

2021 ANNUAL REPORT
AND ACCOUNTS



Creating Sustainable Value

Through
Technology

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Positioning Africa to Maximise the Future.

70+

Partnerships

26+

Countries
(Pan-African Initiative)

4

Operation Hubs





CWG PLC- RC 615619

2021 ANNUAL REPORT
AND ACCOUNTS

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Corporate Information

DIRECTORS

Mr. Philip Obioha	Chairman (Non-Executive)
Mr. Austin Okere	Non- Executive Director
Mr. Abiodun Fawunmi	Non-Executive Director
Dr. Olusegun Oso	Non-Executive Director
Mr. Wale Agbeyangi	Non-Executive Director
Mrs. Taba Adela Peterside	Independent Non-Executive Director (Appointed w.e.f 4th March 2022)
Mr. Adewale Adeyipo	Group Managing Director
Mr. Afolabi Sobande	Executive Director (Appointed w.e.f 4th March 2022)
Mr. Irete Yusuf	Executive Director (Appointed w.e.f 4th March 2022)

REGISTERED ADDRESS

Block 54, 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

EXTERNAL AUDITORS

PKF Professional Services
PKF House, 205A Ikorodu Road, Obanikoro
Lagos, Nigeria.
Email: lagos@pkf-ng.com

SOLICITORS

G. Elias & Co
6, Broad Street, Lagos Island, Lagos.
www.gelias.com

INTERNAL AUDITORS

PricewaterhouseCoopers Limited
Landmark Towers
5B, Water Corporation Road
Victoria Island
Lagos Nigeria
E-mail: enquiry@ng.pwc.com

KEY BANKERS

Globus Bank	Stanbic IBTC Bank Plc
United Bank for Africa Plc	Standard Chartered Bank Plc
First Bank of Nigeria Limited	Guaranty Trust Bank Plc
First City Monument Bank Plc	Zenith Bank Plc

REGISTRAR

Cordros Registrars Limited
21, Norman Williams Street Ikoyi,
PO Box 75590 Victoria Island, Lagos

COMPANY SECRETARY

DCSL Corporate Services Limited
235, Ikorodu Road
PO Box 965 Marina
Ilupeju Lagos.

NOTICE OF 17TH ANNUAL GENERAL MEETING

CWG PLC
(RC No. 615619)

(PURSUANT TO SECTION 237 OF THE COMPANIES AND ALLIED MATTERS ACT 2020)

NOTICE IS HEREBY GIVEN THAT the 17th Annual General Meeting of **CWG PLC** will be held at Lilygate Hotel, 2 Olubunmi Owa Street Lekki Phase 1 Lagos by proxies on **Thursday the 23rd day of June 2022 at 10.00 a.m.** prompt to transact the following business:

Ordinary Business:

1. To lay before the Members, the Report of the Directors', the Audited Statements of Financial Position of the Company, together with the Statement of Comprehensive Income for the year ended 31st December 2021 and the Reports of the Auditors and the Audit Committee thereon.
2. To elect Directors.
3. To re-appoint PKF Professional Services as the Auditors of the Company and authorize the Directors to fix their remuneration.
4. To disclose the remuneration of the Managers of the Company.
5. To elect members of the Statutory Audit Committee.

Special Business:

Ordinary Resolution

1. To approve the remuneration of the Directors for the financial year 2022.

Dated This 1st Day of June 2021

BY ORDER OF THE BOARD



DCSL Corporate Services Limited
Company Secretaries

NOTES:

Compliance with Covid-19 Related Directives and Guidelines:

The Federal Government of Nigeria, State Government, Health Authorities and Regulatory Agencies have issued a number of guidelines and directives aimed at curbing the spread of COVID-19 in Nigeria. Additionally, the Corporate Affairs Commission (CAC) issued Guidelines on Holding AGM of Public Companies by Proxy. The convening and conduct of the AGM shall be done in compliance with these directives and guidelines.

Proxy:

Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. For the appointment of the proxy to be valid, a Proxy Form must be completed and deposited at the office of the Company's Registrar, Cordros Registrars, 70 Norman Willaims Street Ikoyi Lagos not later than 48 hours before the time fixed for the meeting. A blank Proxy Form is attached to the Annual Report and may also be downloaded from the Company's website at www.cwg-plc.com

Attendance by Proxy:

In line with CAC Guidelines, attendance of the AGM shall be by proxy only. Shareholders are required to appoint a proxy of their choice from the list of nominated persons below:

- Mr. Philip Obioha
- Mr. Austin Okere
- Mr. Adewale Adeyipo
- Alhaji Wahab Ajani
- Mr. Robert Ibekwe

Stamping of Proxy:

The Company has made arrangement at its cost, for the stamping of the duly completed and signed Proxy Forms submitted to the Company's Registrars within the stipulated time.

Online Streaming Of AGM:

The AGM will be streamed live online. This will enable Shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the AGM online live streaming will be made available on the Company's YouTube Channel at https://www.youtube.com/cwgafrica?uid=FLAvVjxEmBru49o_NllukQ

Closure of Register:

The Register of Members shall be closed from 30th May 2021 to 2nd June 2022, (both days inclusive) for the purpose of updating the Register of Members.

Nomination of Statutory Audit Committee Members:

In accordance with Section 404(6) of the Companies and Allied Matters Act Cap C20, Laws of the Federal Republic of Nigeria, 2020, any member may nominate a shareholder as a member of the Statutory Audit Committee by giving notice in writing of such nomination to the Company Secretary at least twenty-one (21) days before the Annual General Meeting. Such notice of nominations should be sent via email to info@dcs.com.ng or aagbo@dcs.com.ng

Rights of Security Holders to Ask Questions:

In compliance with Rule 19.12(c) of the Nigerian Exchange Limited's Rulebook, a member and other Security Holders of the Company have a right to ask questions not only at the Annual General Meeting, but also in writing prior to the Meeting, and such questions must be submitted at least one week before the meeting.

Who We Are



Our Mission

Powering Impactful Solutions across Africa
Positioning Africa to Maximize the Future
Enabling Future Shapers
Supporting tipping point innovation



Our Values

Integrity
Quality
Efficiency
Customer Obsession
Transformative Innovation
Leadership



Our Vision

Our vision is to be the most preferred technology solutions company out of Africa.

CWG SUPPORT CAPACITY IN AFRICA

Banks Supported



14

Number of Banks Supported

Banks Customer Supported



94,724,265

Number of Banks Customers Supported

Banks Account Supported



117,857,866

Number of Banks Account Supported

Daily Transaction Count



182,500,000

Number of Daily Transaction 65% of daily banking transaction in Nigeria

CSA Unique Customization



250

Number of Unique Customization

Countries



24

Number of Countries

DIGITAL TRANSACTION SUMMARY

Supporting over 2 million on digital customers, powering over 4 million global digital accounts, with over 220 million

FirstBank
Since 1894

Head Office and 6 other countries

Fidelity

Wema Bank

UBA

Head Office and 6 other countries

CORONATION
MERCHANT BANK

FCMB

Stanbic Bank
A member of Standard Bank Group

IB

Globus Bank

UnionBank



CWG ATM SUPPORT COVERAGE

 Banks 22 Number of Banks	 Daily ATM Transactions 11.6M Supported 11.6M Daily Transactions	 ATMs Managed 2000+ Number of ATMs managed
---	---	--



ATM SUPPORT HUB LOCATIONS



Maiduguri



Onitsha



Abuja



Port Harcourt



Ghana



Liberia



Lagos



Kaduna

Strategic Partnership

PLATINUM PARTNERS

 **Dell** Technologies

ADVANCED PARTNERS

 **Red Hat**

vmware[®]

SILVER PARTNERS

 **NEWGEN**  **IBM**  **VERITAS**[™]

IMPLEMENTATION PARTNER

 **Hitachi Vantara**

EXCLUSIVE PARTNER

Infosys

AUTHORIZED PARTNER

NUTANIX **COMMSCOPE**[®]

BUSINESS PARTNER

 **CISCO**  **Microsoft**  **Lenovo**

 **AMEYO**  **hp**  **zadara**

2-STAR PARTNER

 **Check Point**[®]
SOFTWARE TECHNOLOGIES LTD.

CWG Pan African Coverage

DELIVERY PARTNERS

CWG provides resources to level 1-4 management teams across over 26 countries in Africa, and partners with IT service organizations deliver Tech support solutions to other African countries

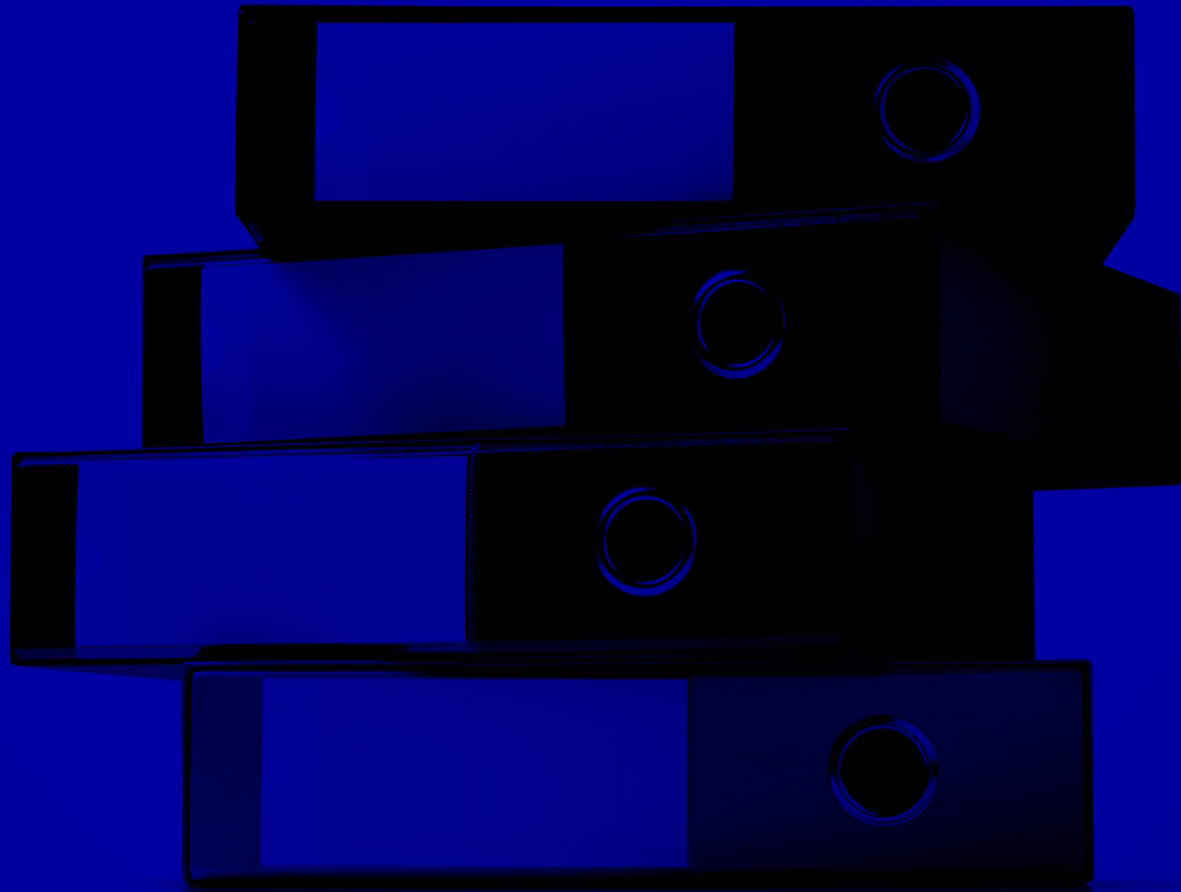
- Nigeria
- Cameroon
- Ghana
- Uganda

- Liberia
- Guinea Bissau
- Guinea Conakry
- Ivory Coast

- Congo Brazzaville
- Benin

Level 1 & 2 Resource partner





Corporate Governance Report

CWG PLC / 2021 Annual Report & Accounts



CORPORATE GOVERNANCE

CWG Plc holds itself to the highest standards of corporate governance and consistently aims to adopt useful international best practices and adhere to regulatory requirements for effective corporate governance. Effective corporate governance permeates the business as would be seen in the Board composition, how the Company is managed, internal control mechanisms, and communications with stakeholders. The business thus operates on high ethical standards while striving to make profits, mindful of the macroeconomic business environment, technological advancements, and stakeholders.

In accordance with the requirements of the Nigerian Exchange Group (NGX), the Securities and Exchange Code of Corporate Governance Guidelines (SCGG), and the Nigerian Code of Corporate Governance (NCCG), the Board undertook an internal appraisal exercise to ascertain its level of compliance with defined corporate governance tenets and international best practices. The Report of this exercise forms part of this Annual Report.

GOVERNANCE STRUCTURE

The governance bodies in place, as well as an outline of their composition and responsibilities, are detailed below:

THE BOARD

The Board ensures that the highest standards of corporate governance are maintained and complied with. The Board is responsible for the proper management and direction of the Company and achievement of its strategic objectives as agreed by the Board and recommended by the Nigerian Code of Corporate Governance. The Board exercises leadership and has oversight over the business, long-term goals, and strategy, overseeing the Company's risks, implementing controls and procedures where necessary, particularly maintaining a sound system of internal controls and protects shareholders' interests and the Company's assets.

The Board fulfills its responsibility through standing and ad-hoc committees which also report and make recommendations to the Board on issues within their respective term 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. The Committees present reports to the Board at its quarterly meetings.

The Board met six (6) times during the financial year ended 31st December 2021. The meeting details are provided in the latter part of this Report.

COMPOSITION OF THE BOARD

The Board during the period was composed of six (6) Directors (one (1) Executive Director, and five (5) Non-Executive Directors). In the current year (2022), the Board recommends the addition of an (1) Independent Non-Executive Director and two (2) Executive Directors.

The Board Members are professionals who have excelled in their various fields of endeavor, including computer science, engineering, economics as well as accounting, and possess the required integrity, skills, and experience to bring independent judgment to bear on the deliberations of the Board.

In addition to having one or more of these core competencies, candidates for appointment as Directors are identified and considered based on their knowledge, experience, integrity, professionalism, career success experience, diversity, leadership, reputation, and ability to understand and add value to the Company's business.

The Board and the Board Committees usually meet quarterly in each financial year, although additional meetings may be convened when the need arises.

The Board met regularly during the year to discuss, review and receive reports on the business and plans for the Group. The long-term success of the Company is the collective responsibility of the Board, who are accountable to the shareholders for the creation of long-term shareholder value. Decisions are taken at the Board meetings by way of resolutions, as provided for in the Companies and Allied Matters Act (CAMA), 2020. The Non-Executive Directors are provided with comprehensive information at each Board meeting and are also briefed on business developments between Board meetings. The Non-Executive Board members possess strong knowledge of the Company's business and usually contribute actively at Board's meetings.

ROLES & RESPONSIBILITY OF THE BOARD

The role of the Board is well documented in the CWG Corporate Governance Framework which is revised from time to time based on the evolving nature of the responsibilities of the Board. The Board has ultimate responsibility for determining the strategic objectives and policies of the Company to deliver long-term value by providing overall strategic direction within a framework of rewards, incentives, and controls.

The Board has delegated the responsibility for day-to-day operations of the Company to Management and 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 governance principles and economic performance.

Notwithstanding the delegation of the operation of the Company to Management, responsibilities reserved for the Board and its Committees include: review, monitoring, implementation of the Company's strategy and financial objectives, major plans of action, annual budgets and business plans, setting performance objectives Approval of the Company's investment policies and framework; Approve the Company's financial statements, any significant changes in the Company's 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 to the Board are the determination of Board structure, size and composition (including appointment and removal of Directors and Board Committee Membership; oversight of the establishment, implementation and monitoring of the Company's risk management framework; assessment of risks facing the Company, review and approval of new or revised risk policies recommended by Risk and Audit Committee for approval; approval of remuneration policy and packages of the Directors, appointment of the Managing Director; Approval of Board performance evaluation processes; approval of Board performance evaluation processes, approval of the Company's corporate governance framework and policy documents on significant issues including Enterprise Risk Management, Human Resources, Corporate Governance, Anti-Money laundering policies; Review of the performance of the Executive Directors; Succession planning for the Board and Senior Management; 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.

SEPARATION OF THE ROLES OF CHAIRMAN AND MANAGING DIRECTOR

The position of the Chairman of the Board and the Managing Director are separated and clearly defined such that no individual combines both positions in compliance with Principle 2.7 of the Nigerian Code of Corporate Governance, 2018.

THE CHAIRMAN

The Chairman is responsible for providing overall leadership to the Company and the Board as well as eliciting the constructive participation of all Directors at Board meetings. He manages the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely, and clear information to enable the Board to make informed decisions and provide advice to promote the success of the Company. The Chairman also facilitates the discussions of Directors and promotes effective relationships and open communications between Executive and Non- Executive Directors, both inside and outside the Boardroom.

The Board Chairman, Mr. Philip Obioha, is a NED and not involved in the day-to-day operations of the Company and is not a member of any Board Committee, in line with corporate governance practice.

THE MANAGING DIRECTOR

The responsibility for the day-to-day management of the Company has been delegated by the Board to the Managing Director, who is supported by the Executive Management. The Managing Director is responsible for the implementation of the Board Strategy and Policy. He executes the powers delegated to him in accordance with guidelines approved by the Board of Directors.

BOARD COMMITTEES

The Board carries out its oversight functions using its various Board Committees. The effectiveness of the Board of the Company is fortified and strengthened by its Three (3) Committees, viz; Finance and General-Purpose Committee (FGPC); Risk and Audit Committee (RAC); and Remuneration and Nomination Committee (REMCO). Each of these Board Committees is chaired by a Non-Executive Director. The Board Committees assist the Board to properly assess management reports, proposals and maintains oversight, and make recommendations to the Board. Thus, the Board is not bogged down with minutiae while still retaining responsibility for final decision making. There are clearly spelt out duties, authorities, and composition requirements in the terms of reference for each Board Committee.

Finance and General - Purpose Committee

The Finance and General- Purpose Committee (FGPC) amongst other functions, assists the Board in fulfilling its oversight responsibilities as it relates to review of the Company's accounting policies, financial reporting process, quarterly Management Accounts, strategy planning and operationalisation, financial statements, yearly budgets, and banking facilities.

The Committee, during the period, consisted of five (5) members as listed below: One (1) Executive Director and four (4) Non-Executive Directors; and the Committee met 6 (six) times during the financial year.

S/N	Name	Status	Designation
1	Dr. Olusegun Oso	Non-Executive	Chairman
2	Mr. Austin Okere	Non-Executive	Member
3	Mr. Abiodun Fawunmi	Non-Executive	Member
4	Mr. Wale Agbeyangi	Non-Executive	Member
5	Mr. Adewale Adeyipo	Executive	Member

Risk Management and Audit Committee

The Risk Management and Audit Committee (RMAC) among other functions, reviews and recommends the risk management policies and framework for approval of the Board, assists the Board in its oversight of risk management, defines the risk appetite of the Company, establishes guidelines and frameworks for risk management and compliance with regulatory requirements, oversees the Company's risk profile and performance against the defined risk appetite, reviews the effectiveness of the Company's system of accounting and internal control and authorizes the internal auditor to carry out investigations into any activities of the Company which may be of interest or concern. The Committee also receives the internal audit reports of the internal auditor quarterly and generally monitors compliance with the internal control framework.

The Committee, during the period, consisted of five (5) members as listed below:: One (1) Executive Director and four (4) Non-Executive Directors; and the Committee met four (4) times during the financial year.

During the period under review, the members of the Risk Management and Audit Committee were:

S/N	Name	Status	Designation
1	Mr. Abiodun Fawunmi	Non-Executive	Chairman
2	Mr. Austin Okere	Non-Executive	Member
3	Mr. Wale Agbeyangi	Non-Executive	Member
4	Dr. Olusegun Oso	Non-Executive	Member
5	Mr. Adewale Adeyipo	Executive	Member

Remuneration and Nominations Committee

The Remuneration and Nominations Committee among other functions, is responsible for Board nomination and remuneration matters and ensures that the process is aligned to best practices of Corporate Governance; developing remuneration policies and procedures; succession planning; setting Key Performance Indicators for the Executive Directors, identifying qualified candidates for Board membership, assessing the skill level and training gaps of the Board, Human Resources Matters; recruitment and assessment of the performance of Senior Management employees and all other issues relating to the Company and staff welfare. The Committee also oversees the Board's annual evaluation of its performance and the performance of other Board Committees.

The Committee, during the period, consisted of four (4) members who are all Non-Executive Directors. The committee met four (4) times during the financial year.

During the period under review, the members of the Remuneration and Nominations Committee were:

S/N	Name	Status	Designation
1	Mr. Wale Agbeyangi	Non-Executive	Chairman
2	Mr. Austin Okere	Non-Executive	Member
3	Mr. Abiodun Fawunmi	Non-Executive	Member
4	Dr. Olusegun Oso	Non-Executive	Member

Statutory Audit Committee

As required by section 404 of the Companies and Allied Matters Act, 2020, the Company has a Statutory Audit Committee is responsible for oversight of audit functions and it ensures that the Company complies with all relevant regulatory policies and procedures, as well as policies laid down by the Board of Directors.

The other functions of the Statutory Audit Committee include keeping under review the scope and results of the external audit as it relates to the Company's annual audited financial statements; reviewing the Management Letter of the External Auditors and Management's response thereto; reviewing the effectiveness of the Company's accounting and internal control systems, reviews the appropriateness and completeness of the Company's statutory accounts and its other published financial statements; as well as the independence and objectivity of the external auditors.

The committee is currently composed of two (2) Directors and three (3) Shareholders of the Company appointed at the Annual General Meeting, while the Company Secretary of the Company serves as the secretary to the Committee. The membership of the Audit Committee of the Board level is based on relevant experience of board members, while one of the shareholders serves as the Chairman of the Committee.

The committee has access to the external auditors to seek explanations and additional information, while the internal and external auditors have unrestricted access to the committee which ensures their independence is in no way impaired. The Committee is provided with comprehensive information on the operations of the Company at each meeting and is also briefed on business developments.

The internal and external auditors are invited from time to time to attend the meetings of the Committee. Appropriate members of the management also attend the meetings upon invitation.

The committee met four (4) times during the financial year.

