

COMPUTER WAREHOUSE GROUP PLC

LAGOS, NIGERIA

REPORT OF THE DIRECTORS

AND

CONSOLIDATED AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

COMPUTER WAREHOUSE GROUP PLC

REPORT OF THE DIRECTORS AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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COMPUTER WAREHOUSE GROUP PLC

REPORT OF THE DIRECTORS AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

CORPORATE INFORMATION

DIRECTORS

Chief Willie Belonwu
Austin Okere

Philip Obioha
James Agada
Abiodun Fawunmi
Ravi Sharma
Emmanuel Ijewere

Chairman
(Managing Director/
Chief Executive Officer)
Director-COO
Director-CTO
Non-executive
Non-executive (British)
Non-executive (Appointed 17 April 2014)

REGISTERED OFFICE

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

AUDITORS

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

SOLICITORS

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

BANKERS

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

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

REGISTRAR

Africa Prudential Registrars Plc
220B, Ikorodu Road
Palmgroove
Lagos

COMPUTER WAREHOUSE GROUP PLC

REPORT OF THE DIRECTORS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2014

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

LEGAL FORM

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is the enablement of business through provision of integrated systems and cloud services

STATE OF AFFAIRS

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

RESULTS FOR THE YEAR

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

DIVIDEND

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

PROPERTY, PLANT AND EQUIPMENT

Information relating to movement in property, plant and equipment is shown in Note 14 to the financial statements. In the opinion of the Directors, the market values of the Group's properties are not less than the value shown in these financial statements.

DIRECTORS INTEREST IN CONTRACTS

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 of any discloseable interest in contracts with which the Company is involved as at 31 December 2014.

COMPUTER WAREHOUSE GROUP PLC
REPORT OF THE DIRECTORS – Continued
FOR THE YEAR ENDED 31 DECEMBER 2014

DONATIONS

The company made a donation of ₦5,994,540 to charitable organization during the year ended 31 December 2014 (2013: ₦5,862,096).

DIRECTORS

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

Chief Willie Belonwu	Chairman
Austin Okere	Managing Director/Chief Executive Officer
Philip Obioha	Director - COO
James Agada	Director - CTO
Abiodun Fawunmi	Non Executive
Ravi Sharma	Non-Executive – British
Emmanuel Ijewere	Non-executive (Appointed 17 April 2014)

SHARE HOLDINGS AND SUBSTANTIAL INTEREST IN SHARES

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

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

DIRECTORS' INTERESTS

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

EMPLOYMENT AND EMPLOYEES

1. Employment of Physically Challenged Persons

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

2. Welfare

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

3. Training

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

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

COMPUTER WAREHOUSE GROUP PLC

REPORT OF THE DIRECTORS – Continued

FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL COMMITMENTS

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

EVENTS AFTER REPORTING DATE

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

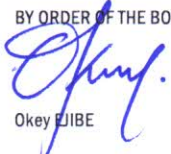
FORMAT OF FINANCIAL STATEMENTS

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

AUDITORS

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

BY ORDER OF THE BOARD



Okey EJIRO

COMPANY'S SECRETARY

LAGOS, NIGERIA

31 March 2015

FRCN/2014/NBA/00000003272

COMPUTER WAREHOUSE GROUP PLC

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

Computer Warehouse Group Plc is committed to the highest standards of Corporate Governance to ensure proper oversight of the group operations and to create long term sustainable value for all shareholders and stakeholders. In line with best practices, there is a separation of power between the Chairman and the Group CEO, as well as a unique blend of Executive and Non-Executive Directors. The individual and collective academic qualifications and wealth of diverse skills and experience of the Board ensure independent thought and exceptional decision making.

The Board of Directors in driving the strategic direction of the Company ensures continual building of strong and stable relationships with shareholders, stakeholders and the community at large.

The Company is now publicly quoted on the Nigerian Stock Exchange and affirms its commitment to increasing shareholder value through open and transparent Corporate Governance Practices.

THE BOARD

The Board is committed to best practices of Corporate Governance in carrying out its responsibility of determining the strategic objectives and policies of the Company. The Board is accountable to the shareholders and is responsible for creating and delivering sustainable value through proper management of the Company's affairs. The Board also provides oversight of senior management of the Company.

COMPOSITION OF THE BOARD

The Board comprises of the Chairman, three (3) Executive Directors and four (4) Non-Executive Directors.

The Board carries out its oversight functions using its various Board Committees. This ensures efficiency and allows for deeper attention to targeted matters for the Board. The Committees are set up in line with best practices and have well defined terms of reference defining their scope and responsibilities. The Committees meet quarterly and additional meeting are convened as required.

