

**CWG PLC**

**CONSOLIDATED FINANCIAL STATEMENTS  
31 DECEMBER 2024**

# CWG PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

<b>INDEX</b>	<b>PAGE</b>
Corporate information	1
Directors' report	2
Corporate governance report	5
Statement of Directors' responsibilities in relation to the financial statements	7
Report of the Audit Committee	8
Certification of audited financial statements	9
Management's Report on the Assessment of Internal Control Over Financial Reporting as at 31st December 2024	10
Certifications	11
Independent Auditor's Attestation Report on Management's Assessment of Internal Controls over Financial Reporting	13
Independent auditor's report	15
Consolidated statement of financial position	20
Consolidated statement of profit or loss and other comprehensive income	21
Consolidated statement of cash flows	22
Consolidated statement of changes in equity - Group	23
Statement of changes in equity - Company	24
Notes to the financial statements	25
<b>Other national disclosures:</b>	
Consolidated statement of value added	81
Financial summary – Group	82
Financial summary – Company	83

# CWG PLC

## CORPORATE INFORMATION

### FOR THE YEAR ENDED 31 DECEMBER 2024

<b>Registered number</b>	- RC 615619	
<b>Directors</b>	<b>Names</b> - Mr. Philip Obioha Mr. Austin Okere Mr. Abiodun Fawunmi Dr. Olusegun Oso Mr. Babawale Agbeyangi Mr. Adewale Adeyipo Mrs. Taba Peterside Mr. Afolabi Sobande Mr. Irete Yusuf	<b>Designation</b> Chairman (Non-Executive) Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Managing Director/Chief Executive Officer Independent Non-Executive Director Executive Director Executive Director
<b>Registered Office</b>	- Block 54A, Plot 10, Adebayo Doherty Road, Off Admiralty Way Lekki Phase 1 Lagos Tel: 01-7406817, 01-8936502 www.cwg-plc.com	
<b>Locations</b>	- Block 54A, Plot 10, Adebayo Doherty Road, Off Admiralty Way, Lekki Phase 1 Lagos	
<b>Offices in Nigeria</b>	- Abuja Port Harcourt	
<b>Subsidiaries</b>	- CWG Ghana Ltd CWG Cameroun Ltd CWG Uganda Ltd FTHLAB Ltd CWG Global Services FZ - LLC	
<b>External Auditors</b>	- <b>PKF Professional Services</b> PKF House, 205A Ikorodu Road Obanikoro, Lagos Lagos, Nigeria. Email: lagos@pkf-ng.com	
<b>Solicitors</b>	- <b>G. Elias &amp; Co</b> 6, Broad Street Lagos Island, Lagos	
<b>Internal Auditors</b>	- <b>PwC</b> Landmark Towers 5B, Water Corporation Road Victoria Island Lagos Nigeria E-mail: enquiry@ng.pwc.com	
<b>Key Bankers</b>	- Globus Bank United Bank for Africa Plc First Bank of Nigeria Limited First City Monument Bank Plc	Stanbic IBTC Bank Plc Standard Chartered Bank Plc Guaranty Trust Bank Plc Zenith Bank Plc
<b>Registrars</b>	- <b>Cordros Registrars Limited</b> 21 Norman Williams Street, Ikoyi. PO Box 75590 Victoria Island Lagos Nigeria <a href="http://www.cordros.com">www.cordros.com</a>	
<b>Company secretary</b>	- <b>DCSL Corporate Services Limited</b> 235 Ikorodu Road Ilupeju P.O. Box 965 Marina Lagos	

# CWG PLC

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024

The directors have pleasure in presenting their report on the affairs of CWG Plc (formerly Computer Warehouse Group Plc) ("the Company") together with its subsidiaries ("the Group"), the audited Consolidated financial statements of the Group and the Company for the year ended 31 December 2024 and Other National Disclosures.

### LEGAL FORM

CWG Plc (formerly 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 Group and the Company are principally engaged in integrated information and communications technology services and solutions, IT consultancy, supply, installation, maintenance and support of hardware, software, and managed services.

### STATE OF AFFAIRS

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

### RESULTS FOR THE YEAR

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>N'000</b>	N'000	<b>N'000</b>	N'000
Revenue	<u><b>46,353,452</b></u>	<u>23,529,216</u>	<u><b>30,064,062</b></u>	<u>15,778,260</u>
Profit before taxation	<b>4,417,183</b>	1,131,916	<b>3,439,924</b>	870,132
Income tax expense	<u><b>(1,373,123)</b></u>	<u>(555,832)</u>	<u><b>(1,087,145)</b></u>	<u>(296,212)</u>
Profit after taxation	<u><b>3,044,060</b></u>	<u>576,084</u>	<u><b>2,352,779</b></u>	<u>573,920</u>

### DIVIDEND

The directors propose a dividend of 39 kobo per share of 50 kobo each for the year ended 31st December, 2024 (2023: 16 kobo per share)..

### PROPERTY, PLANT AND EQUIPMENT

Information relating to movement in property, plant and equipment is shown in Note 16 to the Consolidated financial statements. In the opinion of the Directors, the market values of the Group and the Company's property plant and equipment are not less than the value shown in these Consolidated financial statements.

### DIRECTORS INTEREST IN CONTRACTS

None of the Directors has notified the Group and the Company for the purpose of Section 303 of the Companies and Allied Matters Act 2020 of any disclosable interest in contracts with which the Group and the Company is involved as at 31 December 2024 (2023: Nil).

### DONATIONS

The Company made a donation of N2,540,974 to MTN Foundation and Lekki Phase 1 Community as part of its Corporate Social responsibility during the period under review.

# CWG PLC

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024

### DIRECTORS

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

Mr. Philip Obioha	Chairman
Mr. Austin Okere	Non-Executive Director
Dr. Olusegun Oso	Non-Executive Director
Mr. Abiodun Fawunmi	Non-Executive Director
Mr. Babawale Agbeyangi	Non-Executive Director
Mrs. Taba Peterside	Independent Non-Executive Director
Mr. Adewale Adeyipo	Managing Director/Chief Executive Officer
Mr. Afolabi Sobande	Executive Director
Mr. Irete Yusuf	Executive Director

### SHARE HOLDINGS AND SUBSTANTIAL INTEREST IN SHARES

	Number of Shares Holding	%	Nominal Value ₦
<b>The issued and fully paid share capital of the Company as AT 31 DECEMBER 2024 was beneficially owned as follows:</b>			
Mr. Austin Okere	590,129,287	23	295,064,644
Mr. Abiodun Fawunmi	446,104,294	18	223,052,147
Mr. Philip Obioha	453,077,754	18	226,538,877
Mr. Adewale Adeyipo	258,788,144	10	129,394,072
Cordros Trustees Limited	228,480,922	9	114,240,461
Others	548,245,957	22	274,122,979
	<u>2,524,826,358</u>	<u>100</u>	<u>1,262,413,180</u>

The issued and fully paid share capital of the Company as  
at 31 December 2023 was beneficially owned as follows:

Mr. Austin Okere	590,129,287	23	295,064,644
Mr. Abiodun Fawunmi	456,074,990	18	228,037,495
Mr. Philip Obioha	456,077,754	18	228,038,877
Mr. Adewale Adeyipo	258,788,144	10	129,394,072
Cordros Trustees Limited	250,494,989	10	125,247,495
Others	513,261,194	20	256,630,597
	<u>2,524,826,358</u>	<u>100</u>	<u>1,262,413,180</u>

### DIRECTORS' INTERESTS

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

## **CWG PLC**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **EMPLOYMENT AND EMPLOYEES**

##### **1. Employment of Physically Challenged Persons**

It is the Group and 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 group and the Company has no physically challenged person in her employment as at 31 December 2024 (2023: Nil).

##### **2. Welfare**

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

##### **3. Training**

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

Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of these schemes include, bonuses, promotions and wage reviews.

#### **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 Group and the Company's state of affairs.

#### **EVENTS AFTER REPORTING DATE**

As stated in Note 31, there are no events or transactions that have occurred since the reporting date which would have a material effect on the Consolidated financial statements as presented.

#### **FORMAT OF CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

The Consolidated and Separate financial statements of CWG Plc have been prepared in accordance with the reporting and presentation requirements of the Companies and Allied matters Act, CAP C20, Laws of the Federation of Nigeria, 2020 and are in compliance with the International Financial Reporting Standards issued by International Accounting Standards Board and the requirements of Financial Reporting Council of Nigeria Act No 6, 2011. The directors considered that the format adopted is the most suitable for the Group and the Company.