The following members served on the committee during the 2021 financial year:

S/N	Name	Status	Designation
1	Mr. Akinsola Akinyemi	Shareholders' Representative	Chairman
2	Mr. Ibekwe Robert	Shareholders' Representative	Member
3	Alhaji Wahab Ajani	Shareholders' Representative	Member
4	Dr. Olusegun Oso	Non-Executive Director	Member
5	Mr. Abiodun Fawunmi	Non-Executive Director	Member

ATTENDANCE OF THE BOARD AND BOARD COMMITTEE MEETINGS

BOARD MEETINGS ATTENDED

S/N	Name	19 Mar. 2021	30 Apr. 2021	30 Jul. 2021	22 Oct. 2021	14 Dec. 2021	31 Jan. 2022
1	Mr. Philip Obioha (Chairman)	✓	✓	✓	✓	✓	✓
2	Mr. Austin Okere	✓	✓	✓	✓	✓	✓
3	Mr. Abiodun Fawunmi	✓	✓	✓	✓	✓	✓
4	Dr. Olusegun Oso	✓	✓	✓	✓	✓	✓
5	Mr. Wale Agbeyangi	✓	✓	✓	✓	✓	✓
6	Mr. Adewale Adeyipo	✓	✓	✓	✓	✓	✓

Note:

✓ - Present × - Absent with apology

*The fourth quarter 2021 meeting was held on 31st January 2022

FINANCE AND GENERAL-PURPOSE COMMITTEE (FGPC) MEETINGS ATTENDED

S/N	Name	19 Mar. 2021	28 Apr. 2021	28 Jul. 2021	20 Oct. 2021	14 Dec. 2021	31 Jan. 2022
1	Dr. Olusegun Oso (Chairman)	✓	✓	✓	✓	✓	✓
2	Mr. Austin Okere	✓	✓	✓	×	✓	✓
3	Mr. Abiodun Fawunmi	✓	✓	✓	✓	✓	✓
4	Mr. Wale Agbeyangi	✓	✓	✓	✓	✓	✓
5	Mr. Adewale Adeyipo	✓	✓	✓	✓	✓	✓

RISK MANAGEMENT AND AUDIT COMMITTEE (RMAC) MEETINGS ATTENDED

S/N	Name	28 Apr. 2021	28 Jul. 2021	20 Oct. 2021	31 Jan. 2022
1	Mr. Abiodun Fawunmi (Chairman)	✓	✓	✓	✓
2	Mr. Austin Okere	✓	✓	×	✓
3	Dr. Olusegun Oso	✓	×	✓	✓
4	Mr. Wale Agbeyangi	✓	×	✓	✓
5	Mr. Adewale Adeyipo	✓	✓	✓	✓

Note:

✓ - Present × - Absent with apology

*The fourth quarter 2021 meeting was held on 31st January 2022

REMUNERATION AND NOMINATIONS COMMITTEE (REMCO) MEETINGS ATTENDED

S/N	Name	28 Apr. 2021	28 Jul. 2021	20 Oct. 2021	31 Jan. 2022
1	Mr. Wale Agbeyangi (Chairman)	✓	✓	✓	✓
2	Mr. Austin Okere	✓	✓	✓	✓
3	Dr. Olusegun Oso	✓	✓	✓	×
4	Mr. Abiodun Fawunmi	✓	✓	✓	✓

Note:

✓ - Present × - Absent with apology

*The fourth quarter 2021 meeting was held on 31st January 2022

STATUTORY AUDIT COMMITTEE MEETINGS ATTENDED

S/N	Name	10 Nov. 2021	4 Mar. 2021	22 Mar. 2022
1	Mr. Akinsola Akinyemi (Chairman)	✓	✓	✓
2	Mr. Robert Ibekwe	✓	✓	✓
3	Alhaji Wahab Ajani	✓	✓	✓
4	Mr. Abiodun Fawunmi	✓	✓	✓
5	Dr. Olusegun Oso	✓	✓	×

Note:

✓ - Present × - Absent with apology

BOARD APPOINTMENT PROCESS

The Remuneration and Nominations Committee 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. To enhance the effectiveness of the board, the Board appointed two Executive Directors and a female Independent Non-Executive Director (INED) which is being presented for the approval of shareholders.

In considering their appointment, the Board sought 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. A background check was conducted by the Remuneration and Nomination Committee (REMCO) to ensure that the Directors were fit and proper persons.

INDUCTION AND CONTINUOUS TRAINING

The Company has a mandatory induction programme for new directors on the Company's business and other information that will assist them in discharging their duties effectively. The Company believes in and provides continuous training and professional education to its Directors. On appointment to the Board and the Board Committees, Directors receive an induction tailored to meet their individual requirements. The induction which is co-ordinated by the Company Secretaries includes meeting with senior management staff and key external advisors, to assist Directors in building a detailed understanding of the Company's operation, 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 business and operating environment.

The Company is committed to keeping employees fully informed as much as possible, regarding the Company's performance and progress and seeking their views, wherever practicable, on matters which particularly affect them as employees. The Company also encourages staff to invest in the Company's equity; holds staff meetings that discussed the Company's day-to-day operations, business focuses, and staff welfare issues.

Management, professionals, and technical experts are the Company's major assets, and investment in their future development continues. The Company's expanding skill base has been extended by a range of trainings provided to its employees whose opportunities for career development within the Company have thus been enhanced. Training is carried out at various levels through both in-house and external courses. Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of these schemes include bonuses.

SHAREHOLDERS

The Company is conscious of and promotes shareholders' rights. It continues to take necessary steps in ensuring that shareholders participate actively in matters affecting the growth and development of the Company. The General meeting of the Company is the highest decision-making body of the Company and it is conducted in a transparent and fair manner. Shareholders have the opportunity to express their opinion on the Company's financial results and other issues affecting the Company.

The Company ensures the existence of adequate interaction among the shareholders, the Management, and the Board. The Company's General Meetings provide shareholders the platform to contribute to the administration of the Company. The Annual General Meeting (AGM) is held in an accessible location and it is open to shareholders or their proxies. The AGM is conducted in a manner that facilitates shareholder participation in accordance with relevant regulatory and statutory requirements. CWG encourages shareholders to attend these meetings and ensures notices of meetings and other information required by shareholders to make informed decisions are dispatched in a timely manner. The Company Secretary additionally affords shareholders, channels of communication to the Board and the Management of the Company. It is the responsibility of the shareholders to approve the appointment of directors and to grant other approvals that are required by law or the Articles of Association of the Company.

The Shareholders through their representatives on the Statutory Audit Committee in line with section 404 of CAMA, assume responsibility for the integrity of the Company's audited accounts.

The Board and Management of the Company ensure that communication and dissemination of information regarding the operations and management of the Company to shareholders via NGX 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 consults regularly with Directors to ensure they receive required information promptly.

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 the Board meetings clearly and properly capture Board discussions and decisions.

It is also the responsibility of the Company Secretary to ensure that all regulations and policies of the Company including the Memorandum and Articles of Association are complied with. The procedure for the appointment and removal of the Company Secretary is a matter for the Board.

When the need arises for external expertise, the Board obtains information from external sources, such as consultants and other advisers, via the Company Secretary or directly.

REPORTING AND CONTROL

The Board is responsible for and ensures proper financial reporting as well as the establishment of strong internal control procedures. There is a Statutory Audit Committee and the internal audit functions is handled by PricewaterhouseCoopers.

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 to effectively perform certain responsibilities. The Company bears the cost of independent professional advice obtained jointly or severally by a Director or Directors, where such advice is

necessary to enable them to fulfill the obligation imposed on them by virtue of their Board membership.

EXECUTIVE MANAGEMENT COMMITTEE

The Executive Management Committee comprises senior management staff of the Company. This Committee analyses and make recommendations on business prospects as well as risk arising from the daily activities of the Company. The Committee provides inputs for the Board Committees and also ensures that recommendations of the Board and Board Committee are implemented. The Committee meets as frequently as necessary to enable actions and decisions within its power.

CODE OF PROFESSIONAL CONDUCT

The company has an Ethics and Conduct Policy - applicable to all directors, senior management staff, and other employees. The policy contains common ethical standards and procedures, and they collectively impose a duty on directors and staff alike to strive to maintain the highest standards of ethical conduct and integrity in all aspects of their professional life as contained in the policy.

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 likely conflicts with the interest of the Company. Every Director is expected to make a declaration of economic interest annually with regards to any contract or arrangement between CWG and any other company in which he/she is also a director, officer, servant, creditor, or holder of substantial shares or other securities.

Every Director who has any material or personal interest in any matter that relates to the affairs of CWG is required to give the other directors notice of such interest during any meeting in which the matter is to be discussed. The Company Secretary is mandated to note such 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.

WHISTLEBLOWING PROCEDURE

In line with the Company's commitment to instilling the best corporate governance practices, the Company has established a whistle-blowing policy. The policy is designed to encourage the Company's employees to report suspected or actual concerns about malpractice, danger, mismanagement, or other illegal, unethical, or inappropriate events without fear of any negative repercussion. The whistleblower can be a director, employee, supplier, consultant, etc.

The policy also defines itemizes the procedure to handle the aforementioned concerns; enables management to be informed at an early stage about any act of fraud or misconduct; reassures 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 exacting standards, and confirms the Company's commitment to a culture of openness, accountability, and integrity in line with its core values.

The dedicated email for whistleblowing is whistleblower@cwg-plc.com

SECURITIES TRADING POLICY

CWG has developed a Security Trading Policy in line with international corporate governance best practices, regulatory requirements, and the Company's internal commitment to transparency. This policy was designed to guard the interest of investors by regulating the trading of the Company's securities by its directors and employees, as well as those who are closely connected to them ("Insiders"), who may have access to or be in possession of unpublished price sensitive information regarding the state of affairs of the Company and/or its securities.

This policy ensures that, in compliance with the mandatory requirement of the Rulebook of the NSE, the Company is mindful of the fiduciary duty owed by Insiders to shareholders of the Company, to place the interest of the shareholders above their own and conduct their personal transactions in a manner that does not create any conflict of interest or jeopardize the interest of the shareholders. The policy is also designed to ensure that compliance with its provisions is monitored on an ongoing basis.

ENVIRONMENTAL POLICY

The Company strives to comply with all present and future environmental laws and regulations, including the provisions of the CAMA (Section 305(3)) which makes it a duty of Directors to be mindful of the impact of a company's operations on the environment in the community where it carries on business operations. This policy statement serves to demonstrate the Company's responsibility to the environment and the pursuit of world-class standards in all aspects of its operations.

QUALITY POLICY

This Policy serves to ensure that Company produces products and services worthy of its vision to be the preferred IT Platform Service Provider. The Policy serves to ensure that the Company delivers value-added products and services and exceed customer expectations. The responsibility for quality is the shared responsibility of everyone at CWG.

COMPLAINTS MANAGEMENT

The Company has a Complaints Management Policy that addresses complaints and provides redress when possible because complaints are a natural part of any business and interaction with a large number of stakeholders. This policy covers all employees, officers, directors, representatives, and advisors of CWG, and complies with the Complaints Management Framework of the Nigerian Capital Market ("the framework").

This policy helps the Company to handle and resolve complaints arising from issues covered under the Investment and Securities Act 2007, from clients, shareholders, other public companies, investors, and other relevant stakeholders in a timely, effective, fair and consistent manner.

COMPLIANCE

The Company complied with all regulatory filings. There were no contraventions and regulatory infractions incurred during the year 2021.



Smart Metering

Powering Nigeria's Future Smart Cities with Smart Utilities

CWG has been pushing for the adoption of smart metering in Nigeria. CWG, which is a licensed Meter Asset Provider (MAP), has a contract sum of \$11.1 million by the Ibadan Electricity Distribution Company (IBEDC) to deploy over 100,000 smart meters in Babaoko, Omu Aran, and Jebba Business Hubs.

CWG's bet on smart meters for smart cities is their ability to not only provide electricity but also to provide communication systems capable of providing other services like WiFi hotspots.

BENEFITS

- Reduction in AT&C losses by detecting overhead theft illegal connections of electricity on real time basis
- Remote disconnection on non-payment consumers
- Accurate metering/billing thus eliminates estimated billing system
- Improved customer satisfaction.
- Prompt notification of exact point of illegal theft connections and meter bypass

Board of Directors

CWG PLC / 2021 Annual Report & Accounts





Phillip Obioha

Chairman

Phillip Obioha is an accomplished Technology operations services professional with over 30 years of cognitive experience in the Information, Communication and Technology services industry. He is the Co-Founder and Chairman, Board of Directors of CWG Plc. He is also the chairman of Ambulatory Surgical Center of Lagos, a medical firm and Amaphil Limited an investment firm.

Prior to this period, Phillip worked as the Chief Operating Officer of CWG PLC, where he led the Communications Division of the company to become the foremost provider of Wide Area Communications that enabled the local banking industry to start offering branchless and online banking services to customers. He oversaw the geographical diversification of the group with the establishment of subsidiary companies in Ghana, Uganda and Cameroun. As the COO, he also oversaw the institutionalization of the company, implementing systems and processes and the successful listing of the group at the Nigerian Stock exchange

Trained as an Electrical Engineer, with specialization in Digital Electronics at West Virginia University, USA, he also holds an MBA from the Lagos Business School, and the International Graduate School of Management (IESE), Navarra, Spain. Phillip was conferred with the Titans of Tech award by Technology Africa in 2015

He is a fellow of the Institute of Directors (FIOD), Fellow Institute of Information Management (FIIM), member of the Institute of Electrical and Electronic Engineers (IEEE, USA), and the Nigerian Computer Society (NCS).

Mr Obioha has a passion for the Real Estate industry and has founded Four-Cees-Gee Limited and Managed Offices, a real-estate development and services firm respectively.



Austin Okere

Non-Executive Director

Austin Okere is the Founder of CWG Plc and the Ausso Leadership Academy, which mentors Businesses and Entrepreneurs for Geometric Growth. Austin has an MBA from IESE Business School and is an Entrepreneur-in-Residence at Columbia Business School, New York. He was appointed to the Advisory Board of the Global Business School Network in Washington DC in recognition of his major contribution to the development of business education and knowledge transfer in Africa. Austin is a Consultant to the Sustainable Development Goals – Africa Centre (SDGAC) in Kigali.

Austin has been recognized with a Lifetime Entrepreneurship Achievement Award by the American University of Nigeria in 2017 for his dedicated service and outstanding entrepreneurial accomplishments.

He received the Nigerian Computer Society Special Presidential Award in 2016 and was named ICT Personality of the year by the Society in 2014.

He was also named ICT Man of the Decade by ICT Watch – Africa Digital Network in 2012 and was listed on the United Kingdom's C. Hub Magazine 100 Most Influential Creatives in 2016. Austin was named among 100 Leading Telecoms & ICT Personalities in Nigeria by the Association of Telecoms Operators of Nigeria (ATCON) in July 2018.

Austin is a member of the World Economic Forum's Global Agenda Council and a Fellow of the Institute of Directors of Nigeria. His company, CWG Plc has been recognized as a 'Global Growth Company' by the World Economic Forum and is the largest security listed in the Technology Sector of the Nigerian Stock Exchange.



Abiodun Fawunmi

Non-Executive Director

Abiodun Fawunmi is a highly experienced technology expert who, in his professional 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, Abiodun has created an impressive track record with over 35 years of hands-on experience in strategic planning, business unit development and resource management.

He holds postgraduate degrees in Engineering, Business Management and Analytical Finance from different universities in Nigeria, the U.K. and the US.

He has also played significant roles in multi-national organizations such as Shell petroleum Development Corporation, Unilever, Unisys Corporation, Price Waterhouse Coopers and Coca-Cola Hellenic Corporation.

He worked for various United Nations Organizations in different countries for almost two decades, at one point being Head of Infrastructure Services at the International Atomic Energy Agency in Vienna and later as the Chief Information Officer (CIO) from where he retired in 2016.

He currently consults on Derivatives investments and developmental economics with a focus on energy. He serves as the Chairman of the Risk Management & Audit Committee.



Adewale Adeyipo

Group MD/CEO

Adewale (Wale) Adeyipo is the Group MD/CEO and an Executive Director at CWG Plc. Before this appointment, he was the Executive Director for Sales and Marketing, overseeing all responsibilities of Sales, Marketing, Product Management, and Market Penetration within the CWG Plc Group. Wale is a proficient technology enthusiast and Business Executive with extensive experience in Strategy, Management, and Leadership. He has consulted for several organizations, given my diverse experience and the application of technology, as an enabler for business success and expansion. In 2014, I led the CWG PAN Africa Initiatives (PAI). The PAI was a brainchild that produced CWG's strategic delivery partnerships and business expansion in 23 African operations.

Wale holds a BSc in Computer Science from the University of Ilorin. He is a certified AFN CEO Panelist and possesses an extensive study in Entrepreneurship-Valuation and Funding, Dynamic System Thinking, Digital, and ITO Transformation from Harvard and London Business School. He is an alumnus of Lagos Business School, Business School Netherlands, and Massachusetts Institute of Technology (MIT).

Wale is a member and fellow of several organizations, including the Institute of Directors, Nigeria Computer Society, Nigeria Institute of Management, Institute of Credit Administration, and Institute of Management Consultant. He also serves as a facilitator at various leadership forums and the CWG Academy, established with the mandate to groom technology-savvy professionals.



Dr Olusegun Oso

Non-Executive Director

Segun represents the Abraaj Group, a leading Private Equity Investor for global growth markets in his position on the Board of CWG Plc. He is a seasoned professional with experience spanning various fields including healthcare delivery, investment banking and private equity. Segun is a member of Neoma Africa Fund's investment team in Sub-Saharan Africa where, as Lead Health Specialist on the Africa Health Fund, he focuses on initiatives aimed at increasing access to affordable and good quality healthcare for mid to low-income populations in Africa.

Prior to joining Abraaj in 2010, Segun was Co-Head of Investment Banking at Afrinvest, West Africa; where he advised on M&A and capital raising transactions in financial services, telecommunications, and manufacturing.

Segun attended the University of Ibadan where he earned a bachelor's degree in Medicine and Surgery (MBBS). He also holds an MBA degree from the Sloan School of Management at the Massachusetts Institute of Technology, USA. He is the current Chairman of the Finance and General-Purpose Committee.



Wale Agbeyangi

Non-Executive Director

Wale is a consummate entrepreneur and investment banker with specialist knowledge of Securities Trading, Asset Management and Investment Banking Services. He has an extensive network of Institutional and High net worth clients and investors across the global financial markets. He worked with Great Africa Trust Limited and later Meristem Securities Limited from where he joined Cordros Capital as the founding Managing Director.

Wale holds an MBA from Business School Netherlands, attended the University of Lagos and was enrolled at the Nigerian Law School as a Solicitor and Advocate of the Supreme Court. He is an Authorized Dealer of the Nigerian Stock Exchange and a Fellow of the Chartered Institute of Stockbrokers (FCS).

He is currently the Group Managing Director/CEO of Cordros Capital and sits as the serving Chairman of the Remuneration and Nominations Committee in CWG Plc.



Creating Opportunities for professional development

The CWG academy was built on the understanding that education and training lies at the heart of development efforts, and without human capacity development, most development interventions will be ineffective. Our programs are designed to transform graduates into world class IT professionals, or entrepreneurs.

COURSE CONTENTS

1. ADVANCED SERVICE MANAGEMENT:

- E-Commerce Platform
- E-Billing and Payment Platform
- 3PI
- CWG SMERP
- Customer Service Management Suite
- Sales Overview/Strategy and Processes
- Project Management
- ITIL (IT Infrastructure Library)
- Enterprise Risk Management

2. IT INFRASTRUCTURE AND CLOUD MANAGEMENT

- Dell/EMC Enterprise Solutions
- Sun Oracle Systems
- Automated Teller Machine (ATM) System
- HP Systems
- IBM
- Virtualization Administration
- End User Support
- Cloud Computing
- Point of Sales (POS Systems)

3. DATA CENTRE INFRASTRUCTURE SERVICES

- Data Centre Management
- Administration Platform
- IAAS/SAAS/PAAS
- Network Managed Services
- Microwave Radio Solution
- Power Solutions (UPS and Inverters)
- Routing and Switching

4. SOFTWARE TRAINING

- Oracle SQL Overview
- JAVA Programming Overview
- V.B Net Systems
- Introduction to Microfinance Banking Application
- Finacle Core Application
- Finacle Treasury Overview
- Finacle E-Banking Overview



Phillip Obioha
Chairman



Chairman's Statement



CHAIRMAN'S STATEMENT 2021

Distinguished fellow Shareholders, Representative of regulatory agencies, Ladies and Gentlemen, on behalf of the Board of Directors, I am delighted to welcome you to our Company's 17th Annual General Meeting and present to you, our Annual Report and Financial Statements for the financial year ended 31st of December 2021 and the outlook for the next financial year.

REVIEW OF THE GLOBAL ECONOMY

The year 2021 was extremely challenging across the globe especially for developing countries as the COVID-19 pandemic persisted, straining efforts towards economic recovery. The year was marked by a slow, but steady, economic recovery, following the economic downturn. Despite the lingering COVID-19 pandemic, emergence of new variants, persistent labour market challenges, widespread supply-chain bottlenecks and increased inflationary pressures, the global economy rebounded in 2021, after the sharp contraction of 3.4 per cent in 2020. The global economic recovery witnessed a significant headwind of expanding by 5.5 per cent in 2021, the highest rate of growth in more than four decades.

The World gross product in 2021 was 1.9 per cent higher than in 2019 but still 3.3 per cent below the level of output projected prior to the pandemic. The robust recovery experienced was due to rollout of massive vaccination programmes globally, governments' COVID intervention policies, gradual easing of pandemic restrictions and consequent increase in consumption. Strong consumer spending and some uptake in investment, with trade in goods surpassing pre-pandemic levels, translated to the highest growth rate year on year in more than four decades.

However, the momentum for growth, especially in China, the United States and the European Union slowed considerably by the end of 2021, as the effects of monetary and fiscal stimuli began to recede and major supply-chain disruptions emerged with increasing inflationary pressures in many economies. This posed additional risks to recovery.

Despite the recovery in the world economy, we witnessed widening economic and social disparities and inequities thereby increasing the concentration of poverty among the developing countries. These Inequalities were intensified, setting the stage for an uncertain, uneven and unfair recovery among countries in the world. Ambitious vaccination rollouts and bold economic support and stimulus packages paved way towards recovery in developed economies. The progress on economic

recovery in underdeveloped and emerging economies was slower, vaccine rollouts were slower or even non-existent in some countries, as it was not readily available and affordable for the poorer countries.

In 2022, it is expected that the global economy will continue to outpace the pre-pandemic growth rates as the recovery will continue but will slow from the highs seen in 2021. It is estimated that the world economy will grow by about 3.6 per cent while Nigeria economy is expected to grow 3.4 percent in 2022, down slightly from the 2021 growth rate.

THE MACROECONOMY

Nigeria's economy grew in 2021 at the fastest annual pace in eight years, relying more on the non-oil sector. The Gross Domestic Product expanded by 3.40 per cent, year on year, slightly above the baseline GDP growth rate assumption of 3.0 per cent in the 2021 Budget of Economic Recovery and Resilience, and the most since 2014 when it grew at 6.22 per cent. The output recovery was sustained throughout the year, following improvement in economic activities, supported by the impact of sustained fiscal and monetary stimuli on the economy, as real GDP grew consecutive quarter on quarter.

The growth was driven by non-oil sector, which was largely responsible for improving Nigeria's growth rate, contributing 92.8 per cent of its GDP in 2021. The trade sector grew by 8.62 per cent in 2021 from a contraction of -6.23 per cent in 2020 owing to the removal of Covid-19 induced restrictions on movement. The Agricultural sector growth reduced marginally to 2.13 per cent in 2021 from 2.17 percent in 2020, largely due to security challenges hampering farming activities in food-producing states.

However, the oil sector contracted by 8.3 per cent in 2021, dragging down the overall growth by 0.78 per cent. The negative contribution was due to lower crude oil output, owing to supply disruption.

Despite the growth in GDP, inflationary pressures continued to impact businesses as prices of commodities rose astronomically. Headline inflation rate reached a four-year high of 18.17 percent (year-on-year) in March 2021 before slowing down during the year. The inflation by the end of the year was 15.63% bringing the average inflation for the year at 16.99 percent, 5.04 per cent higher than the target inflation rate of 11.95 per cent in the 2021 FG Budget. The high inflation rate is largely due to rising food prices, disruption in food supply chain, the depreciation of the Naira, insecurity, and infrastructure decay.

Foreign Exchange (FX) challenges continue to impact business operations and investors in a multidimensional way. The FX challenge was a major predicament that investors and business had to grapple with in 2021. The major dilemma includes sharp depreciation of the currency, liquidity challenges within the FX market, which manifests in the acute shortage of FX in the official window and volatility of the exchange rate which creates considerable uncertainty and unpredictability for many business. The Central Bank was unable to maintain its 2020 official closing exchange rate of 379:US\$1 in 2021, as the Naira closed at an official rate of 412.20 on 31 December 2021. It closed at 435:US\$1 on the Investors and Exporters Window.