BOARD COMMITTEES:

The Board carries out its oversight functions through the under-listed committees:

GENERAL PURPOSE COMMITTEE

The Committee which comprises of six (6) members is charged with oversight of corporate governance, operational and investment issues as well as performance of the Company from a macro perspective.

MEMBERSHIP OF THE COMMITTEE:

Mr. Abiodun Fawunmi (Chairman)

Mr. Austin Okere

Mr. Philip Obioha

Mr. James Agada

Mr. Kunle Ayodeji

Mr. Wale Agbeyangi

FINANCE, RISK & AUDIT COMMITTEE

The Committee is made up of 4 members. The mandate of the committee is to oversee matters relating to risk management and internal control, as well as the safeguarding of assets, information technology systems, accounting systems, accounting policy and internal audit.

COMPUTER WAREHOUSE GROUP PLC

CORPORATE GOVERNANCE REPORT - Continued

FOR THE YEAR ENDED 31 DECEMBER 2014

MEMBERSHIP OF THE COMMITTEE:

Mr. Emmanuel Ijewere- (Chairman)

Mr. Austin Okere

Mr. Philip Obioha

Mr. Kunle Ayodeji

AUDIT COMMITTEE:

The Audit Committee in line with Section 359 (5) of the Companies and Allied Matters Act is mandated to examine the auditor's report and make recommendations thereon to the General Meeting. The Committee consists of 6 members.

MEMBERSHIP OF THE AUDIT COMMITTEE:

Mr. Patrick Amaechi (Chairman)

Mr. Emmanuel Ijewere

Mr. Philip Obioha

Mr. Robert Ibekwe

Alhaji Wahab Ajani

Mr. Kunle Ayodeji

TRADING POLICY

The company has complied with the provisions of the Section 14 of the Amended Listing Rules of the Nigerian Stock Exchange by adopting a code of conduct regarding securities transactions by its Directors and all Staff. All Directors and all Staff have complied with Listing rules and the Issuer's code of conduct regarding securities transactions.

COMPUTER WAREHOUSE GROUP PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2014

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

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


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

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

Nothing has come to the attention of the directors to indicate that the group will not remain a going concern for at least twelve months from the date of this statement.



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



Philip Obioha (Director- Operations)
FRC/2014/IODN/00000003269

31 March 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMEBER OF COMPUTER WAREHOUSE GROUP PLC

Report on the financial statements

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

Directors' Responsibilities for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council Act, No 6, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
COMPUTER WAREHOUSE GROUP PLC- (Continued)**

Report on Other Legal and Regulatory Requirements

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

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



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

For: Ernst & Young
Chartered Accountants
Lagos, Nigeria

31 March 2015



COMPUTER WAREHOUSE GROUP PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

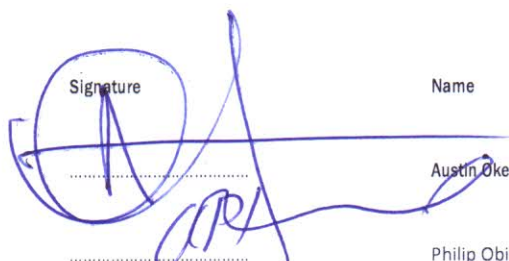
	NOTES	The Group 2014 N'000	2013 N'000	The Company 2014 N'000	2013 N'000
Revenue	6	15,356,280	20,669,298	14,595,482	20,055,736
Cost of sales		(12,305,952)	(16,761,765)	(11,679,608)	(16,296,111)
Gross profit		3,050,328	3,907,533	2,915,874	3,759,625
Other income	7	89,754	216,568	89,696	204,916
Administrative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

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

See notes to the financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

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

Signature 

Name

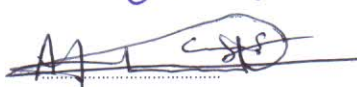
Austin Okere (Chief Executive Officer)

FRC. No.

