is analysed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several sectors and industries and operate in largely independent markets.

30.2.2 FINANCIAL INSTRUMENTS AND CASH DEPOSITS

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments.

30.2.3 DUE FROM RELATED PARTIES

Credit risks from related parties' transaction are considered very low. This is because they are settled or offset against other transactions that can occur in the future.

30.3 LIQUIDITY RISK

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over

NOTES TO THE FINANCIAL STATEMENTS CONT'D

with existing lenders. Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Recent times have proven the credit markets situation could be such that it is difficult to generate capital to finance long-term growth of the Company. The group has a clear focus on financing long-term growth and to re-finance maturing debt obligation. Financing strategies are under continuous evaluation.

The table below shows the maturity analysis and has been prepared on an undiscounted cash flow.

The Company As at 31 December 2014	On demand N'000	Less than 3 months N'000	3-12 months N'000	1-5 Years N'000	Total N'000
Short-term borrowings	-	231,963	694,608	-	926,571
Bank overdraft	261,609	-	-	-	261,609
Letters of credit	-	523,804	-	-	523,804
Trade payables	-	-	1,204,706	-	1,204,706
	261,609	755,767	1,899,014	-	2,916,690
	=====	=====	=====	=====	=====
As at 31 December 2013	On demand N'000	Less than 3 months N'000	3-12 months N'000	1-5 Years N'000	Total N'000
Short-term borrowings	-	62,765	86,642	-	149,407
Bank overdraft	421,104	-	-	-	421,104
Letters of credit	-	388,172	-	-	388,172
Trade and other payables	-	-	2,214,144	-	2,214,144
	421,104	450,937	2,300,786	-	3,172,827
	=====	=====	=====	=====	=====
The Group As at 31 December 2014	On demand N'000	Less than 3 months N'000	3-12 months N'000	1-5 Years N'000	Total N'000
Short-term borrowings	-	253,394	758,542	-	1,011,936
Bank overdraft	261,609	-	-	-	261,609
Letters of credit	-	523,804	-	-	523,804
Trade and other payables	-	-	1,608,450	-	1,608,450
	261,609	777,198	2,366,992	-	3,405,799
	=====	=====	=====	=====	=====
As at 31 December 2013	On demand N'000	Less than 3 months N'000	3-12 months N'000	1-5 Years N'000	Total N'000
Short-term borrowings	-	62,765	86,642	-	149,407
Bank overdraft	421,104	-	-	-	421,104
Letters of credit	-	388,172	-	-	388,172
Trade and other payables	-	-	2,371,656	-	2,371,656
	421,104	450,937	2,458,298	-	3,330,339
	=====	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS CONT'D

30.4. FINANCIAL INSTRUMENTS BY MEASUREMENT BASES

The table below show financial instruments by their measurement bases:

The Group					The Company			
As at 31 December 2014	Loans and Receivables / Liabilities at Amortised cost ₦'000	non-financial instruments	Available for sale financial assets	Carrying value ₦'000	Loans and Receivables / Liabilities at Amortised cost ₦'000	non-financial instruments	Available for sale financial assets	Carrying value ₦'000
Trade receivables	3,039,354	-	-	3,039,354	2,863,031	-	-	2,863,031
Other receivables	-	314,789	-	314,789	-	179,723	-	179,723
Due from related parties	-	-	-	-	-	301,615	-	301,615
WHT receivables	-	3,501,425	-	3,501,425	-	3,484,700	-	3,484,700
Cash and cash equivalents	1,833,382	-	-	1,833,382	1,631,093	-	-	1,631,093
Available for sale	-	-	78,768	78,768	-	-	78,768	78,768
Prepayments	-	317,227	-	317,227	-	286,005	-	286,005
Total financial assets	4,872,736	3,133,441	78,768	9,084,945	4,494,124	4,252,052	78,768	8,824,944
Trade payables	1,608,450	-	-	1,608,450	1,204,706	-	-	1,204,706
Other payables	-	4,118,503	-	4,118,503	-	4,061,393	-	4,061,393
Short-term borrowings	803,308	-	-	803,308	735,542	-	-	735,542
Total financial liabilities	2,411,758	4,118,503	-	6,530,261	1,940,248	4,061,393	-	6,001,641