The sustained intervention of the Central Bank of Nigeria (CBN) in the foreign exchange (FX) window continues to have an adverse impact on the country's foreign reserves. The reserves, which stood at US\$35.23 billion as of February 2021, declined to US\$33.33 billion in July 2021 before increasing to US\$40.53 billion as of 31 December 2021 due to improved oil prices, FX demand management policies, Eurobond inflow and the IMF's special drawing rights.

OPERATIONAL REVIEW OF 2021

The Group made remarkable progress in its efforts at growing its payment and platform business segment. Within the year the company launched its 'As a service' business model across its business verticals. Of major importance is the provision of infrastructure as a service and backup as a service to many of our customers. This has enabled us to shift the customers mindset from the traditional model of infrastructure ownership to a model that revolves around providing those infrastructure on a non-ownership basis. This Business model has enhanced our revenue base thus creating a sustainable recurrent income for the Group. We expect that in the coming year, we will maximize the potentials inherent in this business model.

On our Utility business segment, we began to recoup some of the investments made in setting up the assembly plant to manufacture meters. The started operation within the last quarter of the year thus supplying a few quantities of meters to our strategic customers within that space. Within the year, we partnered with the Federal Government and the Distribution Companies to supply and install meters for electricity consumers within the south-west geographical area of the country under the Federal Government mass metering program. Also, we partnered with some estates in Lagos to deploy Smart meters with Smart Utility application to residents. In the coming year it is planned that the assembly plant will operate at 80 percent capacity utilization.

Within the year, there were concerted effort to increase our market share within the SME Enterprise Resource Planning system (ERP) space. We relaunched our ERP (SMERP) by adding additional functionalities like mobile point of sale, online real-time access and reporting, and automatic order management. We made significant milestones towards achieving our goal with our partnership with Banks to onboard their SME customers. SMERP is also offered "As A Service".

We continued to make significant investment in our software development personnel by equipping them with the latest knowledge around the solutions we offer within the financial service sector. The team is now able to upgrade Finacle to the latest version independently.

The company is expecting to realize the full growth potentials of the SAAS (Software As A Service) business model in the 2022 financial year.

FINANCIAL PERFORMANCE

The financial performance in 2021, was borne out of the various strategic initiatives, growth and expansion of the group's products in payment systems and platforms. The group performed creditable in the year as evidenced by the key financial metrics. It closed with a revenue of 11.71 billion Naira, a gross profit growth of 10.5%, double digit profit before tax growth of 12.6%, and a return on average equity of 56%.

This exceptional performance was largely driven by the well diversified revenue base, efficient management of operating cost and superior technological offering to its customers.

2022 MACRO-ECONOMIC OUTLOOK

In 2022, the IMF projects that the Global Economy will have a slow-paced growth at 3.6 per cent largely due to the Russian invasion of Ukraine which has triggered a costly humanitarian crisis, continued supply chain disruption and logistics backlog, especially the shortage of industrial inputs like semiconductors, elevated inflationary pressures in many economies, upward trajectory in the price of Fuel and food items impacting the vulnerable populations in low-income countries, and labour shortages which may worsen if a new wave of infection takes hold.

In the United States, it is projected that their economy will grow by 3.7 per cent, largely dependent on domestic demand and the continued support from the government by way of fiscal stimulus on household spending. The European union is expected to have about 3.9 per cent in economic growth. China's economic growth is expected to be moderate at about 4.4 per cent on the back of strong exports.

In Sub-Saharan Africa, economic growth is projected at 3.8 per cent with the expectation of a massive roll out of vaccination program against COVID 19. This growth projection remains fragile and subject to risks from recurrent waves of COVID-19 infection as most of the population remains unvaccinated. Political instability within the region will further aggravate existing problems and undermine economic growth. The poverty rate is projected to remain elevated, with an increase in the absolute number of people in extreme poverty. With elevated debt burdens and rising interest payments, the path to sustainable economic growth for many African countries remains feeble.

On the domestic front, it is expected that the positive trajectory of economic growth will continue in 2022 with the IMF projecting a growth of 3.4 per cent. The Federal Government projects a more optimistic growth rate of 4.2 per cent in 2022. These estimates are supported by improvements in global economic activities, faster progress on the vaccine rollout, uptick in private consumption and investment and government spending, that has been included in the 2022 budget. However, these projections hinge on the notion of Central Bank's ability to maintain liquidity and stability within the FX market, keeping inflation on the downward trajectory (in view of the preparations towards the 2023 political elections), implement monetary policies that aid the real sector of the economy and an improvement in foreign investment flows, and diaspora remittance. In the foreign exchange markets, the increased harmony between the official and I&E windows indicates the government's desire to secure an alignment in rates and drive liquidity, despite the large gap at the parallel market

Furthermore, we expect the Federal government to initiate tough economic reforms like deregulation of the downstream sector which would propel sustainable economic growth. Implementing these reforms will undoubtedly come at a cost to the government, businesses, and citizens. With just over a year left in office, the current administration must intensify the pace of reforms, (especially given the impact of the twin challenges of poverty and unemployment) on insecurity and social cohesion of the nation. Overall, the economic prospect in 2022 remains that of cautious optimism

BOARD AND COMMITTEE CHANGES

There were no board changes within the reporting period, however the board has made significant progress to onboard a female Non independent director and to elevate some competent and loyal executives to an executive position.

CONCLUSION/APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude and appreciation to our shareholders for your continued support and patience over these past few years.

Fellow board members, thank you for your support and show of faith, confidence, and cooperation throughout the period under review. I use this opportunity to appreciate our key partners, regulators, media partners and other stakeholders for their continued passion and commitment towards the business despite the harsh economic conditions. To our clients whose immense trust and loyalty have inspired us to forge ahead in our quest for greater innovative technology solutions, and the entire indefatigable Staff of CWG Plc, I say a big thank you.

I have no doubts that the company, CWG-plc, is on the right path having taken the steps that would ensure a brighter and more sustainable and profitable future for her stakeholders

Thank You



Philip Obioha

Chairman



Adewale Adeyipo
CEO



CEO's Statement



CEO'S STATEMENT 2021

Dear Shareholders,

I am delighted to welcome you to the 17th Annual General Meeting of CWG Plc and present the 2021 Annual Report.

As you already know, the world has had a fair share of challenges, from the ramping global pandemic and economic nosedive to depletion in the speed of human development. We have a global supply chain crisis causing worldwide shortages and unrest in large and emerging economies, amongst other things.

However, we have proven that there is power in humanity and unity for progress. As the world takes a stand and a progressive front for a better tomorrow, we are optimistic about the future while keeping our finger on the pulse of the reality we face today.

We have continued to work on the notion we have always believed in, transformation through innovation and collaboration. Over the years, our business has successfully adapted to new working methods. We have seen technology morph and be utilized for almost every aspect of our daily activities. At the same time, the technology industry continues to be the most appealing, especially as it bridges the gaps and proffers solutions to some of the challenges we are experiencing today. However, it is entering a period of substantial transformation that will bring both challenges and opportunities.

In 2021, our performance reflected the full force of our commitments. We're sustainably growing our business so that we may continue to add enormous value to society while also delivering the values that you, our shareholders, expect. We're digitally reinventing our company to serve better our clients' ever-changing IT needs in their daily lives. As we map the route for the next decade, we remain as passionate and committed as we were on the first day we opened our doors to provide the most value to all of our stakeholders.

2021 PERFORMANCE

Amongst the many challenges and the complexities last year, with most economies commencing the recovery process and aftermath of the 2020 global pandemic, Global growth was projected to be slow over the next two years in the face of "fresh threats" from COVID-19 variants and rising inflation. The rebound is expected to be uneven across countries as analysts forecasted minimum growth in all the countries where we are currently operating. However, looking back, we can say the year 2021 delivered way above the global

apprehensions and business anxieties. Many of our partner organizations realize the criticality of technology in their businesses. In all, we were prudent to adopt a more holistic approach with a strong focus on some of the strategic drives of the group.

We delivered good financial results - closing the entire year with revenue of N11.71billion, with a gross profit growth of 10.5%, from N2.6billion in 2020 to N2.9billion in 2021, and profit before tax of N616million, up by 12.6% Y-o-Y. The group's EBITA grew by 1.8%, from N644million in 2020 to N655 million in 2021, and profit after tax rose by 1.5%, from N443million in 2020 to N449 million in 2021.

The financial performance in 2021 was borne out of the various strategic initiatives, growth, and expansion of the company's IPs in payment and platforms. In 2021, we realized the benefits of our many partnerships with other technology brands and the organization's focus on specific relevant products/ offerings that address customers' technology needs post-Covid, which we themed "essentials."

Today, we celebrate not just the good financial performance but the resilience and the significant milestone achievements in the company's strategic build and product developments. In the first half of the year, we intentionally focused on upscaling our digital solutions to ensure that value is derived, thus creating a sustainable revenue base for the company despite the low economic recovery. While in the second half, we focused mainly on specific platform developments required by large enterprises to scale their business by leveraging their vast investments in the digital space.

We will continue to focus on developing our IPs to strengthen the commercial momentum within our platform business segment to maximize our earnings and market penetration. We are also committed to creating value for our shareholders by proactively delving into technology trends such as Workplace Automation, Blockchain Technology, and Cloud Services while enhancing the potential of the business to have credible and sustainable revenue streams.

OPTIMISING CWG'S CULTURE OF PERFORMANCE AND SUPPORT

Our ambition is to drive a high-performance culture, putting technology at the heart of CWG; to remain true to our values and purpose; to help people and organizations do more with IT solutions and thrive better. We have a long history of enabling growth through technology; our great people and their commitment are foundational for CWG's culture. During the year, we conducted several staff surveys aligned

with our priorities, promoting the inclusiveness required to build a great company while enhancing our processes with global best practices. I was pleased to see a reduction in our operating expenses and a meaningful improvement in employee engagement scores, which are essential drivers of performance. Our success as a business comes down to several factors, including our financial strength, agility, and resilience; in all, we need our employees, their creativity, and their openness to looking at change, seeing growth opportunities, and addressing challenges.

2021 THEME: CREATING SUSTAINABLE VALUE THROUGH TECHNOLOGY

The world is changing fast; we see this in every aspect of our lives, from how we communicate today and engage our customers to how we run our business through technology. At CWG, our strategic pillars have been our guiding vision to innovate solutions that would stand the test of time in their relevance. The year 2021 has presented itself with a lot of volatility & uncertainties but also came with opportunities in the major industries and economies. In forging ahead of these uncertain times, we developed transient strategies with a significant focus on using technology to drive business process optimization, promote better operational efficiency and create platforms for new revenue streams while reducing costs for our esteemed customers. We remained committed to advancing our current platforms and solutions tailored for SMEs, Payments, and Bills presentment, amongst other ingenious ways we are responding to the gaps we have in viable verticals of our economy.

IDENTIFYING NEW PURPOSE AND AMBITION

As change spirals upwards and outwards in the global technology industry, staying relevant is the biggest concern of most leaders today. Consequently, organizations are in a state of continual business and technology transformation. The COVID-19 pandemic has also escalated the urgency to adopt and embrace digital solutions at full throttle. The emergence of new institutions competing with the traditional big players is also a significant global trend. These new institutions are lean and agile, creating unique market positioning and scalability. They are creating new markets while others are disrupting the conventional players with their low-end strategy and co-creating for better market penetration. Towards this end, we have developed a strong vision of adopting platforms that can help these institutions scale more quickly while staying ahead of the changing technology milieu and customer expectations.

We believe digital appreciation in Nigeria and, by extension, in sub-Saharan Africa is evolving with transient opportunities. However, the pace of growth is appreciable. It has become crucial for any organization riding on technology to have agile co-creation partners to create user/market-specific custom developments, leveraging the captive and prospecting market.

Organizations are leveraging analytics-based insights for better-contextualized decision-making beyond improvements to operational efficiency to create new products and targeted campaigns to grow market share. These changes are creating new collaborative business models for these organizations, enabled by sustainable ecosystem partnerships and the growth of FinTech. The development of agency outlets and mobile money penetration is also a significant driver of technology acquisition.

At CWG, we fully appreciate the global reality and fast pace of technological evolution amongst the increasing demand for the use of technology in emerging economies which has helped to create our medium to long-term strategic transformation pillars.

We optimize our various product services and adopt robust platforms based on agile and customer-centric processes for quicker turnaround time and effortless integration with third parties and co-creation partners. We are eradicating the interdependences in our product build-up and framework and embracing more modular systems. We are building a robust digital-native platform that caters to API-led open ecosystem engagements, orchestrates super-channel experiences, and enables inside-out innovation with high automation for optimizing costs and managing future operational risks.

The progress of these enhancements is evidenced in the many good partnerships, prospects, and co-creation partners we recorded in 2021, a lot of which formed our 2022 market penetration and expansion plan.

Furthermore, the pandemic introduced new realities for most organizations; while many increased IT spending to remain in business or improve services/ delivery to their end-users, others introduced new business models to capture new markets by leveraging technology. We realized a supposedly new requirement from our engagements with numerous customers across Africa—the need for value realization in digital acquisition. Organizations are seeking precise and, where possible tangible benefits.

The consensus seems to be that organizations that have invested in technology pre, during, and post-pandemic are demanding better outcomes beyond the usual enhancement of operations, process automation,

better service delivery, and customer experience. They seek new business models and prospects beyond their conventional business terrain, a new way of doing business. For some, it involves leveraging the many digital solutions deployed that have worked and produced results based on what each has committed to delivering. However, the individual strength and functionality have failed to make the overall organizational growth and deliver on the business objectives beyond IT.

The ability of these deployments to deliver good technology results to the business is not the pain point. However, the convergence of new digital technologies to better understand the target market/ customer base while creating significant business improvements, transformative changes, and new business models has become a must-have.

The urgency for value realization is beginning to undergo a sea-change driven by the widespread availability of digital technology and the emergence of new entities focusing on the business outcome beyond the brilliance of the technology.

Organizations are investing considerable effort and assets in initiatives that will produce such business outcomes. At the beginning of the year, we examined the various use cases of digital interventions. We considered their likely impact on specific customer bases and industries and the propensity of organizations to embrace such solutions. We note the importance of tailored solutions to help organizations scale by leveraging existing assets and capturing new markets—the need for specific domain expertise, digital onboarding, and seamless service dissemination. Having identified a few challenges in sub-Saharan Africa that particular technologies can help close the gaps, we invested time and resources in advancing some of these product lines like our ERP for SMEs, Metering Solution, Payment, and Vending Platform.

Technology transformation in the public sector to improve the ease of governance was a significant trend in 2021. In our operations in Uganda, Ghana, and Nigeria, we experienced how some government agencies and parastatals used technological tools to deliver and improve public services. While it was encouraging to see the proposed advancement and steps taken to realize the opportunities therein, critical potential problems were inherent in the solution deployment. Although in the past, we have seen a few successful technology implementations in the public sector. However, there have also been numerous failures and problematic issues surrounding its use and technical skills to sustain and maintain the services/ technology deployed over the years. Hence our many partnerships with government agencies and parastatals on the use of technology in

public service result in less bureaucracy and increased efficiency in service delivery.

We have successfully initiated and deployed novel solutions contributing to these agencies' growth and mandate while delivering value to the citizens.

We witnessed significant advancements and new partnerships with our flagship products and platforms. Our Smart Utility Solutions outperformed our three years' achievements with over 10,000 smart meters developed, deployed, and installed. We also enhanced the features of Energy Audit and Revenue Management.

Our bill presentation and payment platform also recorded substantial growth. In 2021, the Product was intelligently modularized to cater to Bills Payment, Lifestyle, Airtime, and Vending. In the year under review, we processed over 60 million transactions, which is a 12% increase over 2020.

We record some significant milestones on our Enterprise Resource Platform (SMERP), built purposely for the SMEs, with our collaboration with some financial institutions and government agencies with enhanced features like the mobile point of sale, online real-time access and reporting, and automatic order management for targeted market campaigns. Our partnership with Banks is also helping them to onboard their SMEs customers through unique offerings relevant to the operations and SMEs while harassing helpful and critical information to extend credit facilities to these organizations. The ERP platform has also been deployed as part of the CWG Cloud Initiative and offered as a service in Nigeria and Ghana.

LOOKING FORWARD: MAKING 2022 A LANDMARK YEAR

We will have little to look forward to, without the commitment of our people, who have understood and taken upon themselves the vision to innovate through technology. We have internalized the notion that the people, not just technology, drive innovation and growth. We aim to not only prioritize talent attraction but also to retain, develop and promote.

As one of the leading technology companies in West Africa, which was historically fluid in organizational culture, we have established more structure with the board and hope to optimize our evolving culture to the greatness of our drivers – the employees.

As we aspire for growth, our human resources will come under increasing pressure to deliver, acquire, grow and retain skilled professionals. We look forward to building and implementing influential people strategy in the coming year.

We also have a considerable obligation to motivate and help our staff to achieve their goals. We will keep looking for methods to invest in our employees' growth and development while also assisting them in balancing their professional and personal life. Our strong emphasis will be on providing the proper management backing, training, mental health and wellness support, and the health and safety of all CWG employees.

The Group has achieved a 20% YoY growth for three (3) years: 2019-2021. Our current business strategy presents a bold repositioning, focusing on growing the company's I. Ps. Other priorities will be increased service offerings engagements and collaborations with private and government parastatals for our technology platforms to drive growth, new businesses, and partnerships on some economic relief initiatives. We believe we have created the necessary business lines to propel the company to the next growth phase. However, there must be a bold repositioning to actualize this phase, increase the share value and achieve a better, healthier organization. Some of the proposed changes will be announced to the public, the regulators, stakeholders, and of course, to you, our esteemed shareholders.

In looking to the future, we have the confidence that comes from knowing that our businesses are well-positioned with leading-edge products in today's markets. We expect strong growth to be recorded in the years ahead. Beyond that, we are excited about our future collaborations.

We have a lot of goals to achieve ahead of us, and our employees are strategically positioned to increase growth and improve productivity; we will continue to improve our operational efficiency, providing a suitable environment where our people can thrive.

With the improvements in our commercial performance, cost management, and a more robust portfolio and pipeline, we now have the drive to execute a step-change in growth beginning in 2022.

Guided by our values and inspired by the rich legacy of our organization, I am confident in our capability to continue to grow and transform our organization to become truly dominant now and in the future while the focus on delivering the returns that you, our shareholders deserve.

Again, a special appreciation to our shareholders; I want to thank you for your support and belief in our pursuit.

As a company, we look forward to shaping a better future that will benefit all our shareholders, customers, partners, employees, and the communities in which we work and live. We want CWG Plc to remain the most prominent system integrator across Africa. At the same time, we are increasing the market penetration of our I. Ps and offerings designed to create the future we have envisaged.

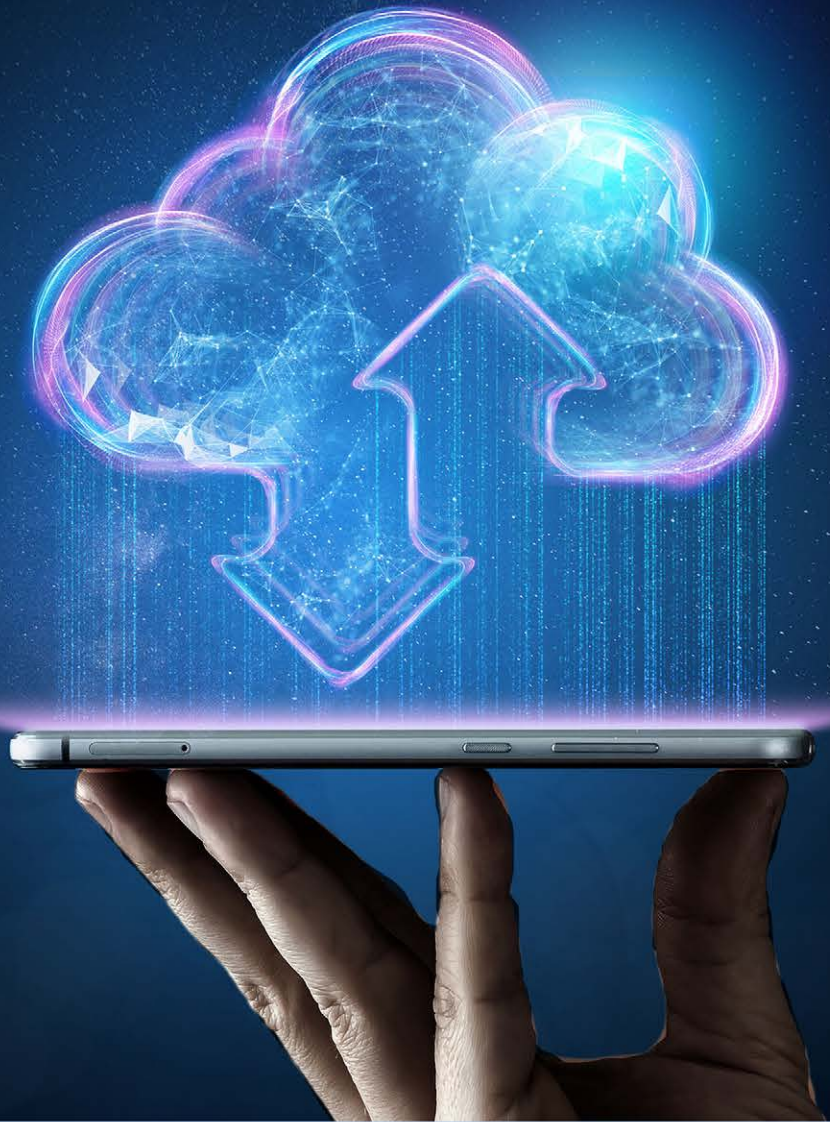
Thank You for your continued trust.



Adewale Adeyipo. A

Group Managing Director
CWG Plc

FINEDGE



FinEdge, a cloud-based platform, has assisted Microfinance banks to optimize the use of technology in making customized, in-depth, and well-organized financials. With the increasing need to have a robust and advanced financial technological solution in the Micro Finance Banks (MFB), CWG has created and designed a solution called FinEdge.

What you get

- Lower Total Cost of Ownership (TCO).
- Improved Operational Profit Margins and
- Competitive Prowess.
- Allows MFB focus on core operation.
- Good application performance & monitoring.
- IT disaster recovery solutions. FinEdge

Services

- o Software services.
- o Cloud services.
- o Managed services.
- o IT Infrastructure Services.
- o CWG Training.



Director's Report

CWG PLC / 2021 Annual Report & Accounts



REPORT OF THE DIRECTORS AND CONSOLIDATED AND SEPARATE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

In accordance with the provisions of the Companies and Allied Matters Act, 2020 ("CAMA"), the Board of Directors are pleased to present their report on the affairs of CWG Plc ("the Company") together with its subsidiaries ("the Group") and the Consolidated and Separate audited financial statements of the Group and Company for the year ended 31 December 2021.

LEGAL FORM AND PRINCIPAL ACTIVITIES

CWG 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 with RC No.615619. The principal activities of the Group remained the supply, installation, integration, maintenance, and support of computer hardware, software, consultancy, communications, and managed services.

The subsidiaries of CWG Plc are CWG Ghana Ltd, CWG Uganda Ltd, and CWG Cameroon Ltd.

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 OF THE YEAR

	Group		The Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Revenue	11,708,775	11,715,819	8,528,461	8,692,531
Profit before taxation	621,427	547,263	420,892	329,943
Income tax expense	(168,286)	(104,109)	(101,141)	(34,248)
Profit after taxation	453,141	443,154	319,751	295,695

DIVIDEND

The directors have not recommended any dividend for the year ended 31 December 2021 (2020: Nil).

PROPERTY, PLANT, AND EQUIPMENT

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

DIRECTORS' INTEREST IN CONTRACTS

None of the Directors has notified the Company, for the purpose of Section 303 of the Companies and Allied Matters Act, 2020, of any disclosable interest in contracts with which the Company is involved as of 31 December 2021.