FRC/2014/IODN/00000003266

Philip Obioha (Director- Operations)

FRC/2014/IODN/00000003269



Adeyanju Jelili (HOD Accounts)

FRC/2014/ICAN/00000003668

See notes to the financial statements

COMPUTER WAREHOUSE GROUP PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – The Group

AS AT 31 DECEMBER 2014

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

STATEMENT OF CHANGES IN EQUITY – The Company

DESCRIPTION	Share Capital N'000	Retained Earnings N'000	Share Premium N'000	Convertible loan reserve	Available for sale reserve N'000	Foreign currency translation reserve	TOTAL N'000
Bal as at 1 Jan 2013	1,000,000	1,635,903	410,883	244,253	7,446	-	3,298,486
Issue of ordinary shares	262,413	-	-	-	-	-	262,413
Issue share premium	-	-	1,441,865	(244,253)	-	-	1,197,612
Dividend paid	-	(120,000)	-	-	-	-	(120,000)
Profit for the year	-	632,099	-	-	-	-	632,099
Other comprehensive income	-	-	-	-	4,438	-	4,437
Bal as at 31 Dec 2013	1,262,413	2,148,002	1,852,748	-	11,884	-	5,275,047
Profit for the year	-	176,233	-	-	-	-	176,233
Other comprehensive income	-	-	-	-	5,390	-	5,390
Dividend Paid	-	(201,986)	-	-	-	-	(201,985)
Bal as at 31 Dec 2014	1,262,413	2,122,250	1,852,748	-	17,274	-	5,254,685

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

See notes to the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	The Group 31-Dec-14 N'000	31-Dec-13 N'000	The Company 31-Dec-14 N'000	31-Dec-13 N'000
Cash flows from operating activities					
Cash received from customers		16,244,782	20,060,053	15,590,174	19,505,264
Cash paid to suppliers & employees		(12,753,638)	(15,992,309)	(12,221,092)	(15,580,024)
Net Input /Output VAT		(3,003,340)	(2,671,791)	(3,003,340)	(2,671,791)
Tax paid		-	(4,779)	-	-
Net cash provided by operating activities	22.2	495,774	1,391,174	365,742	1,253,449
Cash flows from investing activities					
Purchase of Property, plant & equipment	15	(183,659)	(78,344)	(180,647)	(76,675)
Acquisition of intangible asset	16	(16,330)	(49,996)	(16,330)	(49,996)
Investment in subsidiary	17	-	-	(303)	-
Purchase of financial assets	18	(54,103)	-	(54,103)	-
Proceeds from sale of equipment		17,722	392,576	17,722	392,485
Net cash utilised in investing activities		236,370	264,236	233,661	265,814
Cash flows from financing activities					
Increase in share capital		-	25	-	25
Loan received		606,861	-	526,591	-
Loan repaid		(680)	(1,085,765)	(680)	(923,829)
Interest paid		(199,827)	(348,778)	(191,663)	(343,330)
Dividend paid		(201,985)	(120,000)	(201,985)	(120,000)
Net cash (utilised)/ provided by financing activities		204,369	(1,554,518)	132,263	(1,387,134)
Net Increase in cash & cash equivalent		463,773	100,892	264,344	132,129
Net foreign exchange difference		(44,611)	(1,617)	(42,757)	-
Cash & cash equivalents at 01/01/2014	22.1	1,171,989	1,072,714	1,167,275	1,035,146
Cash and cash equivalents at 31/12/2014	22.1	1,591,151	1,171,989	1,388,862	1,167,275

See notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

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

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

2.1 Basis of preparation

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

2.2 Basis of consolidation

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

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

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

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

2.3 Summary of significant accounting policies

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

2.3.1 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the fair value on the date of acquisition. All the Group's subsidiaries are wholly owned and therefore the issue of Non-controlling interest does not arise.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - Continued

2.3 Summary of significant accounting policies - Continued

2.3.2 Foreign currencies

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

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

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

ii) Foreign Operations

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

2.3.3 Revenue recognition

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

Sale of goods

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

Rendering of services

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

Commissions

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

Interest income

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

Deferred Revenue

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

2.3 Summary of significant accounting policies - Continued

2.3.4 Taxes

Current income tax

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

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

NOTES TO THE FINANCIAL STATEMENTS - Continued

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.

2.3.5 Property, plant and equipment

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

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

2.3 Summary of significant accounting policies - Continued

2.3.5 Property, plant and equipment - Continued

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - Continued

2.3.6 Leases

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

Group as a lessee

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

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

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

2.3.7 Intangible assets

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

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

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

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit and loss as the expense category that is consistent with the function of the intangible assets.

NOTES TO THE FINANCIAL STATEMENTS - Continued

2.3 Summary of significant accounting policies - Continued

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

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

Licences

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

2.3.8 Financial instruments

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

Financial assets

(i) Nature and measurement

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

*Financial Assets -Subsequent measurement**Loans and receivables*

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

Trade and other receivables

Trade receivables are recognised initially at fair value as the invoice amount and subsequently measured at amortised cost. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor and default or delinquency in payments are considered indicators that the trade receivable is impaired. The Group deploys age analysis tools to track the payment pattern of customers. The carrying amount of trade receivable is reduced through the use of an allowance account. When trade receivables are uncollectible, it is written off as bad debts in administrative expenses in profit or loss. Subsequent recoveries of amounts previously written off are included as 'Bad debt recoveries' in other income in the statement of comprehensive income.