The Group					The Company		
As at 31 December 2013	Loans and Receivables / Liabilities at Amortised cost ₦'000	non-financial instruments	Available for sale financial assets	Carrying value ₦'000	Loans and Receivables / Liabilities at Amortised cost ₦'000	non-financial instruments	Available for sale financial assets
Trade receivables	3,414,355	-	-	3,414,355	3,287,987	-	-
Other receivables	-	436,683	-	436,683	-	408,694	-
Due from related parties	-	-	-	-	-	224,400	-
WHT receivables	-	3,217,646	-	3,217,646	-	3,200,386	-
Cash and cash equivalents	1,561,901	-	-	1,561,901	1,557,187	-	-
Available for sale	-	-	19,275	19,275	-	-	19,275
Prepayments	-	492,001	-	492,001	-	489,256	-
Total financial assets	4,976,256	4,146,330	19,275	9,141,861	4,845,174	4,322,736	19,275
Trade payables	2,371,656	-	-	2,371,656	2,214,144	-	-
Other payables	-	3,760,302	-	3,760,302	-	3,737,249	-
Short-term borrowings	118,604	-	-	118,604	118,604	-	-
Total financial liabilities	2,490,260	3,760,302	-	6,250,562	2,332,748	3,737,249	-

NOTES TO THE FINANCIAL STATEMENTS CONT'D

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalent, trade receivables, other receivables, trade payables short term borrowings and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

31. CAPITAL MANAGEMENT

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2014 and 2013.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. The Group's capital structure and debt-equity ratio is shown below:

	2014 A'000	2013 A'000
Trade and other payables (Note 25)	5,726,953	6,131,958
Short-term loans and borrowings	1,045,539	508,516
Less: cash and cash equivalents (Note 22)	(1,833,382)	(1,561,901)
Net debt	4,939,110	5,078,573
Equity	4,896,527	5,042,189
Total capital	4,896,527	5,042,189
Debt to equity ratio	100.9%	100.7%

32. EVENTS AFTER THE REPORTING PERIOD

No event or transaction has occurred since the balance sheet date which would have a material effect upon these financial statements at that date or which would need to be mentioned in the financial statements in order to make them not misleading.

VALUE ADDED STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	The Group				The Company			
	2014 N'000		2013 N'000		2014 N'000		2013 N'000	
Turnover	15,356,280		20,669,298		14,595,482		20,055,736	
Cost of services- Local	(13,526,977)		(18,216,200)		(12,831,260)		(17,688,509)	
	-----		-----		-----		-----	
Other income	1,829,303		2,453,098		1,764,222		2,367,337	
	138,465		301,155		138,407		289,503	
	-----		-----		-----		-----	
Value added	1,967,768		2,754,253		1,902,629		2,656,730	
	=====		=====		=====		=====	
Applied as follows:		%		%		%		%
To employees								
-Wages, salaries and other benefits	1,385,289	70	1,342,600	50	1,282,290	67	1,243,327	47
To providers of capital								
-Interest	199,827	10	348,778	12	191,663	10	343,330	13
To pay government: as company taxes	4,834	0	5,609	-	-	-	-	-
To provide for replacement of assets and expansion of business:								
Depreciation & amortization	325,016	17	444,419	16	319,658	17	437,974	16
Deferred taxation	(67,215)	(3)	-	-	(67,215)	(4)	-	-
Retained profit	120,017	6	612,847	22	176,233	10	632,099	24
	-----	-----	-----	-----	-----	-----	-----	-----
	1,967,768	100	2,754,253	100	1,902,629	100	2,656,730	100
	=====	===	=====	===	=====	===	=====	===

The value added represents the wealth created through the use of the Company's assets by its own and its employees' efforts. This statement shows the allocation of wealth amongst employees, capital providers, government and that retained for future creation of wealth.