DONATIONS

The Company did not make any donations during the year ended 31 December 2021.

DIRECTORS

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

Names	Capacity	Date of Appointment
Philip Obioha	Chairman (Non-Executive)	Appointed 01/02/2005
Austin Okere	Non- Executive Director	Appointed 01/02/2005
Abiodun Fawunmi	Non- Executive Director	Appointed 20/02/2008
Olusegun Oso	Non-Executive Director	Appointed 14/10/2016
Babawale Jonathan Agbeyangi	Non-Executive Director	Appointed 19/10/2017
Adewale Adeyipo	Executive Director (GMD/CEO)	Appointed 15/06/2018

DIRECTORS' INTEREST IN SHARES

The interest of the Directors in the issued share capital of the Company as recorded in the Register of Directors' Shareholdings and/or as notified by them for the purpose of section 301 of the Companies and Allied Matters Act, 2020 and the listing requirements of the Nigerian Stock Exchange are as follows:

DIRECTORS' INTEREST IN SHARES AS AT 2020 AND 2021

	Number of Shareholdings as at 31/12/2020	%	Number of Shareholdings as at 31/12/2021	%	
Austin Okere	590,129,287	23.37	590,129,287	23.37	Direct
Neoma Africa Fund LLC (previously Aureos Africa Fund LLC)	517,576,289	20.5	517,576,289	20.50	Indirect
Abiodun Fawunmi	456,077,754	18.06	456,077,754	18.06	Direct
Philip Obioha	456,077,754	18.06	456,077,754	18.06	Direct
Wale Agbeyangi	100,000	0.00	100,000	0.00	Direct
Adewale Adeyipo	100	0.00	100	0.00	Direct
Total	2,019,961,184	80.00	2,019,961,184.00	80.00	

CWG PLC SHARE CAPITAL HISTORY

Year	Authorised (N)		Units	Issued and Fully Paid Up (N)		Units	Consid- eration
	Increase	Cumulative		Increase/ decrease	Cumulative		Cash/ bonus
1992	5,000,000	5,000,000	10,000,000	-	5,000,000	10,000,000	Cash
2008	1,745,000,000	1,750,000,000	3,500,000,000	995,000,000	1,000,000,000	2,000,000,000	Bonus
2008	-	1,750,000,000	3,500,000,000	25,000,000	1,025,000,000	2,050,000,000	Cash
2011	-	1,750,000,000	3,500,000,000	(25,000,000)	1,000,000,000	2,000,000,000	Staff Share Scheme
2013	-	1,750,000,000	3,500,000,000	262,400,329.50	1,262,400,329.50	2,524,800,659	Loan Stock Conversion
2013	-	1,750,000,000	3,500,000,000	12,850.00	1,262,413,179.50	2,524,826,359	Staff Share Allotment

ANALYSIS OF SHAREHOLDING AS AT 31ST DECEMBER 2021

Range	No. of Holders	Holders %	Holders Cum.	Holdings	Holdings %	Holdings Cum.
1 - 1000	837	79.94	837	182,517	0.01	182,517
1001 - 5000	67	6.40	904	178,303	0.01	360,820
5001 - 10000	23	2.20	927	178,991	0.01	539,811
10001 - 50000	33	3.15	960	873,857	0.03	1,413,668
50001 - 100000	25	2.39	985	2,142,737	0.08	3,556,405
100001 - 500000	31	2.96	1,016	7,245,925	0.29	10,802,330
500001 - 1000000	10	0.96	1,026	8,812,656	0.35	19,614,986
1000001 - Above	21	2.00	1,047	2,505,211,373	99.22	2,524,826,359
Grand Total	1,047	100.00		2,524,826,359	100.00	

SHAREHOLDERS WITH 5% & ABOVE AS AT DECEMBER 31, 2021

S/N	Full Name	Holdings	%
1	Kwesi Okere Austin	590,129,287	23.37
2	Neoma Africa Fund Llc ("Neoma")	517,576,289	20.50
3	Abiodun Bamidele Fawunmi	456,077,754	18.06
4	Ikechukwu Obioha Philips	456,077,754	18.06

Apart from the names mentioned therein, no other person(s) holds five percent (5%) and above shareholding in the Company.

EMPLOYMENT AND EMPLOYEES

1. Employment of Physically Challenged Persons

The Group and Company operate a non-discriminatory policy in consideration of 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 the furtherance of their careers. The most qualified and experienced persons are recruited for appropriate job levels, irrespective of an applicant's state of origin, ethnicity, religion, or physical condition. The company has no physically challenged person in her employment as of 31 December 2021.

2. Welfare

The Company maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers. The Company is also registered with a Health Management Organization (HMO) - (Hallmark HMO). Staff, Spouse and 4 children choose a primary healthcare provider, where cases of illness are referred for treatment.

2. Training

The Group and Company places a high premium on the development of its employees. Consequently, all categories of staff attend trainings or courses, or seminars as considered necessary by the Group and Company's management. Also, Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of these schemes include bonuses, promotions, and wage reviews.

EMPLOYMENT AND EMPLOYEES

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

EVENTS AFTER REPORTING DATE

There are no events or transactions that have occurred since the reporting date which would have a material effect on the Consolidated and Separate Financial Statements as presented.

FORMAT OF FINANCIAL STATEMENTS

The Consolidated and Separate financial statements of CWG Plc. have been prepared in accordance with the reporting and presentation requirements of the Companies and Allied Matters Act, 2020 and are in compliance with the International Financial Reporting Standards issued by the International Accounting Standards Board and the requirement of Financial Reporting Council of Nigeria Act, 2011. The Director considers that the format adopted is the most suitable for the Company.

AUDITORS

PKF Professional Services served as Auditors during the year under review and have indicated their willingness to continue in office as Auditors of the Company in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020. A resolution will be proposed at the Annual General Meeting authorizing the Directors to fix their remuneration.

BY ORDER OF THE BOARD



DCSL Corporate Services Limited

Company Secretary

Lagos, Nigeria.

Date: 25 March 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Statement Of Directors' Responsibilities In Relation To The Consolidated Financial Statements For The Year Ended 31 December 2021

The Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2020, requires the Directors to prepare consolidated financial statements for each financial year that give a true and fair view of the state of financial affairs of the group at the end of the year and of its profit or loss and other comprehensive income. The responsibilities include ensuring that the group:

- a.) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the group and comply with the requirements of the companies and allied matters act, CAP C20, Laws of the Federation of Nigeria, 2020;
- b.) establishes adequate internal controls to safeguard its asset and to prevent and detect fraud and other irregularities; and
- c.) prepares its consolidated 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 statement, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; in compliance with Financial Reporting Council of Nigeria Act No. 6, 2011 and in the manner required by the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2020.

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 for the year ended 31 December 2021. the Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of consolidated 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.



Mr. Adewale Adeyipo (MD/CEO)

FRC/2019/IODN/00000019283

Date: 25 March 2022



Mr. Philip Obioha (Chairman)

FRC/2013/IODN/00000003269

Date: 25 March 2022

REPORT OF THE AUDIT COMMITTEE

For The Year Ended 31 December 2021

In accordance with the provisions of Section 404 (4) of the Companies and Allied Matters Act, CAP C20, LFN 2020, the members of the Audit Committee of CWG Plc ("the Company") hereby report as follows:

- i. We have exercised our statutory functions under Section 404 (4) of the Companies and Allied Matters Act, CAP C20, LFN 2020 and acknowledge the cooperation of management and staff in the conduct of these responsibilities.
- ii. We are of the opinion that the accounting and reporting policies of the Group and 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 2021 were satisfactory and reinforce the Group and the Company's internal control systems.
- iii. 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 Group and the Company's system of accounting and internal control.



Mr. Akinsola Akinyemi

Chairman, Audit Committee

FRC/2016/ICAN/00000015869

Date: 25 March 2022

OTHER MEMBERS OF THE COMMITTEE

Alhaji Wahab Ajani

Mr. Robert Ibekwe

Dr. Olusegun Oso

Mr. Abiodun Fawunmi

Independent Auditor's Report

To the Members of CWG Plc

Opinion

We have audited the consolidated financial statements of **CWG Plc ("the Company") and its subsidiaries ("the Group")**, which comprise the consolidated statement of financial position at 31 December 2021, and 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and with the requirements of the Companies and Allied Matters Act, 2020.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of financial statements in Nigeria.

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

Key Audit Matters

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

Impairment of financial asset	How the matters were addressed in the audit																		
<p>1. Impairment of trade and other receivables</p> <p>Significant judgement is required by the Directors in assessing the impairment of financial assets in compliance with IFRS 9, which requires a loss allowance for Expected Credit Loss (ECL) to be measured at the reporting date for those financial assets subject to impairment accounting. With the concept of a significant increase in credit risk arising as a result of the COVID-19 pandemic in determining expected credit losses, this assessment must consider all reasonable and supportable historic and forward-looking information.</p> <p>The Group's credit exposures and respective impairment, where applicable, as at 31 December 2021 were as follows:</p> <table border="1"> <thead> <tr> <th style="text-align: left;">Exposures assessed for expected credit loss under IFRS 9</th> <th style="text-align: right;">Gross Balance</th> <th style="text-align: right;">Impairment</th> </tr> <tr> <td></td> <th style="text-align: right;">N'000</th> <th style="text-align: right;">N'000</th> </tr> </thead> <tbody> <tr> <td>Cash and Cash Equivalent</td> <td style="text-align: right;">916,817</td> <td></td> </tr> <tr> <td>Investment in Subsidiaries</td> <td style="text-align: right;">-</td> <td></td> </tr> <tr> <td>Financial assets measured</td> <td style="text-align: right;">18,364</td> <td></td> </tr> <tr> <td>Trade & Other Receivables</td> <td style="text-align: right;">6,129,033</td> <td style="text-align: right;">(24,551)</td> </tr> </tbody> </table> <p>Accordingly, for the purposes of our audit, we identified the impairment of financial assets as representing a significant risk of material misstatement and a key audit matter.</p> <p>The assumptions with the most significant impact on the Expected Credit Loss (ECL) were:</p> <ol style="list-style-type: none"> The reasonableness of assumption information (e.g. probability of default information) used in the expected credit loss calculation and how this is supported to ascertain the completeness and accuracy of the records of the information used; 	Exposures assessed for expected credit loss under IFRS 9	Gross Balance	Impairment		N'000	N'000	Cash and Cash Equivalent	916,817		Investment in Subsidiaries	-		Financial assets measured	18,364		Trade & Other Receivables	6,129,033	(24,551)	<p>In evaluating the impairment of financial assets, we reviewed and tested the data used in the ECL calculations prepared by the Directors, with a particular focus on the probability of default (PD), loss given default (LGD) and discount rate. We performed various procedures, including the following:</p> <ul style="list-style-type: none"> Testing the key controls relating to the preparation of the impairment model including the competence and authority of person(s) performing the control, frequency, and consistency with which the control is performed; Critically evaluated whether the impairment model used to measure the amount of the ECL for specific accounts and portfolio impairments complies with the requirements of IFRS 9; Testing of assumptions, inputs and formulas into the ECL model against historical performance and in comparison to forward looking information using the projected GDP growth rate and the Directors' strategic plans for the Group; Validating that the discount rates used in discounting the estimated future cash flows meet the effective interest rates requirement of IFRS 9; Evaluating the Directors staging of loans and advances, and securities in the ECL model and test facilities to ensure they have been included in the right stage; Robustly reviewing the modelling of the EAD. This is particularly important for 'stage 2' loans, where the point of default may be several years in the future;
Exposures assessed for expected credit loss under IFRS 9	Gross Balance	Impairment																	
	N'000	N'000																	
Cash and Cash Equivalent	916,817																		
Investment in Subsidiaries	-																		
Financial assets measured	18,364																		
Trade & Other Receivables	6,129,033	(24,551)																	

Impairment of financial asset	How the matters were addressed in the audit
<p>2. Segmentation of portfolios used to develop risk parameters;</p> <p>3. Determination of modification gains or losses including assumptions applied;</p> <p>4. Analysis of external ratings, internal benchmarking or grouping risks together when the Group relies on such. The Group might be unable to support the suitability of any groupings to justify such approach as this may mask underlying credit losses or increases in credit risks, if the segments are not sufficiently homogeneous;</p> <p>5. A lack of forward-looking information in the model to address non-linear relationship between the different forward-looking scenarios and their associated credit losses;</p> <p>6. Past due (PD) ratings as management might be unable to obtain relevant data for internal ranking purpose; and</p> <p>7. The Group might use the outstanding balance as the Exposure at Default (EAD) without considering the COVID-19 impact.</p>	<ul style="list-style-type: none"> • Involving a specialist to assist with the testing of the discount rate, probability of default (PD), and the loss given default (LGD). The specialist's procedures included evaluating the appropriateness of the key assumptions in the ECL model and reasonableness of the Credit Conversion Factors (CCFs) used; • Re-computation of the ECL provision for each stage to determine their reasonableness, considering the portfolio, risk profile, credit risk management practices and the macroeconomic environment; • Performing sensitivity analysis on the macroeconomic factors used in determining the probability of default. • Reviewing and challenging management assumptions on how COVID 19 has influenced the key components of the ECL, thus, the LGD and the PD; and • Verifying the source of the credit ratings used and check the appropriateness of the ratings in accordance with IFRS 9. <p>We considered the impairment on the financial assets to be appropriate.</p>

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's statement, Directors' Report; Audit Committee's Report, Corporate Governance Report and Company Secretary's report which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and the requirements of the Companies and Allied Matters Act, 2020, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

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

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the fifth schedule of the Companies and Allied Matters Act, 2020, we confirm that:

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



Olatunji Ogundeyin, FCA
FRC/2013/ICAN/0000002224
For: **PKF Professional Services**
Chartered Accountants
Lagos, Nigeria

Date: 25 March 2022





2020 AGM

CROSS SECTION OF
SHAREHOLDERS AT THE
16TH GENERAL MEETING





DCSL Corporate Services Limited

235 Ikorodu Road
Ilupeju
P. O. Box 965, Marina
Lagos, Nigeria
Tel: +234 8090381864
info@dcs.com.ng
www.dcs.com.ng

Abuja Office:
1st Floor, The Statement Hotel
Plot 1002, 1st Avenue, Off
Shehu Shagari Way,
Central Business District
By Abia House and
Federal High Court Abuja

RC NO. 352393

May 2022

REPORT OF THE PERFORMANCE APPRAISAL OF THE BOARD OF DIRECTORS OF CWG PLC FOR THE FINANCIAL YEAR-ENDED DECEMBER 31, 2021

In line with the provisions of **Principle 14.1 of the Nigerian Code of Corporate Governance, 2018** as well as global best practices on Corporate Governance practices on Corporate Governance, the Board undertook an internal appraisal of its performance to ascertain the level of compliance with the Codes as well as international best practices.

The appraisal which was coordinated by the Company Secretaries entailed a review of the Company's corporate and statutory documents, Minutes of Board and Committee meetings, policies and other ancillary documents, and the administration of online surveys and Directors' interviews to ascertain the level of the Board's compliance with the provisions of the SEC Code and NCCG, relevant legislation as well as global Best Practice.

The objective of the review was to ascertain the extent of compliance with corporate governance principles and the performance of the Board in general. The Company's corporate governance structures, policies and processes were benchmarked against the provisions of the Nigerian Code of Corporate Governance 2018 (NCCG), Securities and Exchange Commission Corporate Governance Guidelines 2021 (SCGG), Companies and Allied Matters Act 2020 (CAMA) and international best practices. The evaluation covered the following key corporate governance themes:

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.

Our review of the corporate governance standards and processes affirm that the Board has substantially complied with the provisions of the Nigerian Code of Corporate Governance and other relevant corporate governance standards. The activities of the Board are also in compliance with corporate governance best practice and individual Directors remain committed to enhancing the Company's growth.

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

Yours faithfully,

For: CWG Plc



Bisi Adeyemi

Managing Director (DCSL Corporate Services Limited-Company Secretaries)
FRC/2013/NBA/00000002716

Directors: • Abel Ajayi (Chairman) • Obi Ogbечи • Seni Ogunsanya • Adebisi Adeyemi (Managing Director)





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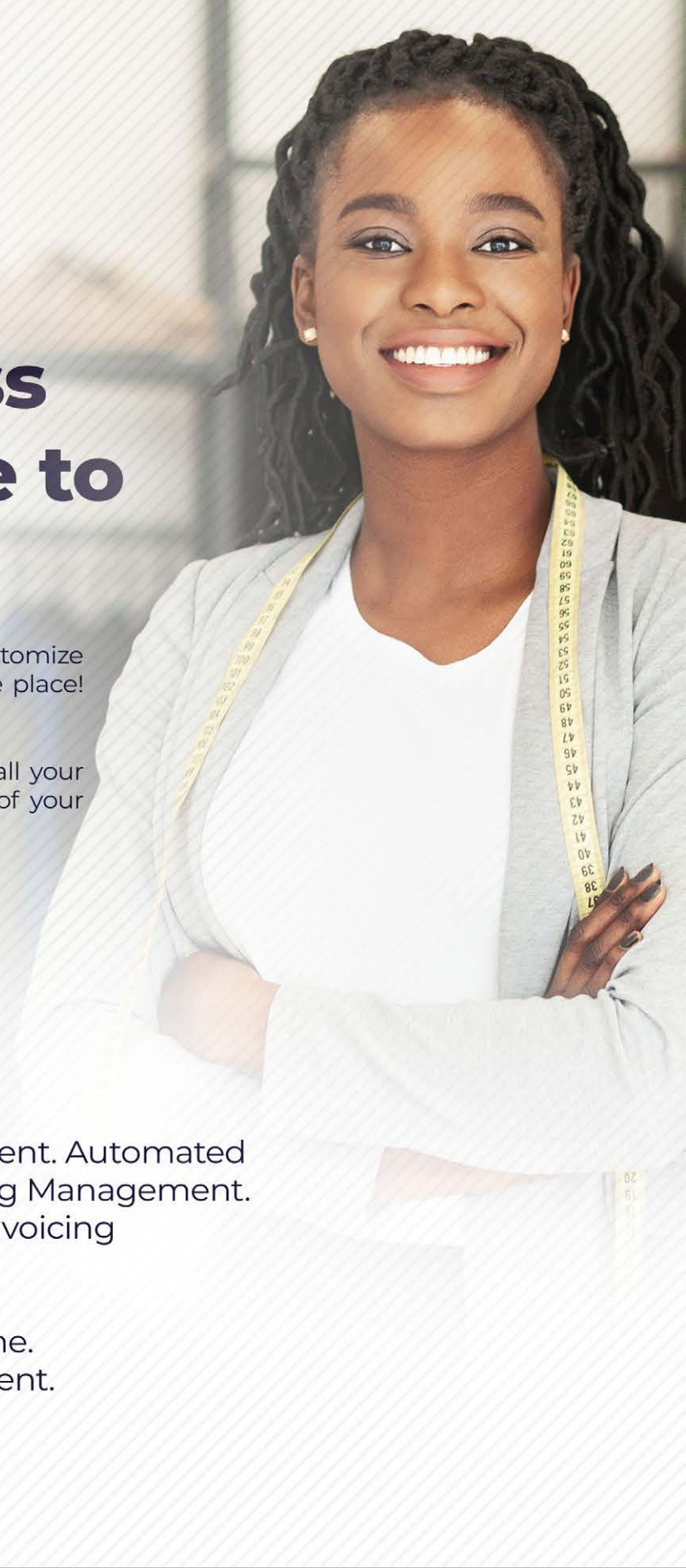
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Financials

CWG PLC / 2021 Annual Report & Accounts



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	Note	Group		Company	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
Non-current assets					
Property, Plant & Equipment	16	451,899	447,028	445,661	440,377
Right of use asset	26.2	89,253	72,627	68,992	66,956
Intangible Asset	17	82,635	156,073	82,635	156,073
Investment in Subsidiaries	18	-	-	273,284	273,284
Deferred tax assets	14.5.1	4,234	623	-	-
Financial assets measured at FVOCI	19	18,364	11,365	18,364	11,365
Total non-current assets		646,385	687,716	888,936	948,055
Current assets					
Inventories	20	584,242	585,514	511,737	585,515
Trade and other receivables	21	6,104,482	5,299,040	5,255,722	4,649,282
Income tax receivables	14.3.1	-	17,163	-	-
Prepayments	22	164,704	630,365	134,259	613,605
Cash and cash equivalents	23	916,817	832,557	779,177	497,002
Total current assets		7,770,245	7,364,639	6,680,895	6,345,404
Total assets		8,416,630	8,052,355	7,569,831	7,293,459

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	Note	Group		Company	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
Equity and reserves					
Issued share capital	24.1	1,262,413	1,262,413	1,262,413	1,262,413
Share premium	24.2	-	1,852,748	-	1,852,748
Accumulated losses	24.3	(153,194)	(2,455,582)	(326,014)	(2,498,513)
Fair value reserve of financial assets at FVOCI	24.4	10,972	3,974	10,972	3,974
Foreign currency translation reserve	24.5	(62,504)	(103,345)	-	-
Total equity and reserves		1,057,687	560,208	947,371	620,622
Non-current liabilities					
Deferred tax liabilities	14.3	-	2,098	-	-
Lease liability	27	20,110	20,110	20,110	20,110
Total non-current liabilities		20,110	22,208	20,110	20,110
Current liabilities					
Trade and other payables	25	6,767,329	6,762,143	6,147,775	6,074,676
Lease liability	26	54,371	32,972	25,083	27,626
Interest bearing loans and borrowings	27	151,370	264,794	85,747	146,426
Income tax payable	14.4	179,372	130,851	175,699	124,821
Contract liability	28	186,391	279,179	168,046	279,178
Total current liabilities		7,338,833	7,469,939	6,602,350	6,652,727
Total Liabilities		7,358,943	7,492,147	6,622,460	6,672,837
Total equity and liabilities		8,416,630	8,052,355	7,569,831	7,293,459

The consolidated financial statements were approved by the Board of Directors on 25 March 2021 and signed on its behalf by:



Mr. Adewale Adeyipo
(MD/CEO)

FRC/2019/IODN/00000019283



Mr. Philip Obioha
(Chairman)

FRC/2013/IODN/00000003269



Mr. Afolabi Sobande
(CFO)

FRC/2020/001/00000021960

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2021

	Note	Group		Company	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
Revenue	7	11,708,775	11,715,818	8,528,461	8,692,532
Cost of sales	8	(8,795,196)	(9,080,002)	(6,260,213)	(6,638,481)
Gross Profit		2,913,579	2,635,816	2,268,248	2,054,051
Other income	9	143,874	132,550	103,093	37,853
Administrative expenses	10	(2,215,018)	(2,099,710)	(1,732,862)	(1,652,834)
Exchange loss	11	(186,865)	(24,615)	(189,024)	(32,340)
Finance costs	12	(48,542)	(97,283)	(37,961)	(77,290)
Finance income	13	9,398	504	9,398	504
Profit before tax		616,426	547,262	420,892	329,944
Income tax expenses	14	(166,786)	(104,109)	(101,141)	(34,247)
Profit for the year		449,640	443,153	319,751	295,697
Other comprehensive income					
Net loss on financial assets-FVOCI		6,998	(2,188)	6,998	(2,188)
Translation of foreign entities	24.5	40,841	(72,678)	-	-
Other comprehensive income for the year - net of tax		47,839	(74,866)	6,998	(2,188)
Total comprehensive income for the year - net of tax		497,479	368,287	326,749	293,509
EPS		0.18	0.18	0.13	0.12