Available-for-sale financial assets

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

ii. Derecognition of Financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS - Continued

2.3 Summary of significant accounting policies - Continued

2.3.8 Financial instruments - Continued

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

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

iii Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

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

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

Available for sale financial assets

For available-for-sale financial assets, the Group assesses at each reporting date whether there is objective evidence that an assets or a group of financial assets is impaired. In the case of equity instruments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit and loss – is removed from other comprehensive income and recognised in profit and loss. Impairment losses on equity instruments are not reversed through profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS - Continued

2.3 Summary of significant accounting policies - Continued

2.3.8 Financial instruments - Continued

Financial liabilities

(i) Nature and measurement

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

Financial Liabilities-Subsequent measurement

Loans and borrowings

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

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

Financial Liabilities-Subsequent measurement

Trade payables

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

Convertible loan stocks

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

(ii) Derecognition of financial liabilities

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

2.3.8.1 Off-setting of financial instruments

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

2.3.8.2 Fair value of financial instruments

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

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

2.3 Summary of significant accounting policies - Continued

2.3.9 Inventories

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

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

2.3.9 Impairment of non-financial assets

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

NOTES TO THE FINANCIAL STATEMENTS - Continued

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

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

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

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

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

Goodwill

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

2.3.10 Cash and cash equivalents

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

2.3.11 Dividend Distributions

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

2.3.12 Provisions

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

NOTES TO THE FINANCIAL STATEMENTS - Continued

2.3 Summary of significant accounting policies - Continued

2.3.13 Employee Benefits

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

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

Short-term benefits

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

Post-employment Retirement Benefit Funds

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

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

Termination benefits

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

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

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

2.3.15 Segment reporting

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

Measurement of segment information

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

NOTES TO THE FINANCIAL STATEMENTS - Continued

3. Significant accounting judgements, estimates and assumptions

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

Judgements

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

Taxes

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

Going concern

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

Re-assessment of useful lives and residual values

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

Impairment of non-current assets

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

Estimates and assumptions

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

Impairment of non-financial assets

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

NOTES TO THE FINANCIAL STATEMENTS - Continued

4. Standards issued but not yet effective

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

IFRS 9 Financial Instruments

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

IFRS 15 Revenue from Contracts with Customers

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

The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The standard will impact on the revenue recognition of the Group.

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

		Name	Effective Date
2013 Annual improvement (2010 -2012 cycle)	IFRS 2	Definition of vesting condition	1-Jul-14
2013 Annual improvement (2010 -2012 cycle)	IFRS 3	Accounting for contingent consideration in a business combination	1-Jul-14
2013 Annual improvement (2010 -2012 cycle)	IFRS 8	Aggregation of operating segments, Reconciliation of the total of the reportable segments' assets to the entity's assets	1-Jul-14
2013 Annual improvement (2010 -2012 cycle)	IAS 16	Revaluation method – proportionate restatement of accumulated depreciation	1-Jul-14
2013 Annual improvement (2010 -2012 cycle)	IAS 24	Key management personnel	1-Jul-14
2013 Annual improvement (2010 -2012 cycle)	IAS 38	Revaluation method – proportionate restatement of accumulated amortisation	1-Jul-14
2013 Annual improvement (2011 -2013 cycle)	IFRS 1	Meaning of 'effective IFRSs'	1-Jul-14
2013 Annual improvement (2011 -2013 cycle)	IFRS 3	Scope exceptions for JVs	1-Jul-14
2013 Annual improvement (2011 -2013 cycle)	IFRS 13	Scope of portfolio exception (para 52)	1-Jul-14
2013 Annual improvement (2011 -2013 cycle)	IAS 40	Clarifying inter-relationship between IFRS 3 and IAS 40	1-Jul-14
Amendment	IAS 19	Employee contributions	1-Jul-14

Standards issued but not yet effective and Amendments- Continued

New	IFRS 14	Regulatory Deferral Accounts	1-Jan-16
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COMPUTER WAREHOUSE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