FIVE -YEAR FINANCIAL SUMMARY -COMPANY

FOR THE YEAR ENDED 31 DECEMBER 2014

	IFRS				Local GAAP
	31-Dec-14 N'000	31-Dec-13 N'000	31-Dec-12 N'000	31-Dec-11 N'000	31-Dec-10 N'000
NON-CURRENT ASSETS					
Goodwill	814,088	814,088	814,088	-	-
Property, plant & equipment	545,087	649,369	1,340,468	93,495	19,094
Intangible assets	79,761	111,831	104,032	1,949	-
Investment in subsidiaries	30,610	30,307	30,307	1,270,044	1,240,620
Available for sale financial assets	78,768	19,275	14,837	14,836	-
Deferred tax assets	-	-	-	8,362	-
Net current asset/(liabilities)	3,706,371	3,717,392	2,521,969	1,915,362	2,489,063
	5,254,685	5,342,262	4,285,701	3,280,851	3,745,777
Interest bearing loans & borrowings	-	-	-	-	620,000
Convertible loan stocks	-	-	1,460,000	1,366,681	1,290,415
Deferred tax liabilities	-	67,215	67,215	29,855	49,630
	5,254,685	5,275,047	3,298,486	1,884,315	1,788,732
Financed by:					
Share capital	1,262,413	1,262,413	1,000,000	1,000,000	1,000,000
Share premium	1,852,748	1,852,748	410,883	410,883	410,883
Retained earnings	2,122,250	2,148,002	1,635,904	229,179	133,596
Convertible loan reserve	-	-	244,253	244,253	244,253
Available for sale reserve	17,274	11,884	7,446	-	-
Foreign currency translation reserve	-	-	-	-	-
	5,254,685	5,275,047	3,298,486	1,884,315	1,788,732
	=====	=====	=====	=====	=====
	31-Dec-14 N'000	31-Dec-13 N'000	31-Dec-12 N'000	31-Dec-11 N'000	31-Dec-10 N'000
Turnover	14,595,482	20,055,736	18,312,163	994,268	970,395
	=====	=====	=====	=====	=====
Profit before tax	109,018	632,099	444,064	238,960	356,480
Income tax	67,215	-	-	-	(122,815)
	=====	=====	=====	=====	=====
Profit after tax	176,233	632,099	444,064	238,960	233,665
	=====	=====	=====	=====	=====
Per share					
Earnings per share	N 0.07	N 0.25	N 0.22	N 0.13	N 0.12
Net assets per share	N2.05	N2.09	N1.65	N0.94	N0.89

THREE -YEAR FINANCIAL SUMMARY -GROUP

FOR THE YEAR ENDED 31 DECEMBER 2014

	31-Dec-14 N'000	31-Dec-13 N'000	31-Dec-12 N'000
NON-CURRENT ASSETS			
Goodwill	814,088	814,088	814,088
Property, plant & equipment	552,655	659,238	1,355,115
Intangible assets	79,761	111,831	104,032
Available for sale financial assets	78,768	19,275	14,837
Net current asset/(liabilities)	3,438,470	3,504,972	2,284,391
	-----	-----	-----
	4,963,742	5,109,404	4,572,463
Convertible loan stocks	-	-	(1,460,000)
Deferred tax liabilities	-	(67,215)	(67,215)
	-----	-----	-----
	4,963,742	5,042,189	3,044,252
	-----	-----	-----
Financed by:			
Share capital	1,262,413	1,262,413	1,000,000
Share premium	1,852,748	1,852,748	410,883
Retained earnings	1,767,202	1,849,170	1,356,323
Convertible loan reserve	-	-	244,253
Available for sale reserve	17,274	10,888	6,451
Foreign currency translation reserve	64,105	65,974	26,342
	-----	-----	-----
	4,963,742	5,042,189	3,044,252
	=====	=====	=====
	31-Dec-14 N'000	31-Dec-13 N'000	31-Dec-12 N'000
Revenue	15,356,280	20,669,298	18,760,741
	=====	=====	=====
Profit before tax	57,636	618,456	686,696
Income tax	62,381)	(5,609)	(221,574)
	-----	-----	-----
Profit after tax	102,017	612,847	465,122
	=====	=====	=====
Per share:			
Earnings per share	N0.05	N0.24	N0.23
Diluted earnings per share	N0.05	N0.25	N0.18
Net assets per share	N1.94	N2.07	N1.52

CWG 2.0

CWG recently evolved a subscription business model, providing Software-as-a-Service to customers through Cloud Computing, taking advantage of the abundant bandwidth at shores of Nigeria and the attendant exponential increase in Broadband capacity. This initiative is tagged CWG2.0.