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2021

	Note	Group		Company	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
Cash flows from operating activities					
Profit for the year		449,640	443,153	319,751	295,697
Adjustment for:					
Depreciation of property, plant and equipment	16	85,672	120,051	123,724	109,630
Depreciation of right-of-use assets	26.2	60,412	71,599	50,306	62,656
Amortisation of intangible assets	17	76,099	85,428	76,105	85,428
Impairment of right-of-use assets	26.2				
Impairment/(write back) on receivables	21.3	(67,296)	2,624	(67,296)	2,624
Write back of expected credit losses - receivables & related party	9	-	(717)	-	(717)
Write back of expected credit losses - contract assets	9	(3,583)	5,467	(3,583)	5,467
Income tax expense	14.1	166,786	104,109	101,141	34,247
Finance income	13	(9,398)	(504)	(9,398)	(504)
Finance cost	12	48,542	97,283	37,961	77,290
Derecognition of Property Plant and Equipment		45,744	-	45,744	-
Transfer to inventory	16	-	3,517	-	3,517
WHT credit note utilised	14.4	(21,731)	-	(21,731)	-
Net foreign exchange differences		99,855	(31,963)	-	-
Profit on disposal of PPE	9	(5,358)	(10,947)	(5,358)	(10,947)
		925,384	889,100	647,366	664,388
Changes in:					
Deferred tax assets		(5,709)	(1,300)	-	-
Trade and other receivables	21	(734,563)	244,281	(535,561)	(14,997)
Prepayments	22	465,661	17,451	479,346	(94,777)
Restricted Cash	23.1	0	282,229	0	282,229

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2021

	Note	Group		Company	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
Inventories	20	1,272	188,431	73,778	188,431
Trade and other payables	25	5,186	(426,215)	73,099	(351,132)
Contract liabilities	28	(92,788)	(67,693)	(111,132)	53,764
Cash generated from operating activities		564,443	1,126,284	626,896	727,906
Income tax paid	14.4	(96,534)	(72,595)	(28,532)	(5,000)
Net cash from operating activities		467,909	1,053,689	598,364	722,906
Cash flows from investing activities:					
Purchase of property, plant and equipment	26.2	(137,281)	(68,973)	(174,752)	(65,420)
Purchase of right-of-use assets	17	(75,501)	(30,211)	(52,343)	(30,211)
Acquisition of intangible assets	16	(2,667)	-	(2,667)	-
Proceeds from sale of property, plant and equipment	13	5,358	22,282	5,358	22,282
Interest received		9,398	504	9,398	504
Net cash used in investing activities		(200,693)	(76,398)	(215,006)	(72,845)
Cash flows from financing activities:					
Additional loan	27.2	252,276	1,607,590	188,000	1,538,400
Repayment of loan principal	27	(378,116)	(1,748,728)	(241,111)	(1,636,542)
Additional lease liabilities		22,803	-	22,803	-
Lease obligation repayment	26.1	(25,346)	(50,434)	(25,346)	(41,808)
Interest paid	24	(48,542)	(97,283)	(37,961)	(77,290)
Net cash used in financing activities		(176,925)	(288,855)	(93,615)	(217,240)
Net increase in cash and cash equivalents		90,291	688,436	289,743	432,821
Net foreign exchange difference		-	-	-	-
Cash and cash equivalents at 1 January		824,989	136,553	489,434	56,613
Cash and cash equivalents at 31 December	23	915,280	824,989	779,177	489,434

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2021

Attributable to equity holders - the Group

	Issued share capital	Share premium	Accum- ulated losses	Fair value reserve of financial assets at	currency translation reserve	Total
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2020	1,262,413	1,852,748	2,898,736	6,162	30,667	191,920
Changes in equity for 2020:						
Profit for the year	-	-	443,153	(2,188)	(72,678)	368,287
Other comprehensive income for the year	-	-	-	-	-	-
At 31 December 2020	1,262,413	1,852,748	(2,455,583)	3,974	(103,345)	560,207
At 1 January 2021	1,262,413	1,852,748	(2,455,583)	3,974	(103,345)	560,207
Changes in equity for 2021:						
Profit for the year	-	-	449,640	6,998	40,841	497,479
Utilized	-	(1,853,748)	1,852,748	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-
31 December 2021	1,262,413	-	(153,195)	10,972	(62,504)	1,057,686

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2021

Attributable to equity holders - the Company

	Issued share capital	Share premium	Retained earnings	Fair value reserve of financial assets at FVOCI	Total
	N'000	N'000	N'000	N'000	N'000
At 1 January 2020	1,262,413	1,852,748	2,794,210	6,162	327,113
Changes in equity for 2020:					
Profit for the year	-	-	295,697	-	295,697
Other comprehensive income for the year; net of tax	-	-	-	(2,188)	(2,188)
At 31 December 2020	1,262,413	1,852,748	(2,498,513)	3,974	620,622
At 1 January 2021	1,262,413	1,852,748	(2,498,513)	3,974	620,622
Changes in equity for 2021:					
Profit for the year	-	-	319,751	6,998	319,751
Utilized	-	(1,853,748)	1,852,748	-	-
Other comprehensive income for the year	-	-	-	-	6998
31 December 2021	1,262,413	-	(326,014)	10,972	947,371

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



CWG Support Hub

CHANGING THE GAME

Many challenges are influencing the way organizations use technology. Cost optimization is as important as efficiency, right-sizing, predictive budgets, and agile scalability. The COVID-19 global pandemic has also introduced the New Normal - massive re-adjustments in working practices. Our objective is to help organizations embrace change by moving away from large scale, inflexible project deployment towards more agile systems that meet the demands of today's fast-moving business environments.

Cloud Services/CWG 2.0

- MFIs Banking Solutions in the Cloud
- SMEs based ERP Cloud Solutions + e-Commerce Platform
- E-Government Suites/Platform
- Advanced Electricity Metering
- Teleport, Co-Location & Hosting Services

Infrastructure Services

- Payment Systems Terminals and Devices
- Network Operating Systems
- Infrastructure Consulting
- Server, Storage, Backup
- Data Centre Facilities Database

Managed Service

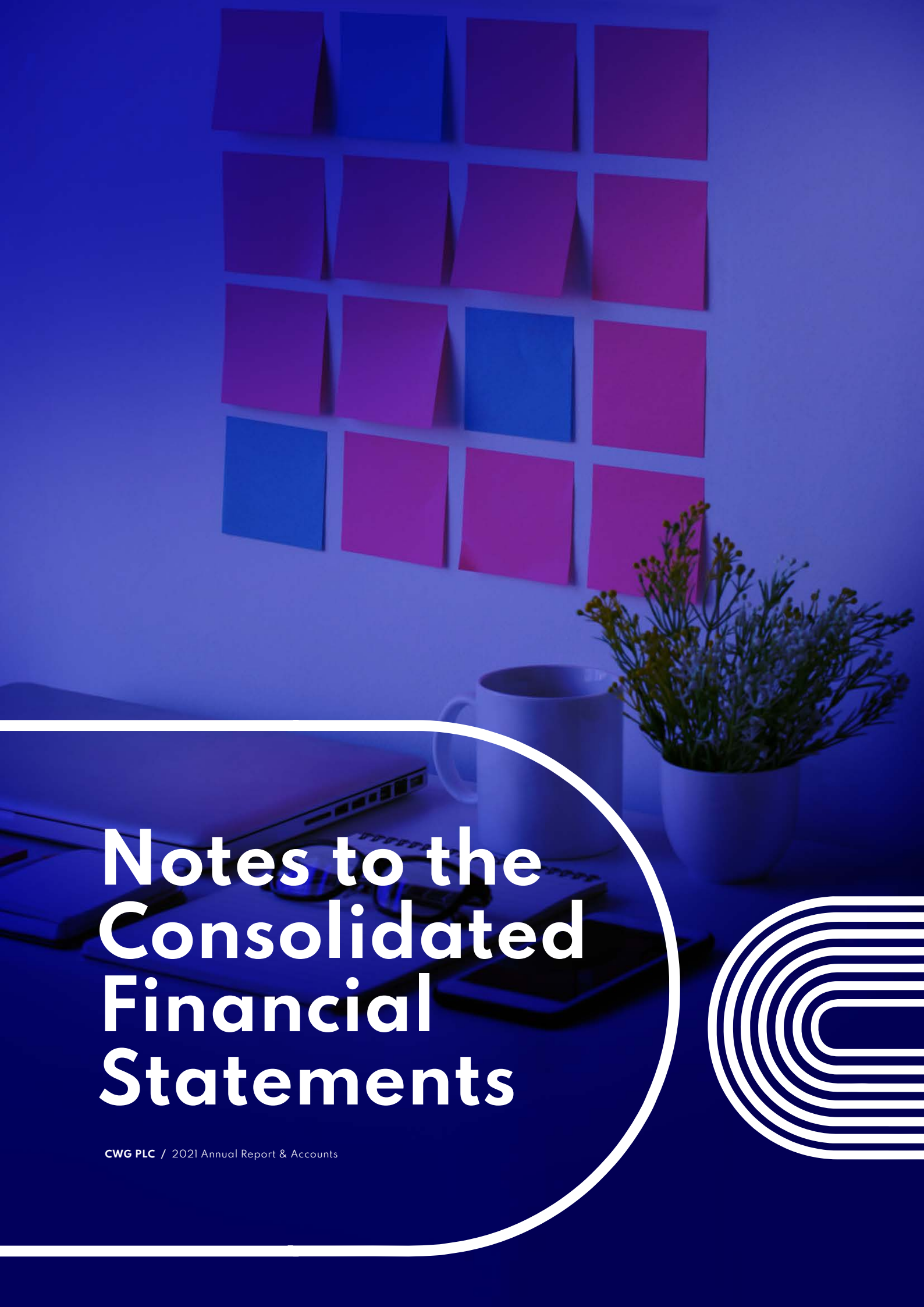
- End User/Service Desk Support Services
- Service Operations & Transition
- Data Centre Operations
- Service Administration
- XaaS - IT as a Service
- Project Management

Software Service

- ERP Solutions
- Banking Solutions
- Consulting Services & Training
- Systems Integration
- Software Development

Communication & Integration Services

- Network Security & management
- Local Area Networks
- Wide Area Networks and VSAT
- Cyber security
- Power Inverters



Notes to the Consolidated Financial Statements

CWG PLC / 2021 Annual Report & Accounts



1. GENERAL INFORMATION

1.1 The Group

These consolidated financial statements comprise the financial statements of CWG Plc (referred to as “the company” and its subsidiaries (together referred to as “the group”). CWG 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, Plot 10, Adebayo Doherty Road, off Admiralty Road, Lekki Phase I, Lagos State in Nigeria.

1.2 Principal activities

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

2. BASIS OF PREPARATION

2.1 Statement of compliance with IFRSs

These consolidated financial statements are the financial statements of the company and its subsidiaries (together, “the group”). The consolidated financial statements for the year ended 31 December 2021 have been prepared in line with IFRS 10 on Consolidated Financial Statements in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standard Board (“IASB”) and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011.

Additional information required by local regulators are included where appropriate.

The consolidated financial statements comprise of the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated the statement of changes in equity, consolidated the statement of cashflows and notes to the financial statements.

2.1.2 Basis of measurement

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates, it also requires management to exercise its judgment in the process of applying the company’s accounting policies. Changes in assumptions may have a significant impact on the financial statements in the year the assumptions changed. Management believes that the underlying assumptions are appropriate and therefore the company’s financial statements present the financial position and results fairly.

2.1.3 Use of estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates, it also requires management to exercise its judgment in the process of applying the group’s accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the year the assumptions changed. Management believes that the underlying assumptions are appropriate and therefore the group’s consolidated financial statements present the financial position and results fairly.

2.2 Going concern consideration

The Group’s management has made an assessment of the Group’s ability to continue as a going concern and is satisfied that the Group 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 are prepared on the going concern basis.

2.3 Summary of significant accounting policies

The following are the significant accounting policies applied by the Group and the Company in preparing its consolidated and separate financial statements.

2.3.1 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).

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 statements of profit or loss are translated at exchange rates ruling at the dates of translation or at average rate for the period as an approximation of the exchange rates at the date of transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to the foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, are reclassified from equity to profit or loss.

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. Thus, they shall be expressed in the functional currency of the foreign operation and shall be translated at the closing rate in accordance with the provisions of IAS 21.39.

2.3.2 Revenue from contracts with customers (IFRS 15)

The group and the Company is principally engaged in the supply, installation, integration, maintenance and support of hardware, software, consultancy, communications and managed services. The major streams of revenue for the Group and the Company are highlighted below:

- (a) IT Infrastructure Services
- (b) Communications and Integrated Services
- (c) Managed and Support Services
- (d) Software

2.3.2a IT Infrastructure Services

Revenue from IT Infrastructure Services is subdivided into Sale of equipment and IT Infrastructure Support Services.

Revenue from sale of equipment is recognised at a point in time when control is transferred to the customer. The normal credit term is 30 to 90 days upon delivery.

The group and the Company consider whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, etc.).

In determining the transaction price, the Group and the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Revenue from support services is recognised over time as control is transferred to the customer, because the customer simultaneously receives and consumes the benefits provided by the Group and the Company. The normal credit term is 30 to 90 days upon delivery.

2.3.2b Communication and Integrated Services

The group and the Company provides connectivity services to customers. The group and the Company assesses connectivity services as a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The group and the Company recognises revenue from connectivity services over time, using an output method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group and the Company. The group and the Company determines that it is an agent in these agreements.

2.3.2c Managed Support Services

The group and the Company provides support services such as Software support, Hardware Support, Performance Monitoring, On-site Technical Support and Maintenance Services. The services represent a series of distinct services that are substantially the same and have the same pattern of transfer to the customer.

The group and the Company recognises revenue from managed support services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group and the Company.

2.3.2d Software

The group and the Company provides support services to customers. The group and the Company recognises revenue from software support services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group and the Company.

The group and the Company is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Group and the Company's role is only to arrange for another entity to provide the goods or services, then the Group and the Company is an agent and will need to record revenue at the net amount that it retains for its agency services. The group and the Company determines that it is an agent in these agreements.

Identifying performance obligations

At contract inception, the Group and the Company assess the goods or services promised to a customer and identifies as a performance obligation each promise to transfer to the customer either:

- (a) a good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

In arriving at the performance obligations, the Group and the Company assessed the services as capable of being distinct and as distinct within the context of the contract after considering the following:

1. If the customer can benefit from the individual good or service on its own.
2. If the customer can use the good or service with other readily available resources
3. If multiple promised goods or services work together to deliver a combined output(s)
4. Whether the good or service is integrated with, highly interdependent on, highly interrelated with, or significantly modifying or customising, other promised goods or services in the contract

Variable consideration

If the consideration in a contract includes a variable amount, the Group and the Company estimates the amount of consideration to which it will be entitled in

exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for services contain penalties which may give rise to a reduction in the amount receivable from the customer, hence, variable consideration.

Significant financing component

Generally, the Group and the Company receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group and the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group and the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group and the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group and the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group and the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group and the Company performs under the contract.

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 entities operate 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 or 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. 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.

The group and the Company offsets deferred tax assets and deferred tax 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 taxation authority or either the same taxable entities which intend either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.3.5. Property, plant and equipment

Property, plant and equipment (PPE) 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 and the Company 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	%
Buildings	2
Furniture and fittings	25
Office equipment	33 $\frac{1}{3}$
Communication equipment	25
Motor vehicles	25
Building improvement	25
Plant & machinery	25
Loose tools	25
Service option equipment	33 $\frac{1}{3}$
Land	Not depreciated
ATM	25

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 or 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

Policy subsequent to 1 January 2019

The group and the Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The group and the Company as a lessee

The group and the Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The group and the Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The group and the Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Assets	Lease period
Guest houses	2 years
Office buildings	2-3 years

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.3.10 for Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Refer to Note 27 for more details on the Group and the Company's lease liabilities.

iii) Short-term leases and leases of low-value assets

The group and the Company applies the short-term lease recognition exemption to its short-term leases of warehouses and guesthouses (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The group and the Company does not have any leased assets categorised as low-value assets (i.e. of a value of N2 million). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Leases

The group/ the Company as a lessee

Finance leases that transfer to the Group and the Company 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 and the Company 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.

2.3.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. 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 or 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 estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or 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.

The software is amortised using a straight-line method over a period of 3 – 5 years.

As at 31 December 2021, the Group and the Company did not have any indefinite intangible assets. Intangible assets with finite useful lives are reviewed at the end of the reporting period.

Licenses

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 and the Company may renew the licence with NCC. Licence fees are amortised over a period of 10 years.

2.3.8 Financial instruments (IFRS 9)

Financial instruments (Recognition and measurement)
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group and the Company's business model for managing them. Apart from trade receivables that do not contain a significant financing component or for which the Group and the Company has applied the practical expedient, the Group and the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group and the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

For a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The group and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commits to purchase or sell the asset.

ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group and the Company. The group and the Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The group and the Company's financial assets at amortised cost includes trade receivables, cash and short-term deposits, intercompany receivable and equity instruments.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to irrevocably classify its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group and the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The group and the Company elected to irrevocably classify its listed equity investments under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group and the Company's Consolidated and Separate statement of financial position) when:

- The rights to receive cash flows from the asset have expired Or
- The group and the Company 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 and the Company has transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When the Group and the Company has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company 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 and the Company 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 and the Company could be required to repay.

Impairment of financial assets

The group and the Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group and the Company applies a simplified approach in calculating ECLs. Therefore, the Group and the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment using the loss rate model.

The group and the Company considers a financial asset in default when contractual payments are over 30 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Group and the Company.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities measured at amortised cost, net of directly attributable transaction costs.

The group and the Company's financial liabilities include loans and borrowings, trade and other payables, and intercompany payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities measured at amortised cost

This is the category most relevant to the Group and the Company. After initial recognition, financial liabilities measured at amortised cost 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 considering 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 the statement of profit or loss.

Derecognition

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 the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated and separate 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.

2.3.9 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.

2.3.10 Impairment of non-financial assets

The group and the Company 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 and the Company 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 and the Company base its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group and the Company'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 or 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 and the Company 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 or loss.

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

2.3.11. Cash and cash equivalents

Cash and short-term deposits in the Consolidated and Separate 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.

2.3.12 Dividend Distributions

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

2.3.13 Provisions

Provisions are recognised when the Group and the Company 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 and the Company 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 or loss net of any reimbursement.

2.3.14. 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.
- c) Termination benefits are employee benefits payable as a result of either the Group and the Company'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 and the Company recognises the expected cost of bonuses only when the Group and the Company has a present legal or constructive obligation to make such payment and a reliable estimate can be made. During the year, the Group and the Company contributed to employee benefits in the following categories: - remuneration in the form of salaries, wages and bonuses.

Post-employment Retirement Benefit Funds

In line with statutory pension/retirements laws, the Group and the Company 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 and the Company other than the defined contribution as a percentage of employees' qualifying remunerations. Both employees' and the Group and the Company's share of the contributions are charged as staff cost in the administrative expenses in the statement of profit or loss when the employee renders the service.

Termination benefits

The group and the Company 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 and the Company had no termination benefit commitments during the year.

2.3.15 Segment reporting

The group and the Company identifies segments as components of the Group and the Company 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 and the Company has identified the Managing Director/ 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.

2.3.16 Fair value measurement

The group and the Company has financial instruments measured at fair value at each reporting date.

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 by the Group and the Company.

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 and the Company 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 consolidated and separate 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 consolidated and separate financial statements at fair value on a recurring basis, the Group and the Company 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.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group and the Company's consolidated and separate 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 and the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated and separate financial statements.

Revenue from contracts with customers

The group and the Company applied the following judgements. These judgements will significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining the timing of satisfaction of Sale of Products

The group and the Company concluded that revenue from sale of products to customers will be recognised at a point in time because control is transferred at a point in time.

The group and the Company has assessed that there is a direct relationship between the Group and the Company's measurement of the value of goods or services transferred to date, relative to the remaining goods or services promised under the contract.

Determining the timing of satisfaction of Rendering of Services

The group and the Company concluded that revenue from services is recognised over time as control is transferred to the customer, because the customer simultaneously receives and consumes the benefits provided by the Group and the Company.

Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the provision managed support services and software support include penalties for downtime that give rise to variable consideration. In

estimating the variable consideration, the Group and the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The group and the Company determined that the most likely amount method is the appropriate method to use in estimating the variable consideration for the provision managed support services and software support, given the large number of customer contracts that have similar characteristics.

Before including any amount of variable consideration in the transaction price, the Group and the Company considers whether the amount of variable consideration is constrained. The group and the Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Motor vehicle lease classification – The group/ the Company as lessee

The group and the Company has entered into motor vehicle lease arrangements. The group and the Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term constituting a major part of the economic life of the motor vehicles and the present value of the minimum lease payments amounting to substantially all of the fair value of the motor vehicles, that it retains all the significant risks and rewards of ownership of these motor vehicles and accounts for the contracts as finance leases.

Going concern

The group and the company'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 and the Company's ability to continue as a going concern. Therefore, the consolidated and separate financial statements continue to be prepared on the going concern basis.

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 and the Company based its assumptions and estimates on parameters available when the consolidated and separate 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 and the Company. Such changes are reflected in the assumptions when they occur.

Financial Instruments

Provision for expected credit losses of trade receivables and contract assets

The group and the Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and rating).

The provision matrix is initially based on the Group and the Company's historical observed default rates. The group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The group and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group and the Company's trade and other receivables and contract assets is disclosed in Note 22.

Fair value measurement of financial instruments – Financial Assets

When the fair values of financial assets and financial liabilities recorded in the Consolidated and Separate statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree

of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 32 for further disclosures.

Fair value measurement – Non Financial Assets

Fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions.

A fair value measurement assumes 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.

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.

Goodwill impairment

The management determination of value in use involves estimate of future cash flows that the entity expects to derive from the use of the asset, expectations about possible variation in the amount or timing of those future cash flows; the time value of money, represented by the current market risk free rate of interest; the price of bearing the uncertainty inherent in the assets and other factors, such as illiquidity, that market participants would reflect in pricing the future cash flows the Group and the Company expects to derive from the use of the asset.

Re-assessment of useful lives and residual values

The group and the Company carried its property, plant and equipment (PPE) at cost in the consolidated and separate statement of financial position. The annual review of the useful lives and residual value of PPE result in the use of significant management judgements.

Discount rate used to determine the incremental borrowing rate

The group and the Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group and the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group and the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the Group and the Company's functional currency).

The group and the Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Group and the Company's stand-alone credit rating).

The group and the Company estimates the IBR using the following steps:

- Step 1:** Reference rate: This is generally a government bond reflecting risk free rate. Repayment profile was considered when aligning the term of the lease with the term for the source of the reference rate.
- Step 2:** Financing spread adjustment: Use of credit spreads from debt with the appropriate term by considering Group/ Company's stand-alone credit rating or similar Group/ Company credit rating.
- Step 3:** Lease specific adjustment: Use of market yield for the leased assets, as an additional data point and to sense-check the overall IBRs calculated.

4. New and revised IFRS Standards in issue but not yet effective (but allow early application) for the year ending 31 December 2021

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- IFRS 17 (including the June 2020 amendments to IFRS 17) - Insurance Contracts

- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate OT Joint Venture
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Amendments to IFRS 3 - Reference to the Conceptual Framework
- Amendments to IAS 16 - Property, Plant and Equipment—Proceeds before Intended Use
- Amendments to IAS 37 - Onerous Contracts — Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018-2020 Cycle - Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

4.1. IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

IFRS 17 will have no impact on the Group, as it does not issue insurance contract.

4.2 Significant accounting judgements, estimates and assumptions

The preparation of the Company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the accompanying disclosure, as well as the disclosure of contingent liability about these assumption and estimates that could result in outcome that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

Management discusses with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates, and the application of these policies and estimates.

4.2.1 Estimates and assumptions

The key assumption concerning the future and other key sources of estimation uncertainly 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 period, are described below. The Group based its assumption and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumption about future developments, however, may change due to market changes or circumstances beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

4.3 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

4.3.a IFRS 17 Insurance contracts

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

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

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

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

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

IFRS 17 will have no impact on the Group, as it does not issue insurance contract.