#### **AUDITORS**

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

#### **BY ORDER OF THE BOARD**

DCSL Corporate Services Limited



Anne Agbo  
FRC/2013/PRO/NBA/002/00000000855  
Lagos, Nigeria

Dated: 10 March 2025

# **CWG PLC**

## **CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

CWG Plc is committed to upholding the highest standards of Corporate Governance, with the aim of ensuring proper oversight of the Group and the Company operations and creating long-term sustainable value for all shareholders and stakeholders. The company adheres to best practices, which includes separating the powers of the Chairman and the Group CEO, as well as having 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 Group and the Company ensures continual building of strong and stable relationships with shareholders, stakeholders and the community at large.

The company is publicly quoted on the Nigerian Exchange Limited (NGX) 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 Group and the Company. The Board is accountable to the shareholders and is responsible for creating and delivering sustainable value through proper management of the Group and the Company's affairs. The Board also provides oversight on senior management of the Group and the Company.

### **COMPOSITION OF THE BOARD**

As at the date of this Report, the Board comprises of the Chairman, Three (3) Executive Directors and five (5) 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 Committees were reconstituted as follows - Finance and General-Purpose Committee, Risk Management Committee, Audit Committee, Remuneration & Nominations Committee. The Board carries out its oversight functions through the committees

### **FINANCE AND GENERAL PURPOSE COMMITTEE**

The committee comprises six (6) members and is responsible for the review of the Company's accounting policies, quarterly Management Accounts, Audited Financial Statements, yearly budgets, banking facilities, etc.

### **MEMBERSHIP OF THE COMMITTEE:**

Mrs Taba Peterside - Chairman  
Mr. Austin Okere  
Mr. Babawale Agbeyangi  
Dr. Olusegun Oso  
Mr. Adewale Adeyipo  
Mr. Afolabi Sobande

### **AUDIT COMMITTEE:**

The Committee is made up of four (4) members. The Committee assists the Board in its oversight of risk management and reviews the effectiveness of the Company's system of accounting and internal control. The Committee also oversees compliance related matters.

# **CWG PLC**

## **CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

### **MEMBERSHIP OF THE COMMITTEE:**

Mr. Abiodun Fawunmi- Chairman  
Mr. Austin Okere  
Mr. Babawale Agbeyangi  
Mrs Taba Peterside

### **RISK MANAGEMENT COMMITTEE:**

The Committee is made up of Six (6) members. The Committee is responsible for the oversight, review and recommendation of the risk management policies and framework for the approval of the Board.

### **MEMBERSHIP OF THE COMMITTEE:**

Dr. Olusegun Oso - Chairman  
Mr. Abiodun Fawunmi  
Mrs. Taba Peterside  
Mr. Adewale Adeyipo  
Mr. Afolabi Sobande  
Mr. Irete Yusuf

### **REMUNERATION AND NOMINATIONS COMMITTEE:**

The Committee is made up of five (5) members. The Committee is responsible for Board nomination and remuneration, succession planning, setting Key Performance Indicators and assessment of performance for the Executive Directors. It also oversees matters on Human Resources, the recruitment, assessment of the performance of Senior Management employees and all other issues relating to the Company and staff welfare. The Committee is also responsible for providing a formal, clear and transparent framework for the Company's remuneration policies and procedures.

### **MEMBERSHIP OF THE COMMITTEE:**

Mr. Babawale Agbeyangi - Chairman  
Mr. Abiodun Fawunmi  
Mr. Austin Okere  
Mrs. Taba Peterside  
Dr. Olusegun Oso

### **STATUTORY AUDIT COMMITTEE:**

The statutory Audit Committee in line with Section 404 (4) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2020 is mandated to examine the Auditor's report and make recommendations thereon to the General Meeting. The committee consists of five (5) members.

### **MEMBERSHIP OF THE STATUTORY AUDIT COMMITTEE:**

Mr Akinsola Akinyemi – Chairman  
Alhaji Wahab Ajani  
Mr. Robert Ibekwe  
Dr. Olusegun Oso  
Mr. Abiodun Fawunmi

### **TRADING POLICY**

The company has complied with the provisions of Section 14 of the Amended Listing Rules of the Nigerian Exchange Limited 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.

## CWG PLC

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the group and comply with the requirements of the companies and allied matters act, CAP C20, Laws of the Federation of Nigeria, 2020;
- b) establishes adequate internal controls to safeguard its asset and to prevent and detect fraud and other irregularities; and
- c) prepares its consolidated financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the annual consolidated financial statement, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; in compliance with Financial Reporting Council of Nigeria Act No. 6, 2011 and in the manner required by the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2020.

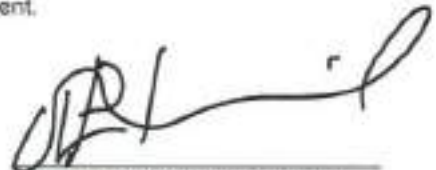
The Directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs of the Group and of its profit for the year ended **31 December 2024**, the Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of consolidated financial statements, as well as adequate systems of internal financial control.

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



Mr. Adewale Adeyipo (MD/CEO)  
FRC/2019/IODN/00000019283

Dated: 10 March 2025



Mr. Philip Obioha (Chairman)  
FRC/2013/IODN/00000003269

Dated: 10 March 2025

## **CWG PLC**

### **REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2024**

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

- i. We have exercised our statutory functions under Section 404 (4) of the Companies and Allied Matters Act, CAP C20, LFN 2020 and acknowledge the cooperation of management and staff in the conduct of these responsibilities.
- ii. We are of the opinion that the accounting and reporting policies of the Group and the Company are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2024 were satisfactory and reinforce the Group and the Company's internal control systems.
- iii. We have deliberated with the External Auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses to the External Auditor's recommendations on accounting and internal control matters and with the effectiveness of the Group and the Company's system of accounting and internal control.



**Mr. Akinsola Akinyemi**  
Chairman, Audit Committee  
FRC/2016/ICAN/00000015869

Dated: 10 March 2025

#### **MEMBERS OF THE COMMITTEE**

Mr. Akinsola Akinyemi – Chairman  
Alhaji Wahab Ajani  
Mr. Robert Ibekwe  
Dr. Olusegun Oso  
Mr. Abiodun Fawunmi

CWG PLC

**CERTIFICATION OF AUDITED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2024**

Further to the provisions of section 405 of the Companies and Allied Matters Act 2020, we the Managing Director/CEO and Chief Financial Officer of CWG plc respectively hereby certify as follows:

- a. That we have reviewed the Audited Financial Statement (AFS) of the Company for the year ended 31 December 2024.
- b. That the AFS represents the true and correct financial position of our company as at the said date of 31 December 2024
- c. That the AFS does not contain any untrue statement of material fact or omit to state material fact, which would make the statement misleading.
- d. That the AFS fairly represent, in all material respect, the financial condition and results of operations of the company as of and for the year ended 31 December 2024.
- e. That we are responsible for establishing and maintaining internal controls and affirm that the company's internal controls were effective as of 31 December 2024.
- f. That all significant deficiencies in the design or operation of internal control which could adversely affect the company's ability to record, process, summarize and report financial data have been disclosed to the Independent Auditors and the Audit Committee.



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**Adewale Adeyipo**  
Chief Executive Officer  
FRC/2019/ODN/00000019283

Dated: 10 March 2025



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**Afolabi Sobande**  
Chief Operating Officer  
FRC/2020/001/00000021960

Dated: 10 March 2025

## **CWG PLC**

### **FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **Management's Report on the Assessment of Internal Control Over Financial Reporting as at 31st December 2024**

The Management of CWG Plc ("CWG" or the "Company") is responsible for establishing and maintaining an adequate system of internal control over financial reporting, including safeguarding of assets against unauthorized acquisition, use or disposition. This system is designed to provide reasonable assurance to management and the board of directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

CWG's system of internal control over financial reporting is supported with written policies and procedures, contains self-monitoring mechanisms, and is audited by the internal audit consultant. Appropriate actions are taken by management to correct deficiencies as they are identified. All internal control systems have inherent limitations, including the possibility of circumvention and overriding of controls, and, therefore, can provide only reasonable assurance as to the reliability of financial statement preparation and such asset safeguarding.