CWG2.0 is a social impact investment initiative directed towards empowering African entrepreneurs to take advantage of technology to grow their businesses. The idea of CWG2.0 is to enable each of the 17.7millionMicro, Small and Medium Enterprises (MSMEs) in Nigeria build sufficient capacity to add one more employees. This implies that CWG would be helping to foster inclusive growth by creating an additional 17million jobs.

In addition to our premier Cloud product for Microfinance Banks collaboratively launched with MTN Nigeria in Nigeria and Ghana in 2012 and 2014, respectively, CWG has launched two new Cloud based products—CWG SMERP and Webshop (Openshopen) for MSMEs. The success story of the Cloud product for Microfinance banks proves that our emerging business model of providing cloud services, CWG 2.0, is scalable, repeatable and transferable, as it is relatively more sustainable and profitable.

For more information on CWG 2.0, please visit <http://www.cwlgroup.com/products>



PROXY FORM

ANNUAL GENERAL MEETING OF COMPUTER WAREHOUSE GROUP PLC

Scheduled to hold at Lilygate Hotel, Olubunmi Owa Street,
N.B.D., Lekki Phase 1, Lagos on Thursday the **25th day of June, 2015** at **12.00 noon**.

I/We

being a member/members of

COMPUTER WAREHOUSE GROUP PLC,

hereby appoint*.....or failing him/her, the Chairman of the Meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of holders of ordinary shares of the Company to be held on 25th June, 2015 or at any adjournment thereof.

Dated this.....day of.....2015

Shareholder's Signature.....

Proxy's Signature.....

NOTES:

1. A member (shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote by proxy. The above proxy form has been prepared to enable you to exercise your right to vote if you cannot personally attend.
2. Provision has been made on this form for the Chairman of the meeting to act as your proxy, but if you wish you may insert in the blank space on the form (marked *) the name of the person, whether a member of the Company or not, who will attend the Meeting and vote on your behalf instead of the Chairman of the Meeting.
3. Please sign the proxy form and return it so as to reach the address shown overleaf not later than 12.00pm on 24th June, 2015. If executed by a company, the proxy form should be sealed with its Common Seal.

4. The member (shareholder) or his/her duly appointed proxy must detach and produce the Admission Card to obtain entrance to the Meeting.
5. The completion and dispatch of the proxy form does not prevent the attendance of the member should he/she become available to attend in person.
6. It is a requirement of the law under the Stamp Duties Act, Cap S8 – Laws of the Federation of Nigeria, 2004 – that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must be clearly stamped in accordance with the Act.

IF YOU ARE UNABLE TO ATTEND, PLEASE:

- a) Write the name of your proxy (if any) where marked *
- b) Ensure that the form is signed by you and your proxy.
- c) Return the proxy form to reach the address shown overleaf not less than 24 hours before the time for holding the meeting.

Before posting the above proxy form, please tear off this section and retain it to facilitate your admission to the Meeting

COMPUTER WAREHOUSE GROUP PLC

RC 615619

ANNUAL GENERAL MEETING ADMISSION FORM

PLEASE ADMIT THE SHAREHOLDER NAMED ON THIS ADMISSION FORM OR HIS/HER DULY APPOINTED PROXY TO THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD AS FOLLOWS:

DATE: 25th June, 2015

VENUE: Lilygate Hotel
Olubunmi Owa Street
N.B.D., Lekki Phase 1
Lagos

TIME: 12.00 noon.

PROXY ☐ SHAREHOLDER ☐

Please indicate as appropriate

THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRAR



Please Affix
Postage Stamp

The Company Registrars
Africa Prudential Registrars Plc
220B, Ikorodu Road
Palmgrove
Lagos





■ Lagos ■ Port - Harcourt ■ Abuja ■ Accra ■ Kampala ■ Douala

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