Amendment	IAS 16	Clarification of acceptable methods of depreciation and amortisation	1-Jan-16
Amendment	IAS 38	Clarification of acceptable methods of depreciation and amortisation	1-Jan-16
Amendment	IAS 16	Agriculture: Bearer Plants	1-Jan-16
Amendment	IAS 41	Agriculture: Bearer Plants	1-Jan-16
Amendment	IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1-Jan-16
Amendment	IAS 27	Equity Method in Separate Financial Statements	1-Jan-16
Amendment	IAS 1	Disclosure initiative amendments	1-Jan-16
Amendment	IFRS 10, IFRS 12 and IAS 28	Amendments to the investment entities consolidation exception	1-Jan-16
2014 Annual improvement (2012 -2014 cycle)	IFRS 5	Changes in methods of disposal.	1-Jan-16
2014 Annual improvement (2012 -2014 cycle)	IFRS 7	Servicing contracts and applicability of the amendments to IFRS 7 to condensed interim financial statements.	1-Jan-16
2014 Annual improvement (2012 -2014 cycle)	IAS 19	Discount rate: regional market issue.	1-Jan-16
2014 Annual improvement (2012 -2014 cycle)	IAS 34	Disclosure of information 'elsewhere in the interim financial report'.	1-Jan-16

NOTES TO THE FINANCIAL STATEMENTS - Continued

5. Segment information

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

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

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

Segment results

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

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

Geographical Information

Revenue

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

5. Segment information - Continued

Information about major customers

	The Group	
	2014	2013
MTN	UBA	MTN
		UBA

COMPUTER WAREHOUSE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

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

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

6. Revenue

Revenue is made up of:

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

7. Other Income

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

COMPUTER WAREHOUSE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

8. Administrative expenses

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

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

9. Currency Devaluation Loss

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

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

10. Finance cost

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

11. Finance income

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

12. Income tax

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

COMPUTER WAREHOUSE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

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

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

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

12.2. Income tax: Statement of financial position

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

12.3. Deferred tax

Deferred tax relates to the following:

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

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-	67,215	-	67,215
-----	-----	-----	-----

The deferred tax asset from the company was recognised to the extent of the liability during the year, the balance not recognised in the book of the company and the group was N541.56million. (2013: N216.65million). Also some of the subsidiaries are not paying tax and they do not have assessed losses during the year, (2013: Nil).

13. Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

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

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

13.1. Earnings per share

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

NOTES TO THE FINANCIAL STATEMENTS - Continued

14. Business Combination

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

Summarized statement of profit or loss

	CWG Ghana		CWG Uganda		CWG Cameroon	
	31 Dec. 2014	31 Dec. 2013	31 Dec. 2014	31 Dec. 2013	31 Dec. 2014	31 Dec. 2013
	N 000	N 000	N 000	N 000	N 000	N 000
Revenue	489,026	297,996	235,933	315,566	35,839	-
Operating expenses	(378,847)	(210,876)	(202,365)	(254,778)	(45,132)	-
Administrative expenses	(91,203)	(78,604)	(78,964)	(83,340)	(7,563)	(5,811)
Other operating income	58	11,652	-	-	-	-
Finance cost	-	(1,470)	(8,164)	(3,978)	-	-
Profit before tax	19,034	18,698	(53,560)	(26,530)	(16,856)	(5,811)
Income tax expense	(4,834)	(5,609)	-	-	-	-
Profit for the year	14,200	13,089	(53,560)	(26,530)	(16,856)	(5,811)
Total comprehensive income	14,200	13,089	(53,560)	(26,530)	(16,856)	(5,811)
Attributable to:						
Equity holders of parent	14,200	13,089	(53,560)	(26,530)	(16,856)	(5,811)
Non-controlling interests	-	-	-	-	-	-
Summarised statements of financial position						
Inventories and cash and bank balances (current)	127,343	2,060	37,866	2,546	37,486	813
Trade and other receivables, Due from related parties and Prepayments	131,272	121,442	159,915	52,919	60,224	-
Property, plant and equipment and other non-current financial assets (non-current)	3,071	1,790	3,128	6,853	920	1,089
Income tax receivable	7,970	12,804	-	-	-	-
Trade and other payables (current)	(294,607)	(187,167)	(343,554)	(206,694)	(124,302)	(9,835)
Interest-bearing loans and borrowing (Current)	-	-	(67,766)	-	-	-
Total equity	(24,951)	(49,071)	(210,411)	(144,376)	(25,672)	(7,933)
Attributable to:						
Equity holders of parent	(24,951)	(49,071)	(210,411)	(144,376)	(25,672)	(7,933)
Non-controlling interests	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS - Continued