4.3.b Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

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

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations

about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

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

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

4.3.c Amendments to IFRS 3 Business Combinations — Reference to the Conceptual Framework

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

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

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

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

4.3.d Amendments to IAS 16 - Property, Plant and Equipment — Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds

and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

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

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

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

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

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

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

4.3.e Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets — Onerous Contracts — Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the

entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

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

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

4.3.f Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract

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

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

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

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

4.3.g Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate

or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

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

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

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

The Annual Improvements include amendments to four Standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards

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

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

IFRS 9 Financial Instruments

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

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

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

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture

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

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

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

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

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

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

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates

to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

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

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

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

4.3.j Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors — Definition of Accounting Estimates

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

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

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

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

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

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

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

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

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

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

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

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
- Right-of-use assets and lease liabilities
- Decommissioning, restoration and similar Liabilities and the corresponding amounts recognised as Part of the COST of the related asset.

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

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

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

5. Financial risk management objectives and policies

The group and the Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The group and the Company also holds financial assets measured at Fair value through other comprehensive income.

The group and the Company's principal financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group and the Company's operations and to provide guarantees to support its operations.

The group and the Company is exposed to market risk, credit risk and liquidity risk. The group and the Company's senior management oversees the management of these risks. The group and the Company's risk management is governed by the Board, through the Board Risk Management and Audit committee.

The board of directors reviews and agrees policies for managing each of these risks, which are summarised below:

5.1 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 and commodity risk. Financial instruments affected by market risk include: current loans and borrowings, deposits, financial instruments designated at fair value through OCI.

5.1.1 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 and the Company's exposure to the risk of changes in market interest rates relates primarily to the Group and Company's short-term debt obligations with floating interest rates. The group and the Company's policy is to keep floating rate borrowings only under exceptional circumstances, where the risks are thoroughly considered and approved.

5.1.2 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 and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group and the Company's operating activities (when revenue or expense is denominated in a different currency from the Group and the Company's functional currency) and the Group and the Company's net investments in foreign subsidiaries. Management has established a policy requiring the Group and the Company to manage their foreign currency risk against their functional currency. 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 and the Company'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 and the Company's functional currency.

The group and the Company is mostly affected by changes in USD rate than any other foreign currency. The table below shows the sensitivity analysis of the Group and the Company's profit before tax based on changes in USD rate:

	Change in USD rate	Effect on profit before tax N'000
2021	+5%	(21,411)
	-5%	23,665
2020	+5%	(21,103)
	-5%	21,103

The Naira carrying amounts for the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
US Dollars	(3,120,809)	(2,105,086)	292,702	310,654

5.1.3 Equity price risk

The group and the Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The group and the Company manages the equity price risk by placing limits on individual and total equity instruments. The group and the Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was N18.36million (2020: N11.36 million). A decrease of 5% on the Nigerian Stock Exchange market index could have an impact of approximately NO.92 million (2020: NO.57 million) on the income or equity attributable to the Group and the Company, depending on whether the decline is significant or prolonged. An increase of 5% in the value of the listed securities would only impact equity but would not have an effect on profit or loss.

5.2 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 and the Company 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. Credit risk is monitored by the entity's Finance Department. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. CWG has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. Risk ratings are subject to regular revision. The credit quality review process aims to allow the Entity to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Trading relationships

The Entity's trading relationship and counterparties comprise Banks, Oil & Gas, Manufacturing and Individuals. For these relationships, the Entity's credit risk department analyses publicly available information such as financial information and other external data to determine rate to be applied.

Trade receivables

Customer credit risk is managed by Business Development unit subject to the Entity's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for group of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The group and the Company does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment.

The group and the Company evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

	Contact assets	Trade receivables - Days past due					Total N'000
		1 - 30 days N'000	31-60 days N'000	61-90 days N'000	91-365 days N'000	>365 days N'000	
31 December 2021							
Expected credit loss rate	0.94%	2.33%	4.96%	5.66%	15.55%	100.00%	
Estimated total gross carrying amount at default	799,744	75,191	51,411	36,142	24,840	-	187,584
Expected credit loss	2,647	532	2,754	2,856	14,811	-	20,953
31 December 2020							
Expected credit loss rate							
Estimated total gross carrying amount at default	660,224	166,991	38,503	38,950	52,046	72,680	369,169
Expected credit loss	6231	3,379	1,908	2,204	8,079	72,680	88,249

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	2021 N'000	2020 N'000
At 1 January	88,249	85,625
Provision for expected credit loss	-	2,624
Write back during the year	(67,296)	
At 31 December	20,953	88,249

ECLs are calculated using a 'loss rate' method based on the probability of a receivable progressing through successive stage delinquency to write-off. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group and the Company's view of economic conditions over the expected lives of the receivables.

Expected credit loss measurement – Contract assets

	2021 N'000	2020 N'000
At 1 January	6,230	763
Addition in the year/ Unused amount reversed	34,794	5,467
At 31 December	41,024	6,230

The group and the Company applied the general approach in computing expected credit losses (ECL) for intercompany receivables. The group and the Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expects to receive, discounted at an approximation of the original effective interest rate.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

The Group and the Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The following outline the impact of scenario on the allowance:

	Inter-company receivable N'000	Total N'000
31 December 2021		
Upside (10%)	461	461
Base (80%)	3,618	3,618
Downside (10%)	390	390
Total	4,469	4,469
31 December 2020		
Upside (10%)	444	444
Base (80%)	3,487	3,487
Downside (10%)	376	376
Total	4,307	4,307

Impairment allowance for financial assets under general approach In assessing the Group and the Company's internal rating process, the Group and the Company's customers and counter parties are assessed based on a credit scoring model that takes into account various historical, current and forward-looking information such as:

- Any publicly available information on the Group and the Company's customers and counter parties from external parties. This includes external rating grades issued by rating agencies, independent analyst reports, publicly traded bond or press releases and articles.
- Any macro-economic or geopolitical information, e.g., GDP growth relevant for the specific industry and geographical segments where the client operates.
- Any other objectively supportable information on the quality and abilities of the client's management relevant for the Group and the Company's performance.

5.2.1 Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group and the Company's treasury department in accordance with the Group and the Company'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 and the Company's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group and the Company'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.

5.2.2 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.

5.3 Liquidity risk

The group and the Company monitors its risk of a shortage of funds using a liquidity planning tool. The group and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of Group/Company's overdrafts, Group/Company loans, debentures, and preference shares. The group and the Company's policy is that not more than 25% of borrowings should mature in the next 12-month period. Approximately 10% of the Company's debt will mature in less than one year at 31 December 2021 (2020: 10%) based on the carrying value of

borrowings reflected in the financial statements. The group and the Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The group and the Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group and the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group and the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The group and the Company'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 and the Company 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 with existing lenders. Liquidity risk is the risk that the Group and Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group and the Company'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 Group and 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 Group and the Company. The group and the Company 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:

	Carrying amount N'000	Contractual cash flows N'000	On demand N'000	Less than 3 months N'000	3-12 months N'000	1-5 years N'000
THE GROUP						
At 31 December 2021						
Short-term borrowings	151,370	151,370	-	151,370	-	-
Bank overdraft	-	-	-	-	-	-
Trade and other payables	6,767,329	6,767,329	-	-	6,767,329	-
Lease liability	74,481	74,481	-	-	54,371	20,110
	6,993,180	6,993,180	-	151,370	6,821,700	20,110
At 31 December 2020						
Short-term borrowings	257,226	257,226	-	257,226	-	-
Bank overdraft	7,568	7,568	7,568	-	-	-
Trade and other payables	6,762,143	6,762,143	-	-	6,762,143	-
Lease liability	53,082	53,082	-	-	32,972	20,110
	7,080,019	7,080,019	7,568	257,226	6,795,115	20,110

	Carrying amount N'000	Contractual cash flows N'000	On demand N'000	Less than 3 months N'000	3-12 months N'000	1-5 years N'000
THE COMPANY						
At 31 December 2021						
Short-term borrowings	15 85,747	85,747	-	85,747	-	-
Bank overdraft	-	-	-	-	-	-
Trade and other payables	6,147,775	6,147,775	-	-	-	6,147,775
Lease liability	45,193	45,193	-	-	25,083	20,110
	6,278,715	6,278,715	-	85,747	25,083	6,167,885
At 31 December 2020						
Short-term borrowings	138,858	138,858	-	138,858	-	-
Bank overdraft	7,568	7,568	7,568	-	-	-
Trade and other payables	6,074,676	6,074,676	-	-	-	6,074,676
Lease liability	47,736	47,736	-	-	27,626	20,110
	6,268,838	6,268,838	7,568	138,858	27,626	6,094,786

5.4 Capital Management

Capital includes equity attributable to the equity holders of the Parent Company. The primary objective of the Group and the Company'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 and the Company 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 and the Company may adjust the dividend payment to shareholders, or issue new shares.

No changes were made to the objectives, policies or processes for managing capital during the years ended 31 December 2021 and 2020.

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

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Trade and other payables	6,767,329	6,762,143	6,147,775	6,074,676
Short-term loans and borrowings	151,370	264,794	85,747	146,426
Less: cash and short-term deposits	(916,817)	(832,557)	(779,177)	(497,002)
Net debt	6,001,882	6,194,380	5,454,345	5,724,100
Equity	1,057,687	560,208	947,371	620,622
Total capital plus net debt	7,059,569	6,754,588	6,401,716	6,344,722
Gearing ratio	85%	92%	85%	90%

6. Segment information

6.1 Description of segments

For management purposes, the Group and the Company's 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 Managing Director/ Chief Executive Officer reviews internal management reports on at least a quarterly basis. The following summary strategy describes the operations in each of the Group and the Company's reportable segments:

IT Infrastructure

The IT infrastructure segment, supplies, installs and supports Computer hardware, operating and middle ware systems, Automated Teller Machines "ATM" etc.

Communication and Integrated Services

Communication and integrated equipment segment specializes in VSAT and Fibre Connectivity, Metropolitan Area Networks, Wide Area Networks, Local Area Networks, and Systems Integration and provision of network communications support to clients.

Managed Support Services

The managed and support service segment provides internal and external clients managed /outsourcing services and provides related accessories for equipment and service maintenance.

Software

The Software segment 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.

Platform

The platform segment simplify products and solutions as the foundation for growth and progress in e-commerce and society, the likes of BillsNPay, SMERP, UCP and Finedge.

6.2.1 Business segment - Group

	IT Infrastructure Services		Managed & Support services		Communications & Integrated		Software		Platform business		Total	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000	2021 N'000	2020 N'000	2021 N'000	2020 N'000	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Income:												
Revenue	3,666,004	3,181,249	5,313,369	6,472,295	38,942	91,037	2,183,377	1,455,771	507,083	515,466	11,708,775	11,715,818
Other operating income	37,964	33,097	65,785	49,769	471	72	33,524	47,409	6,130	2,202	143,874	132,549
Financial Income	2,374	95	5,672	344	43	1	750	34	559	30	9,398	504
Total revenue	3,706,342	3,214,441	5,384,826	6,522,408	39,456	91,110	2,217,651	1,503,214	513,772	517,698	11,862,047	11,848,871
Expenses:												
Cost of sales	(2,958,426)	(2,770,991)	(4,155,520)	(5,288,416)	(14,635)	(72,992)	(1,634,202)	(849,524)	(32,413)	(98,079)	(8,795,196)	(9,080,002)
Administrative expenses	(598,356)	(402,339)	(946,781)	(993,233)	(20,901)	(6,934)	(458,366)	(510,185)	(190,615)	(187,019)	(2,215,019)	(2,099,710)
Finance cost	(15,513)	(24,701)	(33,029)	(72,582)	-	-	-	-	-	-	(48,542)	(97,283)
Net exchange difference	(58,121)	(10,335)	(123,743)	(14,279)	-	-	-	-	-	-	(181,864)	(24,614)
Total expenses	(3,630,416)	(3,208,366)	(5,259,073)	(6,368,510)	(35,536)	(79,926)	(2,092,568)	(1,359,709)	(223,028)	(285,098)	(11,240,621)	(11,301,609)
Profit before taxation	75,926	6,075	125,753	153,898	3,920	11,184	125,083	143,505	290,744	232,600	621,426	547,262
Income tax expenses	-	-	-	-	-	-	-	-	-	-	-	-
Profit after taxation	75,926	6,075	125,753	153,898	3,920	11,184	125,083	143,505	290,744	232,600	621,426	547,262
Expenses:												
Total tangible assets	100,704	100,608	308,359	304,092	852	842	36,754	36,319	5,230	5,167	451,899	447,028
Right-of-use assets	34,199	18,333	47,640	45,672	132	129	5,690	4,522	809	3,970	88,470	72,626
Intangible assets	-	-	-	-	-	-	-	-	82,635	156,073	82,635	156,073
Financial assets at FVOCI	18,364	11,365	-	-	-	-	-	-	-	-	18,364	11,365
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-current assets	153,267	130,306	355,999	349,764	984	971	42,444	40,841	88,674	165,210	641,368	687,092
Current assets	1,916,449	1,484,364	4,622,457	4,569,645	12,974	12,299	1,096,382	913,263	398,229	377,500	8,046,491	7,357,071
Non-current liabilities	17,455	2,098	-	-	-	-	-	-	-	-	17,455	2,098
Current liabilities	(1,745,752)	(1,482,428)	(4,496,197)	(4,727,971)	(12,574)	(12,811)	(951,671)	(835,376)	(385,933)	(393,219)	(7,592,127)	(7,451,805)
Net assets	341,419	134,340	482,259	191,438	1,384	459	187,155	118,728	100,970	149,491	1,113,187	594,456

6.2.2 Business segment - Company

	IT Infrastructure Services		Managed & Support services		Communications & Integrated		Software		Platform business		Total	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000	2021 N'000	2020 N'000	2021 N'000	2020 N'000	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Income:												
Revenue	2,154,478	1,643,631	5,146,903	5,929,505	38,942	16,794	681,055	587,136	507,083	515,466	8,528,461	8,692,532
Other operating income	26,044	7,022	62,216	26,049	471	72	8,233	2,508	6,130	2,202	103,094	37,853
Financial Income	2,374	95	5,672	344	43	1	750	34	559	30	9,398	504
Total revenue	2,182,896	1,650,748	5,214,791	5,955,898	39,456	16,867	690,038	589,678	513,772	517,698	8,640,953	8,730,889
Expenses:												
Cost of sales	(1,711,501)	(1,398,190)	(4,085,610)	(4,914,515)	(14,635)	(9,052)	(416,054)	(218,644)	(32,413)	(98,079)	(6,260,213)	(6,638,480)
Administrative expenses	(380,903)	(219,819)	(912,576)	(909,036)	(20,901)	(6,934)	(227,867)	(330,025)	(190,615)	(187,019)	(1,732,862)	(1,652,833)
Finance cost	(12,132)	(24,701)	(25,829)	(52,589)	-	-	-	-	-	-	(37,961)	(77,290)
Net exchange difference	(60,409)	(10,335)	(128,614)	(22,005)	-	-	-	-	-	-	(189,023)	(32,340)
Total expenses	(2,164,945)	(1,653,045)	(5,152,629)	(5,898,145)	(35,536)	(15,986)	(643,921)	(548,669)	(223,028)	(285,098)	(8,220,059)	(8,400,943)
Profit before taxation	17,951	(2,297)	62,162	57,753	3,920	881	46,117	41,009	290,744	232,600	420,894	329,946
Income tax expenses	-	-	-	-	-	-	-	-	-	-	-	-
(Loss)/ Profit after taxation	17,951	(2,297)	62,162	57,753	3,920	881	46,117	41,009	290,744	232,600	420,894	329,946
Assets and liabilities:												
Total tangible assets	95,083	93,957	307,740	304,092	304,092	842	36,754	36,319	5,230	5,168	445,659	440,378
Right-of-use assets	14,720	12,660	47,640	45,672	45,672	129	5,690	4,522	809	3,970	68,991	66,953
Intangible assets	-	-	-	-	-	-	-	-	82,635	156,074	82,635	156,074
Investment in subsidiary	273,284	273,284	-	-	-	-	-	-	-	-	273,284	273,284
Financial assets at FVOCI	18,364	11,365	-	-	-	-	-	-	-	-	18,364	11,365
Total Non-current assets	401,451	391,266	355,380	349,764	984	971	42,444	40,841	88,674	165,212	888,933	948,054
Current assets	1,269,805	1,203,709	4,551,241	4,314,340	12,974	12,299	453,598	429,987	398,229	377,500	6,685,847	6,337,835
Non-current liabilities	20,110	-	-	-	-	-	-	-	-	-	20,110	-
Current liabilities	(1,230,598)	(1,253,830)	(4,439,463)	(4,523,271)	(12,574)	(12,811)	(439,593)	(447,891)	(385,933)	(393,219)	(6,508,161)	(6,631,022)
Net assets	460,768	341,145	467,158	140,833	1,384	459	56,449	22,937	100,970	149,493	1,086,729	654,867

6.3 C6.3 Segment reconciliation

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities.

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Revenue				
Total revenue from reportable segments	11,708,775	11,715,818	8,528,461	8,692,532
Elimination of Inter-segment revenue	-	-	-	-
Total	11,708,775	11,715,818	8,528,461	8,692,532
Profit or Loss				
Profit before taxation	616,426	547,262	420,892	329,944
Elimination of Inter-segment profit or loss	-	-	-	-
Total	616,426	547,262	420,892	329,944
Assets				
Total revenue from reportable segments	8,416,630	8,052,355	7,569,831	#REF!
Elimination of Inter-segment assets	-	-	-	-
Total	8,416,630	8,052,355	7,569,831	#REF!
Liabilities				
Total revenue from reportable segments	7,358,943	7,492,147	6,622,460	6,672,837
Elimination of Inter-segment liabilities	-	-	-	-
Total	7,358,943	7,492,147	6,622,460	6,672,837

6.3 C6.3 Geographical segment

CWG's business activities are concentrated in four geographic regions. Revenue generated from these four regions are as stated below:

	2021 N'000	2020 N'000
Nigeria	8,528,461	8,692,531
Ghana	1,679,119	1,436,025
Uganda	1,481,173	1,559,685
Cameroon	20,023	27,578
	11,708,776	11,715,819

6.5 Revenue made from major customers

	2021			2020		
	MTN N'000	UBA N'000	GTB N'000	MTN N'000	UBA N'000	GTB N'000
The Group						
TIT Infrastructure services	1,615,087	13,297	296,219	1,212,131	105,274	742,988
Communications & integrated	24,125	-	-	16,794	-	-
Software revenue	185,889	28,050	-	63,465	3,048	-
Managed & Support services	2,773,296	307,164	103,069	3,593,814	287,267	78,789
Platform business	-	441,084	-	80,566	266,126	-
	4,598,397	789,595	399,288	4,966,770	661,715	821,777
The Company						
TIT Infrastructure services	1,190,890	12,428	296,219	690,695	38,002	742,988
Communications & integrated	24,125	-	-	16,794	-	-
Software revenue	-	28,050	-	63,465	3,048	-
Managed & Support services	2,757,894	297,461	103,069	3,593,814	287,267	78,789
Platform business	-	441,084	-	80,566	266,126	-
	3,972,909	779,023	399,288	4,445,334	594,443	821,777

As at 31 December 2021 the Company's receivables from MTN, UBA and GTB are N62.1million (2020: N73.5 million); NIL (2020: NIL) and NIL (2020: NIL) respectively.

7. Revenue

7.1 Revenue by sector

Set out below is the disaggregation of the Group and the Company's revenue from contracts with customers by sector.

	IT infrastructure services	Software	Communi- cations and Integrated Service	Managed Support Services	Platform business	Total
	N'000	N'000	N'000	N'000	N'000	N'000
The Group						
Segments:						
Type of goods or services						
31 December 2021						
Financial Services Institutions	1,225,198	1,395,156	-	2,031,188	484,264	5,135,806
Government	167,486	95,575	-	23,750	-	286,811
Emergent	215,021	198,288	13,817	379,249	4,979	811,354
Telecommunications	1,994,002	494,357	25,125	2,878,331	17,841	5,409,656
Oil & gas	64,297	-	-	851	-	65,148
Total revenue from contracts with customers	3,666,004	2,183,376	38,942	5,313,369	507,084	11,708,775
Timing of revenue recognition						
31 December 2021						
Goods/Services transferred at a point in time	3,556,024	1,615,698	13,817	-	-	
Services transferred over time	109,980	567,678	25,125	5,313,369	507,084	6,523,236
Total revenue from contracts with customers	3,666,004	2,183,376	38,942	5,313,369	507,084	6,523,236
Segments:						
Type of goods or services						
31 December 2020						
Financial Services Institutions	1,347,223	1,107,078	37,299	1,610,620	370,267	4,472,487
Government	568,894	13,675	-	836	6,748	590,153
Emergent	105,909	157,294	5,202	429,321	107,765	805,491
Telecommunications	1,145,481	177,725	38,290	4,318,694	30,686	5,710,876
Oil & gas	13,742	-	10,246	112,824	-	136,812
Total revenue from contracts with customers	3,181,249	1,455,772	91,037	6,472,295	515,466	11,715,819
Timing of revenue recognition						
31 December 2020						
Goods/Services transferred at a point in time	3,114,330	1,100,175	88,637	-	-	
Services transferred over time	66,919	355,597	2,400	6,472,295	515,466	7,412,677
Total revenue from contracts with customers	3,181,249	1,455,772	91,037	6,472,295	515,466	7,412,677

	IT infrastructure services	Software	Communi- cations and Integrated Service	Managed Support Services	Platform business	Total
	N'000	N'000	N'000	N'000	N'000	N'000
The Company						
Segments:						
Type of goods or services						
31 December 2021						
Financial Services Institutions	647,330	519,760	-	1,928,531	484,264	3,579,885
Government	81,504	17,682	-	-	-	99,186
Emergent	170,457	143,613	13,817	354,502	4,979	687,368
Telecommunications	1,190,890	-	25,125	2,863,019	17,841	4,096,875
Oil & gas	64,297	-	-	850	-	65,147
Total revenue from contracts with customers	2,154,478	681,055	38,942	5,146,902	507,084	8,528,461
Timing of revenue recognition						
31 December 2021						
Goods/Services transferred at a point in time	2,154,478	519,760	13,817	-	-	2,688,055
Services transferred over time	-	161,295	25,125	5,146,902	507,084	5,840,406
Total revenue from contracts with customers	2,154,478	681,055	38,942	5,146,902	507,084	8,528,461
Segments:						
Type of goods or services						
31 December 2020						
Financial Services Institutions	911,901	554,920	2,400	1,413,840	370,267	3,253,328
Government	-	-	-	-	6,748	6,748
Emergent	26,863	13,144	4,148	392,028	107,765	543,947
Telecommunications	691,125	19,072	-	4,010,813	30,686	4,751,696
Oil & gas	13,742	-	10,246	112,824	-	136,812
Total revenue from contracts with customers	1,643,631	587,136	16,794	5,929,505	515,466	8,692,531
Timing of revenue recognition						
31 December 2020						
Goods/Services transferred at a point in time	1,610,111	400,615	14,394	-	-	2,025,119
Services transferred over time	33,520	186,521	2,400	5,929,505	515,466	6,667,412
Total revenue from contracts with customers	1,643,631	587,136	16,794	5,929,505	515,466	8,692,531

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. The group and the Company's trade receivables amounts to N1.110 billion (2020 : N1.091 billion) and N186 Million (2020 : N371 million) in 2021 respectively. In 2021, N25 million (2020 : N127 million) and N21 Million (2020 : N88 million) in 2021 respectively was recognised as provision for expected credit losses on trade receivables for the Group and the Company.