Management has assessed the effectiveness of its internal control over financial reporting as of December 31, 2024. In making this assessment, management used the COSO 2013 "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management believes that, as of December 31, 2024, the Company's internal control over financial reporting is designed and operating effectively. Additionally, based upon management's assessment, the Company determined that there were no material weaknesses in its internal control over financial reporting as of December 31, 2024.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2024, has been audited by PKF, an independent registered public accounting firm, as stated in their report which appears on page 13.



**Managing Director/Chief Executive Officer**  
FRC/2019/IODN/00000019283

**Dated: 10 March 2025**



**Chief Operating Officer**  
FRC/2020/001/00000021960

**Dated: 10 March 2025**

# CWG PLC

## FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

### Certification

I, **Adewale Adeyipo**, certify that:

a) I have reviewed this ICFR report of CWG Plc.

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

d) The company's other certifying officer(s) and I:

1) are responsible for establishing and maintaining internal controls;

2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company is made known to us, particularly during the period in which this report is being prepared;

3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

4) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of the internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

1) There were no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

2) There were no fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.

f) The company's other certifying officer(s) and I have identified in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



**Adewale Adeyipo**  
Chief Executive Officer  
FRC/2019/ODN/00000019283

Dated: 10 March 2025

## CWG PLC

### FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

#### Certification

I, Afolabi Sobande, certify that:

- a) I have reviewed this ICFR report of CWG Plc;
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
- d) The company's other certifying officer(s) and I:
  - 1) are responsible for establishing and maintaining internal controls;
  - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company is made known to us, particularly during the period in which this report is being prepared;
  - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - 4) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - 1) There were no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - 2) There were no fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- f) The company's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



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Afolabi Sobande  
Chief Operating Officer  
FRC/2020/001/00000021960

Dated: 10 March 2025

**Independent Auditor's Attestation Report on  
Management's Assessment of Internal Controls over Financial Reporting  
To the Shareholders of CWG Plc**

**Attestation**

We have performed a limited review assurance engagement on management's assessment of the effectiveness of internal control over financial reporting of **CWG Plc** ("the Company") as of 31 December 2024, in compliance with the SEC Guidance on Implementation of Section 60-63 of the Investments and Securities Act 2007 issued by the Securities and Exchange Commission and in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's internal control over financial reporting as of 31 December 2024 is not effective, in compliance with the SEC Guidance on Implementation of Section 60-63 of the Investments and Securities Act 2007 issued by the Securities and Exchange Commission and the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

**Basis for Attestation**

We conducted a limited review assurance engagement on management's assessment of the effectiveness of internal control over financial reporting of **University Press Plc** ("the Company") as of 31 December 2024, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Our responsibilities under those sections and the guidance are further described in the Auditor's Responsibilities for the Audit of the internal control procedures over financial reporting section of our report.

We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the internal control procedures over financial reporting in Nigeria.

We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of Internal control procedures over financial reporting in Nigeria.

**Responsibilities of the Directors and Those Charged with Governance for maintaining effective Internal control over financial reporting**

The directors are responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, in accordance with requirement of Section 405 of the Companies and Allied Matters Act, 2020, in connection with Section 1.3 of SEC Guidance on implementation of Sections 60-63 of the investments and securities Act No. 29, 2007 and in compliance with the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

#### **Auditor's Responsibilities for the Audit of the internal control procedures over financial reporting**

Our responsibility is to express an opinion on the management's assessment of the effectiveness of the Company's internal control over financial reporting based on our limited review.

We conducted our limited review assurance engagement in accordance with "the Guidance", which requires that we planned and performed the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included:

- \* obtaining an understanding of internal control over financial reporting,
- \* assessed the risks that a material weakness may exist, and
- \* evaluated the result of the test of design and operating effectiveness of internal control based on the assessed risks.

Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

#### **Definition of Internal Control over Financial Reporting**

The Company's internal control over financial reporting is process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Acceptable Accounting Principles and includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and direction of the Company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Limitations of Internal Control over Financial Reporting**

Because of such limitations, Internal Control over Financial Reporting cannot prevent or detect all misstatements, whether unintentional errors or fraud. However, these inherent limitations are known features of the financial reporting process, therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk. The major limitation are:

- a) Internal Control over Financial Reporting cannot provide absolute assurance due to its inherent limitation
- b) it is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures.
- c) It can be circumvented by collusion or improper management override.

#### **Other Information**

We have also audited, in accordance with the requirements of International Standards on Auditing, the financial statements of the CWG Plc and our report dated 10 March 2025 expressed an unqualified opinion.



Benson O. Adejayan, FCA  
FRC/2013/PRO/ICAN/004/00000002226  
For: PKF Professional Services  
FRC/2023/COY/141906  
Chartered Accountants  
Lagos, Nigeria

Dated: 10 March 2025



## **Independent Auditor's Report**

### **To the Members of CWG Plc**

#### **Opinion**

We have audited the consolidated financial statements of CWG Plc ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position at **31 December 2024**, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) in compliance with the Financial Reporting Council of Nigeria Act, 2023 (as amended) and with the requirements of the Companies and Allied Matters Act, 2020.

#### **Basis for Opinion**

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

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

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

### Key Audit Matters

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

Impairment of financial asset	How the matters were addressed in the audit																
<p><b>1. Impairment of trade and other receivables</b></p> <p>Significant judgement is required by the Directors in assessing the impairment of financial assets in compliance with IFRS 9, which requires a loss allowance for Expected Credit Loss (ECL) to be measured at the reporting date for those financial assets subject to impairment accounting. With the concept of a possible significant increase in credit risk, this assessment must consider all reasonable and supportable historic and forward-looking information.</p> <p>The Group's credit exposures and respective impairment, where applicable, as at 31 December 2024 were as follows:</p> <table border="1"> <thead> <tr> <th>Exposures assessed for expected credit loss under IFRS 9</th> <th>Gross Balance N'000</th> <th>Impairment N'000</th> </tr> </thead> <tbody> <tr> <td>Cash and Cash Equivalent</td> <td>6,055,675</td> <td>(10,854)</td> </tr> <tr> <td>Investment in Subsidiaries</td> <td>80,740</td> <td>(13,020)</td> </tr> <tr> <td>Financial assets measured</td> <td>290,633</td> <td>(253)</td> </tr> <tr> <td>Trade &amp; Other Receivables</td> <td>16,858,302</td> <td>(61,255)</td> </tr> </tbody> </table> <p>Accordingly, for the purposes of our audit, we identified the impairment of financial assets as representing a significant risk of material misstatement and a key audit matter.</p> <p>The assumptions with the most significant impact on the Expected Credit Loss (ECL) were:</p> <ol style="list-style-type: none"> <li>The reasonableness of assumption information (e.g. probability of default information) used in the expected credit loss calculation and how this is supported to ascertain the completeness and accuracy of the records of the information used;</li> </ol>	Exposures assessed for expected credit loss under IFRS 9	Gross Balance N'000	Impairment N'000	Cash and Cash Equivalent	6,055,675	(10,854)	Investment in Subsidiaries	80,740	(13,020)	Financial assets measured	290,633	(253)	Trade & Other Receivables	16,858,302	(61,255)	<p>In evaluating the impairment of financial assets, we reviewed and tested the data used in the ECL calculations prepared by the Directors, with a particular focus on the probability of default (PD), loss given default (LGD) and discount rate. We performed various procedures, including the following:</p> <ul style="list-style-type: none"> <li>• Testing the key controls relating to the preparation of the impairment model including the competence and authority of person(s) performing the control, frequency, and consistency with which the control is performed;</li> <li>• Critically evaluated whether the impairment model used to measure the amount of the ECL for specific accounts and portfolio impairments complies with the requirements of IFRS 9;</li> <li>• Testing of assumptions, inputs and formulas into the ECL model against historical performance and in comparison to forward looking information using the projected GDP growth rate and the Directors' strategic plans for the Group;</li> <li>• Validating that the discount rates used in discounting the estimated future cash flows meet the effective interest rates requirement of IFRS 9;</li> <li>• Evaluating the Directors staging of loans and advances, and securities in the ECL model and test facilities to ensure they have been included in the right stage;</li> <li>• Robustly reviewing the modelling of the EAD. This is particularly important for 'stage 2' loans, where the point of default may be several years in the future;</li> </ul>	
Exposures assessed for expected credit loss under IFRS 9	Gross Balance N'000	Impairment N'000															
Cash and Cash Equivalent	6,055,675	(10,854)															
Investment in Subsidiaries	80,740	(13,020)															
Financial assets measured	290,633	(253)															
Trade & Other Receivables	16,858,302	(61,255)															