14.2. Goodwill

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

1] Software CGU

2] Hardware CGU

Carrying amount of goodwill allocated to each of the CGUs:

	2014	2013
	N'000	N'000
Software CGU	76,717	76,717
Hardware CGU**	737,371	737,371
	<u>814,088</u>	<u>814,088</u>
	=====	=====

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

Software CGU

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

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

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

Revenue growth rate

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

Pre-tax discount rate

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

Gross/Cost margin

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

Hardware CGU

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

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

Revenue growth rate

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

Pre-tax discount rate

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

Gross/Cost Margins

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

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

COMPUTER WAREHOUSE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

15. Property, plant & equipment – The Group

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

COMPUTER WAREHOUSE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

15. Property, plant & equipment – The Company

	Land N'000	Building N'000	Plant & Machinery N'000	Furniture & Fittings N'000	Office Equipment N'000	Motor Vehicles N'000	Loose tools N'000	Service Option Equipment N'000	Comm. equipment N'000	Total N'000
Cost										
At 1 Jan. 2013	110,795	60,244	83,728	70,958	202,004	287,174	24,831	2,083,425	1,022,842	3,946,001
Additions	600	11,173	-	15,921	10,983	20,195	217	2,280	15,306	76,675
Reclassified	-	-	-	-	-	-	-	-	(27,744)	(27,744)
Disposals	-	-	(5,326)	-	(359)	(62,910)	-	(1,010,077)	(49,206)	(1,127,878)
At 31 Dec. 2014	111,395	71,417	78,402	86,879	212,628	244,459	25,048	1,075,628	961,198	2,867,052
Additions	-	20,754	31,296	28,367	354	17,875	-	14,904	67,097	180,647
Disposals	-	-	(22,992)	(65,832)	(109,105)	(147,007)	-	-	(15,225)	(360,161)
At 31 Dec. 2014	111,395	92,171	86,706	49,414	103,877	115,327	25,048	1,090,532	1,013,070	2,687,540
Depreciation										
At 1 Jan. 2013	-	5,829	48,842	62,294	120,186	217,821	18,186	1,496,565	636,393	2,605,533
Charge for the year	-	1,978	13,825	5,887	33,500	32,037	3,367	190,015	117,538	398,147
Disposals	-	-	(4,710)	-	(252)	(54,295)	-	(706,236)	(20,502)	(785,995)
At 31 Dec. 2013	-	7,807	57,957	68,181	154,434	195,563	22,228	980,344	732,172	2,217,685
Charge for the year	-	4,133	13,290	9,896	37,859	27,923	2,463	68,963	106,730	271,257
Disposals	-	-	(17,600)	(64,247)	(110,071)	(147,006)	-	-	(7,565)	(346,489)
At 31 Dec. 2014	-	11,939	53,647	13,830	81,222	76,480	24,691	1,049,307	831,337	2,142,453
Net book Value										
At 31 Dec. 2014	-	80,232	33,059	35,584	22,655	38,847	357	41,225	181,733	545,087
At 31 Dec. 2013	111,395	64,610	20,445	18,698	59,194	48,896	2,820	95,284	229,026	649,369

COMPUTER WAREHOUSE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

16. Intangible Assets

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

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

17. Investment in subsidiaries - The Company

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

18. Available for sale financial asset

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

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

NOTES TO THE FINANCIAL STATEMENTS - Continued

18.1 Fair value measurement

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

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

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

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

19. Inventories

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

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

20. Trade and other receivables

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Trade receivable	3,109,781	3,542,171	2,933,458	3,415,803
Other receivables	314,789	436,683	179,723	408,694
Due from related parties	-	-	301,615	224,440
WHT receivables	3,501,425	3,217,646	3,484,700	3,200,386

COMPUTER WAREHOUSE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

Impairment allowance	[20.1]	(70,427)	(127,816)	(70,427)	(127,816)
		-----	-----	-----	-----
		6,855,568	7,068,684	6,820,069	7,121,507
		=====	=====	=====	=====

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

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

20.1 Allowances for Impairment Account – Group and Company

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

COMPUTER WAREHOUSE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

20. Trade and other receivables (Cont.)

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

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

21. Prepayments

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

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

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

22.1. Cash and cash equivalents

	The Group		The Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Bank	1,832,419	1,561,298	1,630,556	1,556,708
Cash	963	603	537	479
	<u>1,883,382</u>	<u>1,561,901</u>	<u>1,631,093</u>	<u>1,557,187</u>
Bank overdrafts	<u>(242,231)</u>	<u>(389,912)</u>	<u>(242,231)</u>	<u>(389,912)</u>
	<u>1,591,151</u>	<u>1,171,989</u>	<u>1,388,862</u>	<u>1,167,275</u>
	=====	=====	=====	=====

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

COMPUTER WAREHOUSE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

22.2.