Contract assets are initially recognised for revenue earned from services as receipt of consideration is conditional on successful completion of services. Upon completion of services and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities include short and long-term advances received with respect to contracts. The outstanding balances of these accounts reduced in 2021. The reduction in contract liabilities in 2021 was mainly due to some MTN and some other customer contract not renewed at this period.

Performance obligations

Information about the Group and the Company's performance obligations are summarised below:

Performance obligations	When payment is typically due	How standalone selling price is typically determined
IT Infrastructure Services - Sale of goods	At the beginning of the contract period	Observable in transactions without multiple performance obligations
- Rendering of support services	Within 90 days of services being performed	Observable in transactions without multiple performance obligations
Software - Rendering of support services	Within 90 days of services being performed	Observable in transactions without multiple performance obligations
Communications and Integrated Services - Rendering of connectivity services	Within 90 days of services being performed	Observable in transactions without multiple performance obligations
Managed Support Services - Rendering of connectivity services	Within 90 days of services being performed	Observable in transactions without multiple performance obligations

7.2 Revenue from contracts with customers is made up of:

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
IT Infrastructure services	3,666,004	3,181,249	2,154,478	1,643,631
Communications & integrated services	38,942	91,037	38,942	16,794
Managed & support services	5,313,369	6,472,295	5,146,903	5,929,505
Software revenue	2,183,377	1,455,771	681,055	587,136
Platform business	507,083	515,466	507,083	515,466
	11,708,775	11,715,818	8,528,461	8,692,532

8. Cost of sales

OEM and other cost	8,795,196	9,080,002	6,260,213	6,638,481
	8,795,196	9,080,002	6,260,213	6,638,481

Cost of sales is made up of:

IT Infrastructure services	2,958,426	2,770,991	1,711,501	1,398,190
Communications and integrated services	14,635	72,992	14,635	9,052
Managed support services	4,155,520	5,288,416	4,085,610	4,914,515
Software	1,634,202	849,524	416,054	218,644
Platform business	32,413	98,079	32,413	98,079
Total	8,795,196	9,080,002	6,260,213	6,638,480

9. Other income

Sundry income	138,516	120,886	97,735	26,189
Profit on disposal of PPE	5,358	10,947	5,358	10,947
ECL Provisions - Receivables	-	-	-	-
ECL (writeback)/Provisions - Related party	-	717	-	717
ECL Provisions - Contract assets	-	-	-	-
	143,874	132,550	103,093	37,853

10. Administrative expenses

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Audit fee	26,155	24,535	12,000	12,000
Amortisation of intangible assets	76,099	85,428	76,105	85,428
Directors Remuneration	6,377	11,691	5,200	10,825
Depreciation of property, plant and equipment	127,624	120,051	123,612	109,541
Depreciation - ROU Asset	60,412	71,599	50,306	62,656
Salaries and allowances	1,134,451	1,003,249	865,620	745,018
Pension	51,063	43,509	42,159	36,312
Gifts	10,641	7,488	10,641	7,488
Printing, postage and telephone	19,634	22,676	11,809	16,123
Internet subscription	30,859	33,271	30,859	30,338
Transport and travelling	39,713	42,123	29,185	28,160
Accommodation and entertainment	9,789	8,943	9,673	8,943
Professional and accountancy fee	182,397	148,538	179,956	139,244
Welfare	71,855	100,382	47,327	83,651
ECL Provisions - Contract assets	(3,583)	5,467	(3,583)	5,467
ECL Provisions - Receivables	(67,296)	2,624	(67,296)	2,624
ECL Provisions - Related Parties	161	-	161	-
Insurance	30,222	20,027	17,671	17,334
Bank charges	37,312	32,148	22,243	20,004
Rents	27,038	26,510	2,104	7,151
Repairs and maintenance	51,784	52,670	27,570	44,503
Advertisement and sales promotion	50,454	9,163	50,454	1,235
Research and development	9,193	8,051	8,159	6,884
Electricity	5,820	6,160	3,414	4,325
Sundry expenses	168,340	177,719	119,091	131,900
License and registration fees	58,504	35,688	58,422	35,680
	2,215,018	2,099,710	1,732,862	1,652,834

10.1. No non-audit fee has been paid to the auditors in 2021 (2020:Nil)

11. Exchange loss

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Exchange loss	186,865	24,615	189,024	32,340
	186,865	24,615	189,024	32,340

12. Finance cost

Interest on overdraft	14,265	12,678	14,265	12,678
Interest on lease	8,632	15,924	8,632	14,082
Interest on short term loan	25,645	68,681	15,064	50,530
	48,542	97,283	37,961	77,290

13. Finance income

Interest income	9,398	504	9,398	504
	9,398	504	9,398	504

14. Taxation

The Group and the Company 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.

14.1 Income tax expense

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Income tax	132,345	90,293	72,409	21,731
Education tax	23,482	9,201	23,482	9,201
Information technology	4,189	3,299	4,189	3,299
Police trust fund	14	16	14	16
NASENI Levy	1,047	-	1,047	-
Under provision in previous year	-	-	-	-
	161,077	102,809	101,141	34,247
Deferred tax	5,709	1,300	-	-
Income tax expense reported in profit or loss	166,786	104,109	101,141	34,247

14.2 Reconciliation of tax charge

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Profit/(loss) before taxation	616,426	547,262	420,892	329,944
Tax at Nigeria statutory income tax 30%	184,928	164,179	126,268	98,983
Income exempt from tax			-	-
Non-deductible expenses	(32,659)	45,121	(32,659)	40,456
Expenses that are not deductible in determining taxable profit	194,370	-	188,778	-
Impact of tax losses not recognised	(21,521)	(1,374)	(21,521)	(1,374)
Effect of tax adjustments (minimum tax, dividend tax, petroleum trust fund levy, information tax levy)	6,044	25,047	5,250	25,047
Adjustment recognised due to difference in tax rates	-	2,074	-	2,074
Education tax	23,482	9,201	23,482	9,201
Capital allowance	(187,858)	-	(187,858)	-
	166,786	244,248	101,740	174,387
Adjustments recognized in the current period in relation to the deferred tax of prior periods	-	(140,139)	-	(140,139)
Effective tax charge	166,786	104,109	101,740	34,248
Effective tax rate	27%	19%	24%	10%

The tax rate used for 2021 & 2020 reconciliations above is the corporate tax rate of 27% & 19% (for tertiary education tax) payable by corporate entities in Nigeria on taxable profits under tax law in the country.

14.3 Income tax receivable

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
At 1 January	17,163	47,897	-	-
Income tax charge	(17,163)	(30,734)	-	-
At 31 December	-	17,163	-	-

14.4 Income Tax payable

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
At 1 January	130,851	99,337	124,821	95,573
Income tax charge	166,786	104,109	101,141	34,248
Tax paid during the year	(96,534)	(72,595)	(28,532)	(5,000)
Exchange difference	-	-	-	-
WHT credit note utilised	(21,731)	-	(21,731)	-
At 31 December	179,372	130,851	175,699	124,821

14.5 Deferred tax balances

14.5.1 Deferred tax assets

The following is the analysis of the deferred tax assets and liability presented in the consolidated and separate statements of financial position:

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Deferred tax assets	4,234	623	-	-
Deferred tax liabilities (Note 14.5.2)	-	2,098	-	-
Deferred tax (liabilities)/assets	4,234	2,721	-	-

	Group			Company		
	At 1 January balance	Recognised in profit or loss	At 31 December balance	At 1 January balance	Recognised in profit or loss	At 31 December balance
	N'000	N'000	N'000	N'000	N'000	N'000
2021						
Deferred tax assets in relation to:						
Accelerated depreciation for tax purpose	338	-	338	-	-	-
Short-term timing differences	285	3,611	3,896	-	-	-
	623	3,611	4,234	-	-	-
Deferred tax liabilities in relation to:						
Property, plant and equipment	(2,098)	2,098	-	-	-	-
	(2,098)	2,098	-	-	-	-
2020						
Deferred tax liabilities in relation to:						
Property, plant and equipment	(2,775)	677	(2,098)	-	-	-
	(2,775)	677	(2,098)	-	-	-

The deferred tax asset for the Company was not recognised by the Group and the Company during the year based on prudence as there are unabsorbed losses, the balance not recognised in the Group and the Company's books is N445 million (2020: N462 million). The deferred tax recognised by the Group relates to deferred tax liabilities recognised in the books of two of its subsidiaries – CWG Uganda and CWG Ghana as at 31 December 2021.

15. Basic earnings per share	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Profit after taxation	449,640	443,153	319,751	295,697
Number of shares				
Weighted average number of shares for basic earning per share	2,524,826	2,524,826	2,524,826	2,524,826
Effect of dilutive potential share: restricted shares and share options	-	-	-	-
Weighted average number of shares for diluted earnings per share	2,524,826	2,524,826	2,524,826	2,524,826
Earnings per share (kobo)				
- Basic	17.81	17.55	12.66	17.71
- Diluted	17.81	17.55	12.66	17.71

16.a. Property, plant and equipment

Group

	Land N'000	Buildings & building improvements N'000	Plant & Machinery N'000	Furniture & fittings N'000	Office Equipment N'000	Motor vehicle N'000	Loose Tools N'000	Communication equipment N'000	ATM N'000	Capital work- in- progress N'000	Total N'000
Cost											
At 1 January 2020	111,395	173,047	113,744	106,634	259,201	62,776	24,784	1,314,954	43,534	4,460	2,214,529
Additions	-	2,253	929	6,153	37,017	11,200	-	10,832	589	-	68,973
Transfer to inventory	-	-	-	-	-	-	-	-	-	(4,460)	(4,460)
Disposal	-	-	-	(18,451)	(100,022)	(750)	-	-	(29,174)	-	(148,397)
Reclassified	-	-	-	4,312	(4,312)	-	-	-	-	-	-
Exch. Difference	-	-	(1,332)	(3,968)	(11,725)	(9,710)	-	(18,861)	-	-	(45,596)
At 31 December 2020	111,395	175,300	113,341	94,680	180,159	63,516	24,784	1,306,925	14,949	-	2,085,049
At 1 January 2021	111,395	175,300	113,341	94,680	180,159	63,516	24,784	1,306,925	14,949	-	2,085,049
Additions	-	1,673	21,081	4,617	-	6,127	-	103,783	-	-	137,281
Disposal	-	-	(35,869)	-	-	-	-	-	-	-	(35,869)
Write-Off	-	-	-	-	-	-	(24,784)	-	-	-	(24,784)
Reclassified	-	-	-	-	(9,050)	-	-	9,050	-	-	-
Derecognised (Note 16.b.ii)	-	-	-	-	-	-	-	(115,564)	-	-	(115,564)
Transfer (Note 16.b.ii)	-	-	-	-	-	-	-	-	-	-	-
Exch. Difference	-	-	2,077	8,109	44,773	8,165	825	22,246	-	-	86,195
At 31 December 2021	111,395	176,973	100,630	107,406	215,882	77,808	825	1,326,440	14,949	-	2,132,308
Accumulated depreciation											
At 1 January 2020	-	82,167	110,635	89,611	221,010	44,326	24,784	1,108,120	19,445	-	1,700,098
Charge for the year	-	4,234	781	9,798	28,278	6,302	-	65,031	5,627	-	120,051
Disposal	-	-	-	(18,541)	(100,010)	(750)	-	-	(17,761)	-	(137,062)
Reclassified	-	-	-	1,094	(2,037)	-	-	-	-	-	(943)
Exch. Difference	-	(10,685)	833	(5,916)	(10,663)	2,076	-	(19,768)	-	-	(44,123)
At 31 December 2020	-	75,716	112,249	76,046	136,578	51,954	24,784	1,153,383	7,311	-	1,638,021
At 1 January 2021	-	75,716	112,249	76,046	136,578	51,954	24,784	1,153,383	7,311	-	1,638,021
Charge for the year	-	4,702	-	-	-	-	-	75,939	5,031	-	85,672
Disposal	-	-	(35,869)	-	-	-	-	-	-	-	(35,869)
Write-Off	-	-	-	-	-	-	(24,784)	-	-	-	(24,784)
Reclassified	-	-	-	-	(5,635)	-	-	5,635	-	-	-
Derecognised (Note 16.b.ii)	-	-	-	-	-	-	-	(69,820)	-	-	(69,820)
Transfer (Note 16.b.ii)	-	-	-	-	-	-	-	-	-	-	-
Exch. Difference	-	(1)	3,605	18,399	30,659	11,323	-	23,203	1	-	87,189
At 31 December 2021	-	80,417	79,985	94,445	161,602	63,277	-	1,188,340	12,343	-	1,680,409
Carrying amount:											
At 31 December 2021	111,395	96,556	20,645	12,961	54,280	14,531	-	138,100	2,606	-	451,899
At 31 December 2020	111,395	99,584	1,092	18,634	43,581	11,562	-	153,542	7,638	-	447,028

16.b. Property, plant and equipment

Company

	Land N'000	Buildings & building improvements N'000	Plant & Machinery N'000	Furniture & fittings N'000	Office Equipment N'000	Motor vehicle N'000	Loose Tools N'000	Communication equipment N'000	ATM N'000	Capital work- in- progress N'000	Total N'000
Cost											
At 1 January 2020	111,395	173,047	110,552	91,640	221,635	38,325	24,784	1,296,093	43,534	4,460	2,115,465
Additions	-	2,253	929	6,153	33,464	11,200	-	10,832	589	-	65,420
Transfer to inventory	-	-	-	-	-	-	-	-	-	(4,460)	(4,460)
Disposal	-	-	-	(18,451)	(100,022)	(750)	-	-	(29,174)	-	(148,397)
Reclassified	-	-	-	4,312	(4,312)	-	-	-	-	-	-
At 31 December 2020	111,395	175,300	111,481	83,654	150,765	48,775	24,784	1,306,925	14,949	-	2,028,028
At 1 January 2021	111,395	175,300	111,481	83,654	150,765	48,775	24,784	1,306,925	14,949	-	2,028,028
Additions	-	1,673	21,081	4,617	37,950	6,127	-	103,304	-	-	174,752
Disposal	-	-	(35,869)	-	-	-	-	-	-	-	(35,869)
Write-Off	-	-	-	-	-	-	(24,784)	-	-	-	(24,784)
Reclassified	-	-	-	-	(9,050)	-	-	9,050	-	-	-
Derecognised (Note 16.b.ii)	-	-	-	-	-	-	-	(115,564)	-	-	(115,564)
Transfer (Note 16.b.ii)	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2021	111,395	176,973	96,693	88,271	179,665	54,902	-	1,303,715	14,949	-	2,026,563
Accumulated depreciation											
At 1 January 2020	-	71,481	110,158	75,802	189,053	36,952	24,784	1,088,351	19,445	-	1,616,025
Charge for the year	-	4,234	347	8,683	23,875	1,833	-	65,031	5,628	-	109,631
Disposal	-	-	-	(18,541)	(100,010)	(750)	-	-	(17,761)	-	(137,062)
Reclassified	-	-	-	1,094	(2,037)	-	-	-	-	-	(943)
At 31 December 2020	-	75,715	110,505	67,038	110,881	38,035	24,784	1,153,382	7,312	-	1,587,651
At 1 January 2021	-	75,715	110,505	67,038	110,881	38,035	24,784	1,153,382	7,312	-	1,587,651
Charge for the year	-	4,702	1,679	8,633	24,497	3,243	-	75,939	5,031	-	123,724
Disposal	-	-	(35,869)	-	-	-	-	-	-	-	(35,869)
Write-Off	-	-	-	-	-	-	(24,784)	-	-	-	(24,784)
Reclassified	-	-	-	-	(5,635)	-	-	5,635	-	-	-
Derecognised (Note 16.b.ii)	-	-	-	-	-	-	-	(69,820)	-	-	(69,820)
Transfer (Note 16.b.ii)	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2021	-	80,417	76,315	75,671	129,743	41,278	-	1,165,136	12,343	-	1,580,902
Carrying amount:											
At 31 December 2021	111,395	96,556	20,378	12,600	49,922	13,624	-	138,579	2,606	-	445,661
At 31 December 2020	111,395	99,585	976	16,616	39,884	10,740	-	153,543	7,637	-	440,377

i.) There was no interest capitalised as part of Property, Plant and Equipment (PPE) during the year. The net carrying amount of leased assets as at 31 December 2021 is Nil (2020: Nil). Also, there was no existence or restrictions on the title to the Group and the Company's PPE. No contractual commitment on any of the Group and the Company's PPE.

ii.) The asset "Entersekt Data center Readiness (I-CWG-00013)" was partly derecognized in the year. The amount derecognized (115m) is a contingent liability. In 2019 the client signed a business contract with the asset supplier and they were optimistic the business will work, based on that they paid 51m to purchase the asset (part payment) and recognized the remaining 115m as contingent liability that incase the business works they will have to borrow the 115m and pay completely for the asset. N51m was paid and the asset was been delivered, therefore 166million was capitalized and depreciation commenced. In Dec 2021, the client established that the business was not forthcoming and the asset will be bought back and decided to write-off the portion of the provision capitalized. The details of the buyback is being finalized with the supplier.

17. Intangible asset

Cost:	The Group/ The Company		
	Software N'000	Licences N'000	Total N'000
At 1 January 2020	569,093	25,610	594,703
Additions	-	-	-
At 31 December 2020	569,093	25,610	594,703
At 1 January 2021	569,093	25,610	594,703
Additions	-	2,667	2,667
At 31 December 2021	569,093	28,277	597,370
Amortisation;			
At 1 January 2020	327,592	25,610	353,202
Amortisation charge for the year	85,428	-	85,428
At 31 December 2020	413,020	25,610	438,630
At 1 January 2021	413,020	25,610	438,630
Amortisation charge for the year	75,861	244	76,105
At 31 December 2021	488,881	25,854	514,735
Carrying amount			
At 31 December 2021	80,212	2,423	82,635
At 31 December 2020	156,073	2,667	156,073

The intangible assets are in respect of software for Vericash project with a net book value of N77million (2020: N156million). The software is deemed to have a finite useful life and thus amortised over a period of 3 - 5 years.

18. Investment in subsidiaries

The subsidiaries are set up to carry out the supply, installation, integration, maintenance and support of hardware, software, consultancy, and communications and managed services in Ghana, Uganda and Cameroun.

	% Holding	Company		Company	
		Licences N'000	Total N'000	Licences N'000	Total N'000
CWG Cameroun	100	-	-	883	883
CWG Ghana	100	-	-	272,098	272,098
CWG Uganda	100	-	-	303	303
		-	-	273,284	273,284

18.1 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.

Summary of statement of profit or loss and other comprehensive income:	CWG Ghana		CWG Uganda		CWG Cameroon	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Revenue	1,679,119	1,436,024	1,481,173	1,559,685	20,023	27,578
Operating expenses	(1,280,843)	(1,061,102)	(1,237,607)	(1,355,582)	(16,534)	(24,837)
Administrative expenses	(291,082)	(299,678)	(177,354)	(123,419)	(13,726)	(23,776)
Other operating income	40,619	90,390	-	-	-	-
Exchange gain/(loss)	2,425	8,865	(265)	(1,140)	-	-
Finance cost	(3,583)	-	(6,999)	(19,994)	-	-
Profit before taxation	146,655	174,499	58,948	59,550	(10,237)	(21,035)
Income tax expense	(36,072)	(53,180)	(29,132)	(16,075)	(441)	(607)
Profit/(loss) for the year	110,583	121,319	29,816	43,475	(10,678)	(21,642)
Other comprehensive (loss)/ income	94,052	(95,066)	(33,149)	27,012	(16,530)	(4,031)
Total comprehensive income/(loss)	204,635	26,253	(3,333)	70,487	(27,208)	(25,673)
Attributable to:						
Equity holders of parent	204,635	26,253	(3,333)	70,487	(27,208)	(25,673)
Summary of statement of financial position:						
Inventories and cash and short-term deposits	82,077	165,926	127,892	168,633	177	996
Trade and other receivables and prepayment	1,056,424	72,041	81,416	36,537	(96,828)	(94,743)
Property, plant and equipment	5,490	5,545	-	-	748	1108
Right-of-use assets	-	-	20,263	6,263	-	-
Income tax receivable	-	17,163	-	-	-	-
Deferred tax (liabilities)/assets	665	(2,098)	3,569	623	-	-
Trade and other payables and contract liabilities	(586,231)	(556,396)	(154,279)	(94,453)	(60,136)	(36,616)
Interest-bearing loans and borrowings	-	-	(65,623)	(118,368)	-	-
Lease liability	(3,232)	-	-	(6,013)	(440)	(17)
Income tax payable						
Total equity	555,193	(297,819)	(16,050)	(12,125)	(156,479)	(129,272)

19. Financial assets measured at FVOCI

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
At 1 January	11,365	13,553	11,365	13,553
Proceed from disposal	-	-	-	-
Gain on disposal	-	-	-	-
Fair value	6,999	(2,188)	6,999	(2,188)
At 31 December	18,364	11,365	18,364	11,365

The Group and the Company recognise gain/(loss) on financial assets measured at FVOCI within the other comprehensive income. The fair value of the equity instrument is N6.9million as at 31 December 2021 (2020: -N2.2million).

	Level 1 N'000	Level 2 N'000	Level 3 N'000
At 31 December 2021			
Financial assets measured at FVOCI: Quoted equity	18,364	-	-
At 31 December 2021			
Financial assets measured at FVOCI: Quoted equity	11,365	-	-

20. Inventories

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
ATM & Other inventory items	361,084	440,158	361,084	440,158
Work in progress	223,158	145,356	150,653	145,357
Total inventories	584,242	585,514	511,737	585,515

20.1.

Inventories value of N584 million (2020: N586 million) were carried at net realisable value. No amount was charged to statement of profit or loss and other comprehensive income in respect of written down value of inventories to net realizable value (2020: Nil). During the year 31 December 2021, NIL (2020: Nil) was recognised as expense for inventories and WIP carried at net realisable value. This is recognised in cost of sales.

21. Trade & other receivable

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Trade receivable (Note 21.1)	1,110,155	1,075,151	186,151	369,169
Expected credit losses (Note 21.3)	(24,551)	(126,889)	(20,953)	(88,249)
	1,085,604	948,262	165,198	280,920
Contract assets (Note 21.4)	797,736	723,412	797,098	680,777
Other receivables (Note 21.2)	-	-	74,363	25,215
Due from related parties (Note 21.6)	-	-	154,326	152,465
Withholding tax receivables	4,221,142	3,627,366	4,064,737	3,509,905
	6,104,482	5,299,040	5,255,722	4,649,282

21.1

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.

21.2

Other receivables consist largely of debit balances in trade creditors.

21.3. Expected credit loss- Trade receivable

At 1 January	126,889	85,625	88,249	85,625
Additional provision for expected credit loss	-	41,264	-	2,624
Bad debt written off	-	-	-	-
Write back during the year	(102,338)	-	(67,296)	-
	24,551	126,889	20,953	88,249

At 31 December 2021, there was write back of NIO3.5million (2020: Nil) in the ECL provisions on trade and other receivables. The computation in line with the requirements of IFRS 9 resulted in impairment provision for impairment of Nil as at 31 December 2021 (2020: 2.6million).

21.4. Contract assets

Contract assets relates to unbilled revenue at the end of the year. In line with the application of the standard on impairment of financial instruments, the below represents contract assets balances as at reporting date.

Contract assets - gross	838,760	729,642	799,745	687,007
Expected credit losses (Note 21.5)	(41,024)	(6,230)	(2,647)	(6,230)
	797,736	723,412	797,098	680,777

21.5 Expected credit losses - Contract assets

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
At 1 January	6,230	763	6,230	763
Additional provision for expected credit loss	34,794	5,467	-	5,467
Write back during the year	-	-	(3,583)	-
	41,024	6,230	2,647	6,230

ECL computations in line with the requirements of IFRS 9 result in Expected credit loss provision of N41 million as at 31 December 2021 and N6.23 million as at 31 December 2020.