<p>2. Segmentation of portfolios used to develop risk parameters;</p> <p>3. Determination of modification gains or losses including assumptions applied;</p> <p>4. Analysis of external ratings, internal benchmarking or grouping risks together when the Group relies on such. The Group might be unable to support the suitability of any groupings to justify such approach as this may mask underlying credit losses or increases in credit risks, if the segments are not sufficiently homogeneous;</p> <p>5. A lack of forward-looking information in the model to address non-linear relationship between the different forward-looking scenarios and their associated credit losses;</p> <p>6. Past due (PD) ratings as management might be unable to obtain relevant data for internal ranking purpose; and</p> <p>7. The Group might use the outstanding balance as the Exposure at Default (EAD).</p>	<ul style="list-style-type: none"> <li>• Involving a specialist to assist with the testing of the discount rate, probability of default (PD), and the loss given default (LGD). The specialist's procedures included evaluating the appropriateness of the key assumptions in the ECL model and reasonableness of the Credit Conversion Factors (CCFs) used;</li> <li>• Re-computation of the ECL provision for each stage to determine their reasonableness, considering the portfolio, risk profile, credit risk management practices and the macroeconomic environment;</li> <li>• Performing sensitivity analysis on the macroeconomic factors used in determining the probability of default.</li> <li>• Verifying the source of the credit ratings used and check the appropriateness of the ratings in accordance with IFRS 9.</li> </ul> <p>We considered the impairment on the financial assets to be appropriate.</p>
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#### Other Information

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

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

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

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

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

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, 2023 (as amended) and the requirements of the Companies and Allied Matters Act, 2020, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

**Report on other Legal and Regulatory Requirements**

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

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



Benson Adeniyi, FCA,  
FRC/2013/PRO/ICAN/004/00000002226  
For: PKF Professional Services  
FRC/2023/COY/141906  
Chartered Accountants  
Lagos, Nigeria

Dated: 10 March 2025




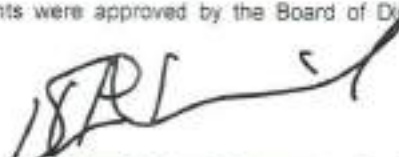
## CWG PLC


### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2024

	Note	Group		Company	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Non-current assets</b>					
Property, plant and equipment	16	957,398	617,196	863,719	591,177
Right of use asset	26.3	152,010	112,508	152,010	112,508
Intangible asset	17	63,065	62,210	62,778	61,820
Investment in subsidiaries	18	67,720	59,990	366,004	358,274
Deferred tax assets	14.5.1	2,674	10,441	-	-
Financial assets	19	324,378	277,552	324,378	277,552
		<u>1,567,245</u>	<u>1,139,896</u>	<u>1,768,889</u>	<u>1,401,331</u>
<b>Current assets</b>					
Inventories	20	3,532,801	2,623,383	2,746,262	2,519,648
Trade and other receivables	21	16,797,047	11,685,265	10,746,306	7,888,999
Income tax receivables	14.3	84,009	39,231	-	-
Prepayments	22	1,920,700	532,844	1,232,332	487,568
Cash and cash equivalents	23	6,044,821	1,794,678	3,318,540	1,142,294
		<u>28,379,378</u>	<u>16,675,401</u>	<u>18,042,440</u>	<u>12,038,509</u>
<b>Total assets</b>		<u>29,946,623</u>	<u>17,815,299</u>	<u>19,811,329</u>	<u>13,439,840</u>
<b>Equity</b>					
Ordinary shares	24	1,262,413	1,262,413	1,262,413	1,262,413
Retained earnings	24.1	3,438,785	796,998	2,636,927	688,121
Fair value reserve	24.2	26,607	17,697	26,607	17,697
Foreign translation reserve	24.3	1,900,254	164,834	-	-
<b>Total equity</b>		<u>6,628,059</u>	<u>2,243,942</u>	<u>3,925,947</u>	<u>1,968,231</u>
<b>Non-current liabilities</b>					
Deferred tax liabilities	14.3	75,250	137,994	74,309	137,994
		<u>75,250</u>	<u>137,994</u>	<u>74,309</u>	<u>137,994</u>
<b>Current liabilities</b>					
Trade and other payables	25	15,298,416	10,436,143	8,761,723	6,739,082
Lease liability	26	26,238	8,703	26,238	8,703
Interest bearing loans & borrowings	27	2,011,308	2,403,631	1,890,143	2,213,651
Income tax payable	14.4	1,257,889	428,325	1,257,664	249,780
Contract liability	28	4,849,463	2,156,861	3,875,305	2,122,399
		<u>23,243,314</u>	<u>15,433,663</u>	<u>15,811,073</u>	<u>11,333,615</u>
<b>Total Liabilities</b>		<u>23,318,564</u>	<u>15,571,657</u>	<u>15,885,382</u>	<u>11,471,609</u>
<b>Total equity and liabilities</b>		<u>29,946,623</u>	<u>17,815,299</u>	<u>19,811,329</u>	<u>13,439,840</u>

The consolidated financial statements were approved by the Board of Directors on 10 March 2025 and signed on its behalf by:

  
Mr. Adewale Adeyipo (MD/CEO)  
FRC/2019/ODN/00000019283

  
Mr. Philip Obioha (Chairman)  
FRC/2013/ODN/00000003269

  
Mr. Afolabi Sobande (COO)  
FRC/2020/001/00000021960

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

## CWG PLC

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
Revenue	7	46,353,452	23,529,216	30,064,062	15,778,260
Cost of sales	8	(36,459,276)	(18,781,278)	(22,937,261)	(12,404,358)
<b>Gross Profit</b>		<b>9,894,176</b>	4,747,938	<b>7,126,801</b>	3,373,902
Other income	9	237,551	129,838	250,813	132,074
Administrative expenses	10	(5,700,415)	(3,494,758)	(3,849,309)	(2,458,471)
Exchange gain/(loss)	11	18,742	(182,029)	(107,304)	(122,779)
Finance costs	12	(95,511)	(84,126)	(43,066)	(69,645)
Finance income	13	62,640	15,053	61,989	15,051
<b>Profit before tax</b>		<b>4,417,183</b>	1,131,916	<b>3,439,924</b>	870,132
Income tax expenses	14	(1,373,123)	(555,832)	(1,087,145)	(296,212)
		<b>3,044,060</b>	576,084	<b>2,352,779</b>	573,920
<b>Other comprehensive income:</b>					
<b>Items that may be subsequently reclassified:</b>					
Net gain/(loss) on financial assets-FVOCI	24.4	8,910	7,036	8,910	7,036
<b>Items that may not be subsequently reclassified:</b>					
Translation of foreign entities	24.5	1,735,420	289,582	-	-
<b>Other comprehensive income for the year - net of tax</b>		<b>1,744,330</b>	296,618	<b>8,910</b>	7,036
<b>Total comprehensive income for the year - net of tax</b>		<b>4,788,390</b>	872,702	<b>2,361,689</b>	580,956
<b>Earnings per share(Kobo)</b>		<b>1.21</b>	0.23	<b>0.93</b>	0.23

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

## CWG PLC

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

#### Attributable to equity holders- the Group

	Issued share capital N'000	Retained earnings N'000	Fair value reserve N'000	Foreign translation reserve N'000	Total N'000
<b>At 1 January 2023</b>	<b>1,262,413</b>	<b>323,608</b>	<b>10,661</b>	<b>(124,748)</b>	<b>1,471,934</b>
<b>Changes in equity for 2023:</b>					
Profit for the year	-	576,084	-	-	576,084
Dividend paid	-	(100,993)	-	-	(100,993)
<b>Other comprehensive income for the year; net of tax</b>					
Fairvalue loss for the year	-	-	7,036	-	7,036
Translation gain for the year	-	-	-	289,582	289,582
<b>At 31 December 2023</b>	<b>1,262,413</b>	<b>798,699</b>	<b>17,697</b>	<b>164,834</b>	<b>2,243,642</b>
<b>At 1 January 2024</b>	<b>1,262,413</b>	<b>798,699</b>	<b>17,697</b>	<b>164,834</b>	<b>2,243,642</b>
<b>Changes in equity for 2024:</b>					
Profit for the year	-	3,044,060	-	-	3,044,060
Dividend paid	-	(403,972)	-	-	(403,972)
<b>Other comprehensive income for the year; net of tax</b>					
Fairvalue gain for the year	-	-	8,910	-	8,910
Translation gain for the year	-	-	-	1,735,420	1,735,420
<b>31 December 2024</b>	<b>1,262,413</b>	<b>3,438,787</b>	<b>26,607</b>	<b>1,900,254</b>	<b>6,628,061</b>