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

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

23. Share capital

	2014	2013
	N000	N000
Authorised shares:		
3,500,000 ordinary shares of 50kobo each.	1,750,000	1,750,000
Issued and fully paid shares		
2,524,826 ordinary shares of 50kobo each.		
At 1 January 2014	1,262,413	1,000,000
At 31 December 2014	1,262,413	1,000,000
Issued on 2 January 2013 from convertible loan	-	262,413
At 31 December 2014	1,262,413	1,262,413

23.1. Nature and Purpose of Reserves.

23.1.1. Retained Earnings

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

23.1.2. Share Premium

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

23.1.3 Convertible loan

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

COMPUTER WAREHOUSE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

23.1. Nature and Purpose of Reserves (Cont.)

23.1.4. Available for Sale Reserve.

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

23.1.5. Foreign Currency Translation Reserve

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

24. Trade and other payables

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

24.1. Other payables

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

Terms and conditions of the above financial liabilities:

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

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

25. Employee benefit

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

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

COMPUTER WAREHOUSE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

26. Deferred revenue

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

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

27. Short-term interest bearing loans and borrowings

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

27.1 Interest-bearing loans and borrowings

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

NOTES TO THE FINANCIAL STATEMENTS - Continued

27.2 Terms and Conditions

I. United bank for Africa Short term loan (Sub-limit of SBLC/ITF/LC)

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

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

II. Zenith Bank Short term import facility (STIF)

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

III. First Bank LPO/IFF/ULC/SBLC/USANE/B&C Facility

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

IV. Fidelity Bank LPO/IFF/Confirmation Line

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

V. Cisco Systems Finance International Loan

This relates to a US Dollar term loan facility of \$3,500,000.00 given by Cisco Systems Finance International to pay for software/service equipment. The tenor of the loan is three (3) years. The interest rate is 8.240% (excluding taxes).

VI. Ecobank Uganda Limited & Stanbic Bank Uganda

In February 2014, the company was granted a local purchase order financing facility by Ecobank Uganda Limited. The facility amount granted was a maximum of USD 500,000. The facility was granted to finance working capital requirements of the company. The facility is a drawdown on the company's account as a short term loan for a maximum of 120 days with a 30 days roll-over option. The facility is co-available in both Ushs and United States Dollars (USD). The interest on the facility is charged at 12% per annum. As at 31 December 2014, UGX 261,412,271.46 had been drawn down by the company. The loan is repayable not later than 120 days from the date of availment with a 30 days roll-over option. And in July same agreement was reached with Stanbic to finance the business with a maximum of USD 500,000. As at 31st December 2014, \$295,841.89 has been drawn which is payable in 120days.

28. Related party disclosures - Company

The consolidated financial statements include the financial statements of the Group and the subsidiaries listed in the following table:

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

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

28. Related party disclosures - Company - Continued

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

COMPUTER WAREHOUSE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

Terms and conditions of transactions with related parties

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

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

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

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

Directors' emoluments comprise:

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

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

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

Staff Costs - Salaries and allowances:

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

28. Related party disclosures - Company - Continued

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

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

NOTES TO THE FINANCIAL STATEMENTS - Continued

Transactions with key management personnel

Compensation of key management personnel of the Company and the Group

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

29. Commitments and contingencies

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

30. Financial risk management objectives and policies

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

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

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

30.1 Market risk

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

30. Financial risk management objectives and policies - Continued

30.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a predominant portfolio of fixed rate loans and borrowings. The Group's policy is to keep take floating rate borrowings only under exceptional circumstances, where the risks are thoroughly considered and approved. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the Group's only loan stock. With all other variables held constant, the Group's profit before tax will be affected as follows:

	Increase / decrease in basis points	Effect on profit before tax N'000
2014	+1.50	(15,000)
	-150	15,000
2013	+1.00	(12,000)
	-1.00	12,000

30.1.2 Foreign currency risk

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

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

30. Financial risk management objectives and policies - Continued

30.2 Credit risk

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

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

30.2.1 Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Customer's credit ratings determine the proportion of sales invoice that is required in advance of delivery.

The requirement for impairment is analysed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several sectors and industries and operate in largely independent markets.