21.6 Due from/(to) related parties

The aggregate value of transactions and outstanding balances relating to these entities were as follows:

Related Parties	Nature of Transactions	Relationship	2021		2020	
			Due from related parties N'000	Due to related parties N'000	Due from related parties N'000	Due to related parties N'000
CWG Ghana	Advances and payment of salaries	Subsidiary	-	91,064	-	89,000
CWG Uganda	Advances and payment of salaries	Subsidiary	54,091	-	57,815	-
CWG Cameroun	Advances and payment of salaries	Subsidiary	104,704	-	98,957	-
ECL on Intercompany receivables			(4,469)	-	(4,307)	-
Net amounts due from/(to) related parties			154,326	91,064	152,465	89,000

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 2021, the Group and the Company has recorded provision for ECL of N4.5 million on the receivables relating to amounts due from related parties (2020: N4.3 million). 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.

22. Prepayments

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Project costs	51,443	514,087	51,443	514,087
Staff advances	9,858	12,835	10,050	10,991
Other prepayments	103,403	103,443	72,766	88,527
	164,704	630,365	134,259	613,605

Other prepayments are mainly attributable to prepaid equity contribution for staff cars, insurance and other prepaid charges during the year. The advances are expected to be paid within one year. The carrying value of these items approximates their fair values due to short term nature of the transactions.

23. Cash and cash equivalents

For the purposes of the consolidated statements of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts and restricted cash. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statements of cash flows can be reconciled to the related items in the consolidated statements of financial position.

Cash in hand	1,224	1,521	693	862
Cash at bank	874,367	817,072	737,258	482,176
Short term deposits	34,286	13,964	34,286	13,964
Restricted Cash	6,940	-	6,940	-
Gross cash and bank balances	916,817	832,557	779,177	497,002
Cash and bank balances as per statement of financial position	916,817	832,557	779,177	497,002
Restricted Cash	-	-	-	-

23.1 Bank overdrafts

	#REF!	(7,568)	-	(7,568)
Cash and bank balances as per statement of cash flows	#REF!	824,989	779,177	489,434

24. Share capital

Authorised:				
3,500,000,000 ordinary shares of 50kobo each	1,750,000	1,750,000	1,750,000	1,750,000

24.1 Issued and fully paid:

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
2,524,826,359 ordinary shares of 50 kobo each	1,262,413	1,262,413	1,262,413	1,262,413

24.2 Share premium

At 1 January	1,852,748	1,852,748	1,852,748	1,852,748
Utilized during the year (Note 24.2.b)	(1,852,748)	-	(1,852,748)	-
At 31 December	-	1,852,748	-	1,852,748

- (a) The share premium is excess amount received over and above the par value of the shares. It forms part of the non-distributable reserves of the Group and the Company which can be used only for the purposes specified under Companies and Allied Matters Act, CAP C20, LFN 2020.
- (b) i. The Share Capital Restructuring did not affect the Company's Issued Share Capital but should result in a reduction of the credit balance in the Company's Share Premium Account, while leaving the aggregate shareholders' funds unchanged. It has no impact on the Company's creditors but, pave the way for the Company's investors to receive dividends out of the Company's future profits.
- ii. As at 31st December 2020, the Company carried accumulated losses of N2,498,515,000 in its Statement of Financial position, in order to address this, the entire Share Premium Account of N1,852,748,000 has been applied to reduce the Company's accumulated losses to N645,767,000 and consequently bring the Company a step further on its pathway to positive retained earnings.
- iii. The effect of the restructuring on the equity position on the Balance Sheet prior to and subsequent to the restructuring is indicated in the financial statement.
- iv. The restructuring will lay a foundation for better performance for the Company and improve its competitiveness in its sector/industry as well as improve the potential for the Company to pay dividends to its shareholders in the near future.

24.3 Accumulated losses

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
At 1 January	(2,455,582)	(2,898,736)	(2,498,513)	(2,794,210)
Utilized during the year (Note 24.2.b)	1,852,748	-	1,852,748	-
Profit or Loss for the year	449,640	443,154	319,751	295,697
At 31 December	(153,194)	(2,455,582)	(326,014)	(2,498,513)

The Group and the Company's accumulated losses comprises of the Group and the Company's accumulated loss, net of distribution made to equity holders.

24.4 FV reserve of FA designated at FVOCI

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
At 1 January	3,974	6,162	3,974	6,162
Transfer from retained earnings	-	-	-	-
OCI for the year	6,998	(2,188)	6,998	(2,188)
At 31 December	10,972	3,974	10,972	3,974

The reserve comprises the cumulative net change in the fair value of the Group and the Company's financial assets measured at FVOCI.

24.5 Foreign currency translation reserve

At 1 January	(103,345)	(30,667)	-	-
Exchange differences on translating foreign operations	40,841	(72,678)	-	-
At 31 December	(62,504)	(103,345)	-	-

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 and the Parent Company.

25. Trade & other payables

Trade payables	2,571,154	3,038,975	2,024,061	2,323,721
Due to related party (Note 21.6)	-	-	91,064	89,000
Other payables (Note 25.1)	2,971,789	2,735,205	2,844,132	2,736,966
Accruals	1,224,386	987,963	1,188,518	924,989
	6,767,329	6,762,143	6,147,775	6,074,676

The accruals relate to provision for pension, Pay-As-You Earned, Industrial Training Funds (ITF) and accruals for cost of goods sold.

25.1 Other payables	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Value added taxes	2,577,591	2,412,998	2,504,823	2,414,918
Withholding Tax	312,301	309,520	327,126	309,361
Unclaimed dividend	6,840	6,178	6,840	6,178
Sundry creditors	75,057	6,509	5,343	6,509
	2,971,789	2,735,205	2,844,132	2,736,966

Terms and conditions of the above Trade and other payables:

- 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

26. Lease liability

Lease under IFRS 16 (Note 26.1)	74,481	53,082	45,193	89,544
	74,481	53,082	45,193	89,544
Current portion	54,371	32,972	25,083	27,626
Non-current portion	20,110	20,110	20,110	20,110
	74,481	53,082	45,193	47,736

26.1 Movement in lease liability

At 1 January	53,082	103,822	47,736	89,544
Additions during the year	22,803	-	22,803	-
Accretion of interest	(4,714)	17,083	(4,714)	14,081
Repayment of principal during the year	(12,000)	(50,434)	(12,000)	(41,808)
Repayment of interest during the year	(8,632)	(17,083)	(8,632)	(14,081)
Exchange difference	23,942	(306)	-	-
At 31 December	74,481	53,082	45,193	47,736

26.2 Group/Company as a Lessee

The group and the Company has lease contracts for rented office buildings, guesthouses, warehouses, motor vehicles for key management staff and generators for the Group and the Company's operations. Leases of rented office buildings generally have lease terms between 2 and 3 years, while guest houses has 1 to 2 years lease term. The group and the Company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension options, which are further discussed below.

The group and the Company also has certain leases of office building, guesthouses and warehouses with lease terms of less than 12 months. The Group and the Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

The Group	Guest Houses N'000	Office Building N'000	Plant & Machinery N'000	Motor Vehicle N'000	Total N'000
Cost					
At 1 January 2020	22,568	92,471	58,960	66,178	240,177
Addition	3,500	26,711	-	-	30,211
Disposal	-	-	-	(32,419)	(32,419)
At 31 December 2020	26,068	119,182	58,960	33,759	237,969
At 1 January 2021	26,068	119,182	58,960	33,759	237,969
Additions	4,607	70,894			75,501
Disposal	-		-	-	-
Exchange difference	-	4,868			4,868
At 31 December 2021	30,675	194,944	58,960	33,759	318,338
DEPRECIATION					
At 1 January 2020	17,959	40,704	28,327	39,172	126,162
Depreciation charge for the year	6,068	42,351	14,740	8,440	71,599
Disposal	(32,419)	-	-	-	(32,419)
At 31 December 2020	(8,392)	83,055	43,067	47,612	165,342
At 1 January 2021	(8,392)	83,055	43,067	47,612	165,342
Depreciation charge for the year	2,426	41,379	8,167	8,440	60,412
Disposal	-	-	-	-	-
Exchange difference	-	3,331	-	-	3,331
At 31 December 2021	(5,966)	127,765	51,234	56,052	229,085
Carrying value					
At 31 December 2021	36,641	67,179	7,726	(22,293)	89,253
At 31 December 2020	34,460	36,127	15,893	(13,853)	72,627

The Company	Guest Houses N'000	Office Building N'000	Plant & Machinery N'000	Motor Vehicle N'000	Total N'000
Cost					
At 1 January 2020	22,568	69,165	58,960	66,178	216,871
Addition	3,500	26,711	-	-	30,211
Disposal	-	-	-	(32,419)	(32,419)
At 31 December 2020	26,068	95,876	58,960	33,759	214,663
At 1 January 2021	26,068	95,876	58,960	33,759	214,663
Additions	4,607	47,736			52,343
At 31 December 2021	30,675	143,612	58,960	33,759	267,006
Accumulated depreciation					
At 1 January 2020	17,953	32,018	28,327	39,172	117,470
Depreciation charge for the year	6,068	33,408	14,740	8,440	62,656
Disposal	-	-	-	(32,419)	(32,419)
At 31 December 2020	24,021	65,426	43,067	15,193	147,707
At 1 January 2021	24,021	65,426	43,067	15,193	147,707
Depreciation charge for the year	2,426	31,274	8,167	8,440	50,307
At 31 December 2021	26,447	96,700	51,234	23,633	198,014
Carrying value					
At 31 December 2021	4,228	46,912	7,726	10,126	68,992
At 31 December 2020	2,047	30,450	15,893	18,566	66,956

27. Short-term interest-bearing loans and borrowings

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Interest-bearing loans and borrowings (Note 27.1)	151,370	257,226	85,747	138,858
Bank overdrafts (Note 23.1)	-	7,568	-	7,568
	151,370	264,794	85,747	146,426

27.1 Interest-bearing loans and borrowings

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Stanbic Bank Uganda (Note 27.1.1)	65,623	118,368	-	-
Stanbic IBTC Nigeria	34,507	-	34,507	-
Globus Bank Nigeria	51,240	-	51,240	-
United Bank for Africa Nigeria (Note 27.1.2)	-	138,858	-	138,858
	151,370	257,226	85,747	138,858

27.2 Movement in Interest-bearing loans and borrowings

At 1 January	257,225	389,553	138,858	237,000
Additions during the year	252,276	1,538,400	188,000	1,538,400
Interest accrued	25,645	69,190	15,069	50,530
Repayment of loan principal during the year	(378,116)	(1,636,542)	(241,111)	(1,636,542)
Repayment of interest during the year	(25,645)	(112,186)	(15,069)	(50,530)
Exchange difference	19,984	8,810	-	-
At 31 December	151,369	257,225	85,747	138,858

27.1.1 Stanbic Bank Uganda

CWG Uganda was granted a Bank Guarantee facility by Stanbic IBTC Bank to enable the organisation execute and deliver on contract awarded to the organisation. The facility amount granted was USD 500,000 for the period of 12 months, and renewable every year at interest of 15% per annum.

27.1.2 United Bank for Africa Nigeria

CWG Nigeria on 17 November 2020 was granted a multiple facilities of N2.555BN comprising of IFF/ITF Line of N385m, Overdraft of N200m, Invoice Discounting Facility (IDF) of N800m, Advance Payment guarantee of N385m, Contract Finance of N400m which contains a total amount of N300m; at Interest rate of 14% per annum and Bonds and guarantee Line of N385m at 0.5% Issuance fee. The facilities were for importation of Hardwares such as ATM, Servers etc, also to discount invoices of about 70%, for the period of 12 months.

28. Contract liability

At 1 January	279,179	346,872	279,178	225,414
Arising during the year	-	7,855,914	-	7,855,914
Released to profit or loss	(92,788)	(7,923,607)	(111,132)	(7,802,150)
At 31 December	186,391	279,179	168,046	279,178

29. Emoluments of directors and employees

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Directors' emoluments comprise:				
Fees	6,377	11,691	5,200	10,825
Other remuneration	47,242	47,242	47,242	47,242
	53,619	58,933	52,442	58,067
Highest paid director	47,242	47,242	47,242	47,242

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

	Number	Number	Number	Number
Technical	444	414	427	394
Non-technical	100	115	83	108
	544	529	510	502

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

	Number	Number	Number	Number
Up to N1,000,000				
N1,000,001 - N2,000,000	2	4	4	4
N2,000,001 - N3,000,000	2	-	-	-
Above N3,000,000	-	-	-	-
	1	1	1	1
	5	5	5	5
	1	1	1	1
Executive Directors	5	5	5	5
Non-Executive Directors	6	6	6	6

29.1 Staff Costs - Salaries and allowances:

	N'000	N'000	N'000	N'000
Wages, Salaries, allowances	1,134,451	1,003,249	865,620	745,018
Pension costs	51,063	43,509	42,159	36,312
Other benefits- Welfare	71,855	100,382	47,327	83,651
	1,257,369	1,147,140	955,106	864,981

The numbers of employees with gross emoluments within the bands stated below were:	Group		Company	
	2021	2020	2021	2020
	Number	Number	Number	Number
Up to N 1,000,000	147	160	139	160
N 1,000,001 - N 2,000,000	203	232	195	220
N 2,000,001 - N 3,000,000	42	84	40	74
Above N 3,000,000	152	53	136	48
	544	529	510	502

29.2 Transactions with key management personnel

Compensation of key management personnel of the Group and the Company

Short-term employment benefits	47,242	47,242	47,242	47,242
Fees paid for meetings attended	6,377	11,691	5,200	10,825
Total compensation paid to key management personnel	53,619	58,933	52,442	58,067

30. Commitments and contingencies

The Group and the Company has various lease contracts that have not yet commenced as at 31 December 2021.

	Minimum payments N'000	Present value of payments N'000	Minimum payments N'000	Present value of payments N'000
Within one year	25,083	25,083	27,626	27,626
After one year but not more than five years	20,110	20,110	20,110	20,110
Total minimum lease payments	45,193	45,193	47,736	47,736
Less: Amount representing finance charge	-	-	-	-
Present value of minimum lease payments	45,193	45,193	47,736	47,736

31. Events after the reporting year

There were no significant events after the reporting date that could affect the reported amount of assets and liabilities as of the reporting date

32. Comparative figures

Where necessary, comparative figures have been reclassified to ensure proper disclosure and uniformity with current year's presentation. These re-classifications have no net impact on these financial statements.



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Other National Disclosures

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CONSOLIDATED STATEMENT OF VALUE ADDED

For the Year Ended 31 December 2021

	Group				Company			
	2021 N'000	%	2020 N'000	%	2021 N'000	%	2020 N'000	%
Revenue	11,708,775		11,715,818		8,528,461		8,692,532	
Other income	143,874		132,550		103,093		37,853	
	11,852,649		11,848,368		8,631,554		8,730,385	
Bought-in-material:								
- Local	(9,671,886)		(9,780,905)		(6,967,572)		(7,200,544)	
Value added	2,180,763	100	2,067,463	100	1,663,982	100	1,529,841	100
Applied as follows:-								
To pay employees								
- Wages, salaries and other staff costs	1,257,369	59	1,147,140	55	955,106	57	864,981	57
To pay government								
- Corporate tax	166,786	8	104,109	5	101,141	6	34,248	2
To pay provider of capital								
- Interest expense and similar charges	48,542	3	97,283	5	37,961	2	77,290	5
To provide for replacement of assets dividend to shareholders and development of business								
- Deferred tax write back	(5,709)	(0)	(1,300)	(0)	-	-	-	-
- Depreciation and amortization	264,135	12	277,078	13	250,023	15	257,625	17
Profit for the year	449,640	20	443,153	21	319,751	19	295,697	19
Value added	2,180,763	100	2,067,463	100	1,663,982	100	1,529,841	100

Value added represents the additional wealth which the company has been able to create by its own and its employees effort. The statements shows the allocation of that wealth among the employees, capital providers, Government and that retained for creation of more wealth.

FINANCIAL SUMMARY - GROUP

For the Year Ended 31 December 2021

	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
Statement of financial position					
Assets employed					
Non current assets	646,385	687,716	883,501	631,606	1,197,413
Current assets	7,770,245	7,364,639	7,458,710	9,684,743	11,295,747
Total assets	8,416,630	8,052,355	8,342,211	10,316,349	12,493,160
Liabilities					
Creditors within one year	7,338,833	7,469,939	8,111,538	10,194,856	10,889,980
Creditors due after one year	20,110	22,208	38,753	6,850	29,663
Total liabilities	7,358,943	7,492,147	8,150,291	10,201,706	10,919,643
Capital employed					
Issued share capital	1,262,413	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
Accumulated losses	(153,194)	(2,455,582)	(2,898,736)	(2,971,646)	(1,527,895)
Fair value reserve of financial assets at FVOCI	10,972	3,974	6,162	6,162	11,994
Foreign currency translation reserve	(62,504)	(103,345)	(30,667)	(35,034)	(25,743)
Total equity and liabilities	8,416,630	8,052,355	8,342,211	10,316,349	12,493,160
Statement of profit or loss account and other comprehensive income					
Revenue	11,708,775	11,715,818	9,566,537	7,755,122	8,827,460
Direct costs	(8,795,196)	(9,080,002)	(7,241,345)	(5,898,460)	(6,308,233)
Gross profit	2,913,579	2,635,816	2,325,192	1,856,662	2,519,227
Other income	143,874	132,550	1,139,175	142,213	80,139
Administrative expenses	(2,215,018)	(2,099,710)	(2,533,078)	(3,293,162)	(3,329,996)
Exchange loss/ (gain)	(186,865)	(24,615)	(224,551)	238,382	(659,881)
Finance costs	(48,542)	(97,283)	(73,121)	(60,374)	(125,912)
Finance income	9,398	504	391	1,525	5,754
Profit/(loss) on ordinary activities before tax	616,426	547,262	634,008	(1,114,754)	(1,510,669)
Income tax expense	(166,786)	(104,109)	(561,266)	(31,484)	(65,761)
Profit/(loss) after taxation	449,640	443,153	72,742	(1,146,238)	(1,576,430)
Earning/(loss) per share - basic (kobo)	0.18	0.18	0.03	(0.45)	(0.62)
Net Asset per share (kobo)	3.33	3.19	3.30	4.09	4.95

FINANCIAL SUMMARY - COMPANY

For the Year Ended 31 December 2021

	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
Assets employed					
Non current assets	888,936	948,055	1,127,177	3,015,000	3,041,185
Current assets	6,680,895	#REF!	6,292,849	906,622	840,190
Total assets	7,569,831	#REF!	7,420,026	3,921,622	3,881,375
Liabilities					
Creditors within one year	6,602,350	6,652,727	7,056,935	1,577,688	1,826,115
Creditors due after one year	20,110	20,110	35,978	554,100	323,838
Total liabilities	6,622,460	6,672,837	7,092,913	2,131,788	2,149,953
Capital employed					
Issued share capital	1,262,413	1,262,413	1,262,413	828,850	828,850
Share premium	-	1,852,748	1,852,748	575,391	575,391
Accumulated losses	(326,014)	(2,498,513)	(2,794,210)	382,553	366,772
Fair value reserve of financial assets at FVOCI	10,972	3,974	6,162	-	-
Foreign currency translation reserve	-	-	-	3,040	(39,591)
Total equity and liabilities	7,569,831	7,293,459	7,420,026	3,921,622	3,881,375
Statement of profit or loss account and other comprehensive income					
Revenue	8,528,461	8,692,532	7,090,060	6,018,112	6,211,629
Direct costs	(6,260,213)	(6,638,481)	(5,215,724)	(4,641,243)	(4,201,517)
Gross profit	2,268,248	2,054,051	1,874,336	1,376,869	2,010,112
Other income	103,093	37,853	1,097,461	141,940	78,939
Administrative expenses	(1,732,862)	(1,652,834)	(2,074,194)	(2,906,239)	(2,824,754)
Exchange loss/ (gain)	(189,024)	(32,340)	(245,864)	246,849	(691,283)
Finance costs	(37,961)	(77,290)	(60,830)	(50,195)	(114,747)
Finance income	9,398	504	391	1,525	5,754
Profit/(Loss) on ordinary activities	420,892	329,944	591,300	(1,189,251)	(1,535,979)
Profit/(loss) before taxation	420,892	329,944	591,300	(1,189,251)	(1,535,979)
Income tax expense	(101,141)	(34,247)	(547,868)	(38,314)	-
Profit/(loss) after taxation	319,751	295,697	43,432	(1,227,565)	(1,535,979)
Earning/(loss) per share - basic (kobo)	0.13	0.12	0.02	(0.49)	(0.61)

Proxy Form.

17TH ANNUAL GENERAL MEETING OF CWG PLC TO BE HELD AT LILYGATE HOTEL 2, OLUBUNMI OWA ON THURSDAY 23RD JUNE 2022 AT 10.00 AM PROMPT

I/We _____ being a member/members of CWG PLC hereby appoint _____ or failing him, the selected proxy on the list below (please select a proxy from the list provided below) as my/our proxy to vote for me/us at the General General Meeting of the Company to be held on 23rd June, 2022 and at any adjournment thereof.

Shareholder's Signature _____ Dated this _____ day of _____ 2022.

To be effective, the Form of Proxy should be duly stamped by the Commissioner for Stamp Duties and signed before posting it to the address shown overleaf not later than 48 hours before the time for holding the meeting.

The Proxy Form should not be completed and sent to the address overleaf if the member will be attending the Meeting.

Please indicate with an "x" in the appropriate square how you wish your votes to be cast on the resolution set out below. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

#	ORDINARY BUSINESS	FOR	AGAINST	ABSTAIN
1	To lay before the Members, the Report of the Directors', the audited Statements of Financial Position of the Company, together with the Statement of Comprehensive Income for the year ended 31 st December 2021 and the Reports of the Auditors and the Audit Committee thereon			
2	To elect Directors			
3	To re-appoint PKF Professional Services as the Auditors of the Company and authorize the Directors to fix their remuneration			
4	To disclose the remuneration of the Managers of the Company.			
5	To elect members of the Statutory Audit Committee			
	SPECIAL BUSINESS:			
6	To approve the remuneration of the Directors for the financial year 2022.			

FOR COMPANY'S USE ONLY

Full Name and Address of Shareholder

Number of Shares held:

Admission Form

Please Admit

_____ to the Annual General Meeting of CWG Plc. to be held at Lilygate Hotel 2, Olubunmi Owa Street, Lekki Phase 1, Lagos by Proxies, 10:00am on Thursday 23rd June 2022.

Signature of the person attending

Notes:

1. A member (shareholder) who is unable to attend the Annual General Meeting is allowed to appoint a Proxy to attend and vote instead of him/her.

The Proxy Form has been prepared to enable you to exercise your right to vote if you cannot personally attend the meeting.

2. In line with CAC Guidelines, attendance of the AGM shall be by Proxy only. Shareholders are required to appoint a proxy of their choice from the list of nominated persons below:

- Mr. Philip Obioha
- Mr. Austin Okere
- Mr. Adewale Adeyipo
- Alhaji Ajani Wahab
- Mr. Robert Ibekwe

3. Please sign the Proxy if you are not attending the Meeting, have it duly stamped by the Commissioner for Stamp Duties, and post it so as to reach the Registrars Cordros Registrars, 21, Norman Williams Street, Ikoyi Lagos or the Company Secretary, DCSL Corporate Services Limited, 235, Ikorodu Road, Lagos not later than 48 hours before the time of holding the meeting.

4. This Admission Form must be produced by the Shareholder or his proxy in order to obtain entrance to the Annual General Meeting.

5. Shareholders or their Proxies are required to sign the Admission Form before attending the Meeting.



DCSL Corporate Services Limited
(Company Secretaries)



2021 ANNUAL REPORT
AND ACCOUNTS



Block 54, 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