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

# CWG PLC

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

### Attributable to equity holders - the Company

	Issued share capital N'000	Retained earnings N'000	Fair value reserve N'000	Total N'000
<b>1 January 2023</b>	<b><u>1,262,413</u></b>	<b><u>215,193</u></b>	<b><u>10,661</u></b>	<b><u>1,488,267</u></b>
<b>Changes in equity for 2023:</b>				
Profit for the year	-	573,920	-	573,920
Dividend paid	-	(100,993)	-	(100,993)
	-	<u>472,927</u>	-	<u>472,927</u>
<b>Other comprehensive income for the year; net of tax</b>				
Fairvalue gain for the year	-	-	7,036	7,036
<b>31 December 2023</b>	<b><u>1,262,413</u></b>	<b><u>688,120</u></b>	<b><u>17,697</u></b>	<b><u>1,968,230</u></b>
<b>1 January 2024</b>	<b><u>1,262,413</u></b>	<b><u>688,120</u></b>	<b><u>17,697</u></b>	<b><u>1,968,230</u></b>
<b>Changes in equity for 2024:</b>				
Profit for the year	-	2,352,779	-	2,352,779
Dividend paid	-	(403,972)	-	(403,972)
	-	<u>1,948,807</u>	-	<u>1,948,807</u>
<b>Other comprehensive income for the year; net of tax</b>				
Fairvalue gain for the year	-	-	8,910	8,910
<b>31 December 2024</b>	<b><u>1,262,413</u></b>	<b><u>2,636,927</u></b>	<b><u>26,607</u></b>	<b><u>3,925,947</u></b>

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

# CWG PLC

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Cash flows from operating activities</b>					
Profit for the year		<b>3,044,060</b>	576,084	<b>2,352,779</b>	573,920
<b>Adjustment for:</b>					
Depreciation of property, plant and equipment	16	244,294	170,959	218,771	160,879
Depreciation of right-of-use assets	26.2	49,000	48,635	49,000	48,635
Amortisation of intangible assets	17	9,756	12,378	9,653	12,275
Impairment (write back) on receivables	21.3	-	(46,703)	-	(49,075)
ECL Provisions - Contract assets	21.4	14,082	(1,049)	-	(1,049)
ECL Provisions no longer required- Related Parties	21.6	(52,394)	-	(52,394)	85,043
ECL Provisions - Financial asset at amortised cost	19.2	23,875	34	23,875	34
Over provision for tax in prior year		(15,272)		(15,272)	
Income tax expense	14	1,373,123	555,832	1,087,145	296,212
Finance income	24.4	(62,640)	(15,053)	(61,989)	(15,051)
Changes in fairvalue reserve	24.3	8,910	7,036	8,910	7,036
Finance cost	12	95,511	84,126	43,066	69,645
Net foreign exchange differences		1,290,804	403,100	-	-
		<b>6,023,109</b>	1,795,379	<b>3,663,544</b>	1,188,504
<b>Changes in:</b>					
Deferred tax assets	14.5	-	128,934	-	-
Deferred tax liabilities	14.5	(54,977)	-	(63,685)	137,994
Increase in trade and other receivables	21	(5,073,470)	(1,540,153)	(2,804,913)	703,008
Increase in income tax receivable		(44,778)	(22,832)	-	-
Increase in prepayments	22	(1,387,856)	784,394	(744,764)	805,483
Increase in inventories	20	(909,418)	(1,354,875)	(225,614)	(1,251,140)
Increase in trade and other payable	25	4,862,273	698,745	2,022,641	(1,609,998)
Increase in contract liabilities	28	2,492,602	923,818	1,752,906	901,803
<b>Cash generated from/(used in) operating activities</b>		<b>5,907,486</b>	1,413,410	<b>3,600,114</b>	875,654
WHT credit note utilised	14.4	(22,601)	(108,297)	(22,601)	(108,297)
Income tax paid	14.4	(79,371)	(201,523)	(41,388)	(163,540)
<b>Net cash from/(used in)/from operating activities</b>		<b>5,805,514</b>	1,103,590	<b>3,536,125</b>	603,817
<b>Cash flows from investing activities:</b>					
Purchase of property, plant and equipment	16	(512,088)	(241,170)	(491,312)	(220,395)
Transfer from property, plant and equipment		-	-	-	-
Purchase of right-of-use assets	26.2	(88,502)	(109,762)	(88,502)	(109,762)
Acquisition of intangible assets	17	(10,611)	-	(10,611)	-
Addition to investment in subsidiaries	18	(7,730)	(59,990)	(7,730)	(59,990)
Addition to Financial assets measured at FVOCI & Amortised		(70,701)	(41,422)	(70,701)	(41,422)
Interest received	13	62,640	15,053	61,989	15,051
<b>Net cash used in investing activities</b>		<b>(626,992)</b>	(437,291)	<b>(606,867)</b>	(416,518)
<b>Cash flows from financing activities:</b>					
Additional loan	27.2	12,778,250	2,934,453	12,072,272	2,228,475
Repayment of loan principal	27	(13,081,232)	(2,810,483)	(12,252,333)	(1,981,584)
Additional lease liabilities	26.2	45,104	14,679	45,104	14,679
Dividend paid	24.3	(403,972)	(100,993)	(403,972)	(100,993)
Lease obligation repayment	26.1	(27,569)	(25,717)	(27,569)	(25,717)
Interest paid	24	(95,511)	(84,126)	(43,066)	(69,645)
<b>Net cash (used in)/from financing activities</b>		<b>(784,930)</b>	(72,187)	<b>(609,564)</b>	65,215
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,393,591</b>	594,105	<b>2,319,695</b>	252,514
Cash and cash equivalents at the beginning of the period		1,447,751	853,646	795,368	542,854
<b>Cash and cash equivalents at the end of the period</b>	23.1	<b>5,841,342</b>	1,447,751	<b>3,115,063</b>	795,368
<b>Cash and cash equivalents at the end of the period</b>					
Cash and bank balance		6,044,821	1,794,678	3,318,540	1,142,294
Overdraft		(203,478)	(346,926)	(203,478)	(346,926)
<b>Cash and bank balances as per statement of cash flows</b>		<b>5,841,343</b>	1,447,752	<b>3,115,062</b>	795,368

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

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

### **1. General information**

#### **1.1 The Group**

These consolidated financial statements comprise the financial statements of CWG Plc (referred to as "the company" and its subsidiaries (together referred to as "the group"). CWG Plc (the Company) is a limited liability company incorporated and domiciled in Nigeria and became public by listing on 15 November 2013. The registered office is located at Block 54A, Plot 10, Adebayo Doherty Road, off Admiralty Road, Lekki Phase 1, Lagos State in Nigeria.

#### **1.2 Principal activities**

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

### **2. Basis of preparation**

#### **2.1 Statement of compliance with IFRSs**

These consolidated financial statements are the financial statements of the company and its subsidiaries (together, "the group"). The consolidated financial statements for the year ended 31 December 2024 have been prepared in line with IFRS 10 on Consolidated Financial Statements in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and in compliance with the Financial Reporting Council of Nigeria Act, 2023 (as amended).

Additional information required by local regulators are included where appropriate.