30.2.2 Financial instruments and cash deposits

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

30.2.3 Due from related parties

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

30.3 Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders. Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Recent times have proven the credit markets situation could be such that it is difficult to generate capital to finance long-term growth of the Company. The group has a clear focus on financing long-term growth and to re-finance maturing debt obligation. Financing strategies are under continuous evaluation.

COMPUTER WAREHOUSE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

30. Financial risk management objectives and policies - Continued

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

The Company

As at 31 December 2014	On demand	Less than 3 months	3-12 months	1-5 Years	Total
	N'000	N'000	N'000	N'000	N'000
Short-term borrowings	-	231,963	694,608	-	926,571
Bank overdraft	261,609	-	-	-	261,609
Letters of credit	-	523,804	-	-	523,804
Trade payables	-	-	1,204,706	-	1,204,706
	261,609	755,767	1,899,014	-	2,916,690
	=====	=====	=====	=====	=====
As at 31 December 2013	On demand	Less than 3 months	3-12 months	1-5 Years	Total
	N'000	N'000	N'000	N'000	N'000
Short-term borrowings	-	62,765	86,642	-	149,407
Bank overdraft	421,104	-	-	-	421,104
Letters of credit	-	388,172	-	-	388,172
Trade and other payables	-	-	2,214,144	-	2,214,144
	421,104	450,937	2,300,786	-	3,172,827
	=====	=====	=====	=====	=====

The Group

As at 31 December 2014	On demand	Less than 3 months	3-12 months	1-5 Years	Total
	N'000	N'000	N'000	N'000	N'000
Short-term borrowings	-	253,394	758,542	-	1,011,936
Bank overdraft	261,609	-	-	-	261,609
Letters of credit	-	523,804	-	-	523,804
Trade and other payables	-	-	1,608,450	-	1,608,450
	261,609	777,198	2,366,992	-	3,405,799
	=====	=====	=====	=====	=====
As at 31 December 2013	On demand	Less than 3 months	3-12 months	1-5 Years	Total
	N'000	N'000	N'000	N'000	N'000
Short-term borrowings	-	62,765	86,642	-	149,407
Bank overdraft	421,104	-	-	-	421,104
Letters of credit	-	388,172	-	-	388,172
Trade and other payables	-	-	2,371,656	-	2,371,656
	421,104	450,937	2,458,298	-	3,330,339
	=====	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS - Continued

30. Financial risk management objectives and policies - Continued

30.4. Financial Instruments by measurement bases

The table below show financial instruments by their measurement bases:

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

As at 31 December 2013	The Group				The Company			
	Loans and Receivables / Liabilities at Amortised cost N'000	non-financial instruments	Available for sale financial assets	Carrying value N'000	Loans and Receivables / Liabilities at Amortised cost N'000	non-financial instruments	Available for sale financial assets	Carrying value N'000
Trade receivables	3,414,355	-	-	3,414,355	3,287,987	-	-	3,287,987
Other receivables	-	436,683	-	436,683	-	408,694	-	408,694
Due from related parties	-	-	-	-	-	224,400	-	224,400
WHT receivables	-	3,217,646	-	3,217,646	-	3,200,386	-	3,200,386
Cash and cash equivalents	1,561,901	-	-	1,561,901	1,557,187	-	-	1,557,187
Available for sale	-	-	19,275	19,275	-	-	19,275	19,275
Prepayments	-	492,001	-	492,001	-	489,256	-	489,256
Total financial assets	4,976,256	4,146,330	19,275	9,141,861	4,845,174	4,322,736	19,275	9,187,185
	=====	=====	=====	=====	=====	=====	=====	=====
Trade payables	2,371,656	-	-	2,371,656	2,214,144	-	-	2,214,144
Other payables	-	3,760,302	-	3,760,302	-	3,737,249	-	3,737,249
Short-term borrowings	118,604	-	-	118,604	118,604	-	-	118,604
Total financial liabilities	2,490,260	3,760,302	-	6,250,562	2,332,748	3,737,249	-	6,070,000
	=====	=====	=====	=====	=====	=====	=====	=====

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

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

NOTES TO THE FINANCIAL STATEMENTS - Continued

31. Capital management

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

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

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

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

32. Events after the reporting period

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

COMPUTER WAREHOUSE GROUP PLC

VALUE ADDED STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

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

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

COMPUTER WAREHOUSE GROUP PLC

FIVE -YEAR FINANCIAL SUMMARY -COMPANY

FOR THE YEAR ENDED 31 DECEMBER 2014

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

COMPUTER WAREHOUSE GROUP PLC

THREE -YEAR FINANCIAL SUMMARY -GROUP

FOR THE YEAR ENDED 31 DECEMBER 2014

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