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

#### **2.1.2 Basis of measurement**

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

#### **2.1.3 Use of estimates and judgements**

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

### **2.2 Going concern consideration**

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

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 2.3 Summary of significant accounting policies

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

#### 2.3.1 Foreign currencies

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

##### i) Transactions and balances

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

##### ii) Foreign Operations

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

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation. Thus, they shall be expressed in the functional currency of the foreign operation and shall be translated at the closing rate in accordance with the provisions of IAS

#### 2.3.2 Revenue from contracts with customers (IFRS 15)

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

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

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 2.3.2a IT Infrastructure Services

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

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

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

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

### 2.3.2b Communication and Integrated Services

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

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

### 2.3.2c Managed Support Services

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

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

### 2.3.2d Software

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

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

### Identifying performance obligations

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

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

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

### **Variable consideration**

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

### **Significant financing component**

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

### **Contract balances**

#### **Contract assets**

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

#### **Trade receivables**

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

#### **Contract liabilities**

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

### **2.3.4 Taxes**

#### **Current income tax**

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

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

### ***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.

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

The group and the Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority or either the same taxable entities which intend either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### 2.3.5. Property, plant and equipment

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

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

PPE Class	%
Buildings	2
Furniture and fittings	25
Office equipment	33 <sup>1</sup> / <sub>3</sub>
Communication equipment	25
Motor vehicles	25
Building improvement	25
Plant & machinery	25
Loose tools	25
Service option equipment	33 <sup>1</sup> / <sub>3</sub>
Land	Not depreciated
ATM	25

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

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

### 2.3.6 Leases

#### Policy subsequent to 1 January 2019

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

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### The group and the Company as a lessee

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

#### i) Right-of-use assets

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

<b>Assets</b>	<b>Lease period</b>
Guest houses	2 years
Office buildings	2-3 years

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

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

#### ii) Lease liabilities

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

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

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

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

### Leases

#### The group/ the Company as a lessee

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

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group and the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognised as an operating expense in the profit or loss on a straight-

#### 2.3.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the period in which the expenditure

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

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

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

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

As at 31 December 2024, the Group and the Company did not have any indefinite intangible assets. Intangible assets with finite useful lives are reviewed at the end of the reporting period.

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 2.3.8 Financial instruments (IFRS 9)

#### Financial instruments (Recognition and measurement)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### i) Financial assets

##### Initial recognition and measurement

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

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

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

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

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

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

#### ii) Subsequent measurement

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

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

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### **Financial assets at amortised cost (debt instruments)**

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

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

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

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

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

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

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

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

### **Derecognition**

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

- The rights to receive cash flows from the asset have expired Or
- The group and the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company has transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

When the Group and the Company has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

### **Impairment of financial assets**

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

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

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

A financial asset is written off when there is no reasonable expectation of recovering the contractual ca

### **ii) Financial liabilities**

Initial recognition and measurement

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

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

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

### **Subsequent measurement**

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

#### **Financial liabilities measured at amortised cost**

This is the category most relevant to the Group and the Company. After initial recognition, financial liabilities measured at amortised cost are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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

### **iii) Offsetting of financial instruments**

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

### **2.3.9 Inventories**

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

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

### **2.3.10 Impairment of non-financial assets**

The group and the Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other available fair value indicators.

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

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

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

### **2.3.11. Cash and cash equivalents**

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

### **2.3.12 Dividend Distributions**

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

### **2.3.13 Provisions**

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

### **2.3.14. Employee Benefits**

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

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

### **Short-term benefits**

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

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### **Post-employment Retirement Benefit Funds**

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

### **Termination benefits**

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

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

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

### **2.3.15 Segment reporting**

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

### **Measurement of segment information**

The amount reported for each operating segment is based on the measure reported to the Chief Operating Decision Maker for the purposes of allocating resources to the segment and assessing its performance.

### **2.3.16 Fair value measurement**

The group and the Company has financial instruments measured at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

The group and the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated and separate financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

### **3. Significant accounting judgements, estimates and assumptions**

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

#### **Judgements**

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

#### **Revenue from contracts with customers**

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

#### **Determining the timing of satisfaction of Sale of Products**

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

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

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### **Determining the timing of satisfaction of Rendering of Services**

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

### **Determining method to estimate variable consideration and assessing the constraint**

Certain contracts for the provision managed support services and software support include penalties for downtime that give rise to variable consideration. In estimating the variable consideration, the Group and the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

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

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

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

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

### **Going concern**

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

### **Estimates and assumptions**

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

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Financial Instruments

#### Provision for expected credit losses of trade receivables and contract assets

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

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

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

#### Fair value measurement of financial instruments – Financial Assets

When the fair values of financial assets and financial liabilities recorded in the Consolidated and Separate statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 32 for further disclosures.

#### Fair value measurement – Non Financial Assets

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

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either: in the principal market for the asset or liability; or in the absence of a principal market, in the most advantageous market for the asset or liability.

### Taxes

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

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### **Goodwill impairment**

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

### **Re-assessment of useful lives and residual values**

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

### **Discount rate used to determine the incremental borrowing rate**

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

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

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

Step 1: Reference rate: This is generally a government bond reflecting risk free rate. Repayment profile was considered when aligning the term of the lease with the term for the source of the reference rate.

Step 2: Financing spread adjustment: Use of credit spreads from debt with the appropriate term by considering Group/ Company's stand-alone credit rating or similar Group/ Company credit rating.

Step 3: Lease specific adjustment: Use of market yield for the leased assets, as an additional data point and to sense-check the overall IBRs calculated.

## **4. Changes in accounting policies and disclosures and Standards Issued**

### **4.1. New and amended standards and interpretations**

Several standards amendments and interpretations apply for the first time in **2024** but did not have an impact on the financial statements of the Company.

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after **1 January 2024**. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

The directors of the Company have accessed the application of this amendment above and concluded that it did not have any material impact on the amounts recognised in the Company's financial statements for prior periods and in future periods.

### **4.1.2. Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants**

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The directors of the Company have accessed the application of this amendment above and concluded that it did not have any material impact on the amounts recognised in the Company's financial statements for prior periods and in future periods.

### **4.1.3. Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements**

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- \* The terms and conditions of the arrangements;
- \* The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements;

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

- \* The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers;
- \* Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement;
- \* Liquidity risk information.

The directors of the Company has accessed the application of this amendment above and concluded did not have any material impact on the amounts recognised in the Company's financial statements for prior periods and in future periods.

### **4.1.4. Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback**

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

The directors of the Company have accessed the application of this amendment above and concluded that it did not have any material impact on the amounts recognised in the Company's financial statements for prior periods and in future periods.

### **4.2.2 Interpretations Issued and Effective on or after 1 January 2025**

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

#### **4.2.2.1. Standards issued and effective on or after 1 January 2025**

- \* Amendments to IAS 21 -- Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025);
- \* Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026);
- \* IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027);
- \* IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027);

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the company in future periods, except if indicated below.

### **4.2.2.1.1. Amendments to IAS 21 -- Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)**

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not.

The directors of the Company anticipate that the application of these amendments may not have material impact on the Company's operations or financial statements in future periods.

### **4.2.2.1.2. Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)**

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- \* clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- \* clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- \* add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- \* update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The directors of the Company anticipate that the application of these amendments may not have a material impact on the Company's operations or financial statements in future periods.

### **4.2.2.1.3. IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)**

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.

The directors of the Company anticipate that the application of these amendments may not have a material impact on the Company's operations or financial statements in future periods.

### **4.2.2.1.4. IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)**

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

The new standard introduces the following key new requirements:

- \* Entities are required to classify all income and expenses into five categories in the statement of profit or loss. Namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities net profit will not change.
- \* Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- \* Enhances guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit sub-total as the starting points for the statement of cash flows when presenting operating cash flows under the indirect method.

Management is currently assessing the detailed implications of applying the new standard on the company's financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- \* Although the adoption of IFRS 18 will have no impact on the company's net profit, the company expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, the following items might potentially impact operating profit:
  - \* Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
  - \* The directors of the company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
    - \* management-defined performance measures;
    - \* a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
    - \* for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.
  - \* From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Company will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 5. Financial risk management objectives and policies

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

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

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

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

#### 5.1 Market risk

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

##### 5.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group and the Company's exposure to the risk of changes in market interest rates relates primarily to the Group and Company's short-term debt obligations with floating interest rates. The group and the Company's policy is to keep floating rate borrowings only under exceptional circumstances, where the risks are thoroughly considered and approved.

##### 5.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group and the Company's operating activities (when revenue or expense is denominated in a different currency from the Group and the Company's functional currency) and the Group and the Company's net investments in foreign subsidiaries. Management has established a policy requiring the Group and the Company to manage their foreign currency risk against their functional currency. To manage their foreign currency risk arising from future commercial transactions and recognized assets and liabilities, Companies in the Group ensure that significant transaction are contracted in the Group and the Company's functional currency. Foreign currency risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group and the Company's functional currency.

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

	Change in USD rate	Effect on profit before tax N'000
2024	+5%	(236,213)
	-5%	236,213
2023	+5%	(50,488)
	-5%	50,488

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

	Liabilities		Assets	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
US Dollars	<u>(580,390)</u>	<u>(1,175,191)</u>	<u>1,709,728</u>	<u>1,203,237</u>

#### 5.1.3 Equity price risk

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

At the reporting date, the exposure to listed equity securities at fair value was N33.998 million (2023: N25.088 million). A decrease of 5% on the Nigerian Stock Exchange market index could have an impact of approximately N1.7 million (2023: N1.26 million) on the income or equity attributable to the Group and the Company, depending on whether the decline is significant or prolonged. An increase of 5% in the value of the listed securities would only impact equity but would not have an effect on profit or loss.

#### 5.2 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group and the Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk is monitored by the entity's Finance Department. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. CWG has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. Risk ratings are subject to regular revision. The credit quality review process aims to allow the Entity to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

#### Trading relationships

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

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### Trade receivables

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

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

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

Set out below is the information about the credit risk exposure on the Company's trade receivables and contract assets using a provision matrix:

	Contract assets	Current	Trade receivables					Total
			Days past due					
	N'000	N'000	1 - 30 days	31 - 60 days	61 - 90 days	91 - 365 days	>365 days	N'000
<b>31 December 2024</b>								
Expected credit loss rate	0.00%	1.00%	1.65%	3.79%	14.94%	62.00%	59.09%	
Estimated total gross carrying amount at default	1,618,554	-	320,798	42,077	7,862	169,124	18,968	558,829
Expected credit loss	16,249	-	5,307	1,595	1,175	36,315	11,208	55,600
<b>31 December 2023</b>								
Expected credit loss rate	0.18%	0.18%	0.89%	4.81%	9.60%	108.04%	73.38%	
Estimated total gross carrying amount at default	1,196,410	122,999.4	23	2,013	37,473	9,549		172,056
Expected credit loss	2,167	223	0	97	3,598	872	1,813	6,602

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

	2024 N'000	2023 N'000
At 1 January	6,602	55,677
Provision for expected credit loss	48,998	-
Write back during the year	-	(49,075)
<b>At 31 December</b>	<b>55,600</b>	<b>6,602</b>

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

	2024 N'000	2023 N'000
<b>Expected credit loss measurement – Contract assets</b>		
At 1 January	2,167	3,216
Addition in the year/unused amount reversed	14,082	(1,049)
At 31 December	<b>16,249</b>	<b>2,167</b>

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

The following outline the impact of scenario on the allowance:

	<b>Inter-company receivables N'000</b>	<b>Total N'000</b>
<b>31 December 2024</b>		
Upside (10%)	20,961	20,961
Base (80%)	864	864
Downside (10%)	15,885	15,885
<b>Total</b>	<b><u>37,710</u></b>	<b><u>37,710</u></b>
<b>31 December 2023</b>		
Upside (10%)	1,530	1,530
Base (80%)	9,472	9,472
Downside (10%)	1,053	1,053
<b>Total</b>	<b><u>12,055</u></b>	<b><u>12,055</u></b>

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

- Any publicly available information on the Group and the Company's customers and counter parties from external parties. This includes external rating grades issued by rating agencies, independent analyst reports, publicly traded bond or press releases and articles.

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

- Any macro-economic or geopolitical information, e.g., GDP growth relevant for the specific industry and geographical segments where the client operates.
- Any other objectively supportable information on the quality and abilities of the client's management relevant for the Group and the Company's performance.

### 5.2.1 Financial instruments and cash deposits

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

### 5.2.2 Due from related parties

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

### 5.3 Liquidity risk

The group and the Company monitor its risk of a shortage of funds using a liquidity planning tool. The group and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of Group/ Company's overdrafts, Group/Company loans, debentures, and preference shares. The group and the Company's policy is that not more than 25% of borrowings should mature in the next 12-month period. Approximately 10% of the Company's debt will mature in less than one year at 31 December 2024 (2023: 10%) based on the carrying value of borrowings reflected in the financial statements. The group and the Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The group and the Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

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

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

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

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

	Carrying amount N'000	Contractual cash flows N'000	On demand N'000	Less than 3 months N'000	3-12 months N'000	1-5 years N'000
<b>The Group</b>						
<b>At 31 December 2024</b>						
Short-term borrowings	1,807,830	1,807,830	-	1,807,830	-	-
Bank overdraft	203,478	203,478	203,478	-	-	-
Trade and other payables	15,298,416	15,298,416	-	-	15,298,416	-
Contract liability	4,649,463	4,649,463	-	-	4,649,463	-
Lease liability	26,238	26,238	-	-	26,238	-
	<b>21,985,425</b>	<b>21,985,425</b>	<b>203,478</b>	<b>1,807,830</b>	<b>19,974,117</b>	<b>-</b>
At 31 December 2023						
Short-term borrowings	2,056,705	2,056,705	-	2,056,705	-	-
Bank overdraft	346,926	346,926	346,926	-	-	-
Trade and other payables	10,436,143	10,436,143	-	-	10,436,143	-
Contract liability	2,156,861	2,156,861	-	-	2,156,861	-
Lease liability	8,703	8,703	-	-	54,371	20,110
	<b>15,005,338</b>	<b>15,005,338</b>	<b>346,926</b>	<b>2,056,705</b>	<b>12,647,375</b>	<b>20,110</b>
<b>The Company</b>						
<b>At 31 December 2024</b>						
Short-term borrowings	1,686,665	1,686,665	-	1,686,665	-	-
Bank overdraft	203,478	203,478	203,478	-	-	-
Trade and other payables	8,761,723	8,761,723	-	-	8,761,723	-
Contract liability	3,875,305	3,875,305	-	-	3,875,305	-
Lease liability	26,238	26,238	-	-	26,238	-
	<b>14,553,409</b>	<b>14,553,409</b>	<b>203,478</b>	<b>1,686,665</b>	<b>12,663,266</b>	<b>-</b>
At 31 December 2023						
Short-term borrowings	1,866,725	1,866,725	-	1,866,725	-	-
Bank overdraft	346,926	346,926	346,926	-	-	-
Trade and other payables	6,739,082	6,739,082	-	-	6,739,082	-
Contract liability	2,122,399	2,122,399	-	-	2,122,399	-
Lease liability	8,703	8,703	-	-	27,626	20,110
	<b>11,083,835</b>	<b>11,083,835</b>	<b>346,926</b>	<b>1,866,725</b>	<b>8,889,107</b>	<b>20,110</b>

#### 5.4 Capital Management

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

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

No changes were made to the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

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

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Trade and other payables	15,298,416	10,436,143	8,761,723	6,739,082
Short-term loans and borrowings	2,011,308	2,403,631	1,890,143	2,213,651
Less: cash and short-term deposits	<u>(6,044,821)</u>	<u>(1,794,678)</u>	<u>(3,318,540)</u>	<u>(1,142,294)</u>
Net debt	11,264,903	11,045,096	7,333,326	7,810,439
Equity	6,628,059	2,243,642	3,925,947	1,968,231
Total capital plus net debt	<u>17,892,962</u>	<u>13,288,738</u>	<u>11,259,273</u>	<u>9,778,670</u>
Gearing ratio	63%	83%	65%	80%

### 6. Segment information

#### 6.1 Description of segments

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

#### IT Infrastructure

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

#### Communication and Integrated Services

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

#### Managed Support Services

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

#### Software

The Software segment provides services in software deployment, implementation and supports, systems analysis, design and implementation and smartcard applications. The segment also provides training to their clients on the systems offered and other off-the-shelf packages.

#### Platform

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

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 6.2.1 Business segment - Group

	IT Infrastructure Services		Managed & Support services		Communications & Integrated		Software		Platform business		Total	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000	2024 N'000	2023 N'000	2024 N'000	2023 N'000	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Income:</b>												
Revenue	12,753,351	11,703,184	14,550,077	7,063,064	447,449	86,791	16,426,734	3,813,228	2,175,841	862,947	46,353,452	23,529,216
Other operating income	85,302	49,666	121,828	64,153	1,581	833	28,839	15,186	-	-	237,551	129,838
Finance Income	24,828	5,915	30,374	7,312	620	95	6,819	1,731	-	-	62,640	15,053
<b>Total revenue</b>	<b>12,863,480</b>	<b>11,758,766</b>	<b>14,702,279</b>	<b>7,134,529</b>	<b>449,650</b>	<b>87,719</b>	<b>16,462,392</b>	<b>3,830,146</b>	<b>2,175,841</b>	<b>862,947</b>	<b>46,653,643</b>	<b>23,674,107</b>
<b>Expenses:</b>												
Cost of sales	(11,409,535)	(10,363,984)	(13,352,702)	(5,313,999)	(51,961)	(50,961)	(11,469,550)	(2,958,920)	(175,528)	(93,422)	<b>(36,459,276)</b>	(18,781,286)
Administrative expenses	(11,409,535)	(10,363,984)	(13,352,702)	(5,313,999)	(51,961)	(50,961)	(11,469,550)	(2,958,912)	(175,528)	(93,422)	<b>(36,459,276)</b>	(18,781,278)
Finance cost	(1,068,486)	(1,383,069)	(622,091)	(1,214,697)	(192)	(8,180)	(3,432,249)	(447,348)	(577,396)	(441,464)	<b>(5,700,415)</b>	(3,494,758)
Net exchange difference	30,663	(62,555)	(32,754)	(119,474)	-	-	20,833	-	-	-	<b>18,742</b>	(182,029)
<b>Total expenses</b>	<b>(23,856,894)</b>	<b>(22,173,592)</b>	<b>(27,360,249)</b>	<b>(11,962,168)</b>	<b>(104,114)</b>	<b>(110,101)</b>	<b>(26,350,515)</b>	<b>(6,365,181)</b>	<b>(928,453)</b>	<b>(628,308)</b>	<b>(78,600,226)</b>	<b>(41,239,351)</b>
Profit/(loss) before taxation	<b>(10,993,414)</b>	(10,414,827)	<b>(12,657,970)</b>	(4,827,639)	<b>345,536</b>	(22,382)	<b>(9,888,123)</b>	(2,535,035)	<b>1,247,388</b>	234,639	<b>(31,946,583)</b>	(17,565,244)
Income tax expenses	<b>(43,142)</b>	(28,702)	<b>(181,954)</b>	(173,850)	<b>(140,176)</b>	(14,034)	<b>(519,921)</b>	(183,150)	<b>(487,929)</b>	(156,096)	<b>(1,373,122)</b>	(555,832)
<b>Profit/(loss) after taxation</b>	<b>(11,036,555)</b>	(10,443,528)	<b>(12,839,924)</b>	(5,001,490)	<b>205,360</b>	(36,416)	<b>(10,408,043)</b>	(2,718,186)	<b>759,458</b>	78,543	<b>(33,319,705)</b>	(18,121,076)
<b>Assets and liabilities:</b>												
Total tangible assets	<b>184,288</b>	129,710	<b>660,137</b>	427,303	<b>1,600</b>	1,183	<b>101,236</b>	51,114	<b>10,137</b>	7,885	<b>957,398</b>	617,196
Right-of-use assets	<b>32,433</b>	24,005	<b>104,967</b>	77,690	<b>291</b>	215	<b>12,537</b>	9,279	<b>1,782</b>	1,319	<b>152,012</b>	112,508
Intangible assets	-	-	<b>287</b>	-	-	-	-	-	<b>62,778</b>	62,210	<b>63,065</b>	62,210
Investment in subsidiary	<b>67,720</b>	59,990	-	-	-	-	-	-	-	-	<b>67,720</b>	59,990
Financial assets at FVOCI	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax assets	<b>2,674</b>	10,441	-	-	-	-	-	-	-	-	<b>2,674</b>	10,441
Investment in Notes	<b>99,354</b>	55,511	<b>72,079</b>	55,511	<b>50,982</b>	55,511	<b>50,982</b>	55,510	<b>50,982</b>	55,510	<b>324,378</b>	277,552
<b>Total Non-current assets</b>	<b>386,469</b>	279,657	<b>837,470</b>	560,503	<b>52,872</b>	56,909	<b>164,755</b>	115,904	<b>125,679</b>	126,925	<b>1,567,247</b>	1,139,898
Current assets	<b>7,895,683</b>	3,806,014	<b>11,020,187</b>	10,052,290	<b>28,301</b>	25,463	<b>8,555,976</b>	2,010,062	<b>879,231</b>	781,573	<b>28,379,378</b>	16,675,401
Non-current liabilities	<b>(75,250)</b>	(137,994)	-	-	-	-	-	-	-	-	<b>(75,250)</b>	(137,994)
Current liabilities	<b>(4,645,905)</b>	(3,260,160)	<b>(10,008,330)</b>	(9,616,214)	<b>(26,516)</b>	(25,759)	<b>(7,820,740)</b>	(1,422,085)	<b>(817,074)</b>	(790,611)	<b>(23,318,564)</b>	(15,114,829)
<b>Net assets</b>	<b>3,560,998</b>	687,518	<b>1,849,327</b>	996,579	<b>54,658</b>	56,612	<b>899,991</b>	703,880	<b>187,836</b>	117,886	<b>6,552,812</b>	2,562,476

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 6.2.2 Business segment - Company

	IT Infrastructure Services		Managed & Support services		Communications & Integrated		Software		Platform business		Total	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000	2024 N'000	2023 N'000	2024 N'000	2023 N'000	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Income:</b>												
Revenue	5,867,543	7,651,504	13,833,761	6,582,181	362,545	1,888	7,908,725	752,646	2,091,487	790,041	30,064,062	15,778,260
Other operating income	98,564	51,902	121,828	64,153	1,581	833	28,839	15,186	-	-	250,813	132,074
Finance Income	24,176	5,914	30,374	7,311	620	95	6,819	1,731	-	-	61,988	15,051
<b>Total revenue</b>	<b>5,990,283</b>	<b>7,709,320</b>	<b>13,985,963</b>	<b>6,653,645</b>	<b>364,746</b>	<b>2,815</b>	<b>7,944,383</b>	<b>769,563</b>	<b>2,091,487</b>	<b>790,041</b>	<b>30,376,863</b>	<b>15,925,385</b>
<b>Expenses:</b>												
Cost of sales	(5,729,075)	(6,959,413)	(12,866,151)	(4,962,690)	(2,178)	(1,178)	(4,196,124)	(421,511)	(143,732)	(59,566)	(22,937,261)	(12,404,358)
Administrative expenses	(384,931)	(1,025,725)	(577,396)	(1,191,984)	(192)	(289)	(2,309,393)	(117,378)	(577,396)	(123,096)	(3,849,309)	(2,458,472)
Finance cost	(13,781)	(22,286)	(29,285)	(47,359)	-	-	-	-	-	-	(43,066)	(69,645)
Net exchange difference	(34,337)	(39,289)	(72,967)	(83,489)	-	-	-	-	-	-	(107,304)	(122,778)
<b>Total expenses</b>	<b>(6,162,125)</b>	<b>(8,046,713)</b>	<b>(13,545,799)</b>	<b>(6,285,522)</b>	<b>(2,371)</b>	<b>(1,467)</b>	<b>(6,505,517)</b>	<b>(538,889)</b>	<b>(721,129)</b>	<b>(182,662)</b>	<b>(26,936,940)</b>	<b>(15,055,253)</b>
<b>Profit before taxation</b>	<b>(171,841)</b>	<b>(337,393)</b>	<b>440,164</b>	<b>368,123</b>	<b>362,376</b>	<b>1,349</b>	<b>1,438,866</b>	<b>230,674</b>	<b>1,370,358</b>	<b>607,379</b>	<b>3,439,923</b>	<b>870,132</b>
Income tax expenses	(19,613)	(95,399)	(139,109)	(143,880)	(114,524)	(1,867)	(417,775)	(34,059)	(396,123)	(21,007)	-	(296,212)
<b>Profit/(loss) after taxation</b>	<b>(191,455)</b>	<b>(432,792)</b>	<b>301,055</b>	<b>224,243</b>	<b>247,851</b>	<b>(518)</b>	<b>1,021,091</b>	<b>196,615</b>	<b>974,235</b>	<b>586,372</b>	<b>3,439,923</b>	<b>573,920</b>
<b>Assets and liabilities:</b>												
Total tangible assets	184,288	126,137	596,458	408,248	1,600	1,095	71,236	48,758	10,137	6,938	863,719	591,176
Right-of-use assets	32,433	24,005	104,967	77,690	291	215	12,537	9,279	1,782	1,319	152,011	112,508
Intangible assets	-	-	-	-	-	-	-	-	62,778	61,820	62,779	61,820
Investment in subsidiary	366,004	358,274	-	-	-	-	-	-	-	-	366,004	358,274
Financial assets at FVOCI	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets	99,354	55,511	72,079	55,511	50,982	55,510	50,982	55,510	50,982	55,510	324,378	277,552
<b>Total Non-current assets</b>	<b>682,079</b>	<b>563,927</b>	<b>773,504</b>	<b>541,448</b>	<b>52,872</b>	<b>56,821</b>	<b>134,755</b>	<b>113,547</b>	<b>125,679</b>	<b>125,588</b>	<b>1,768,891</b>	<b>1,401,331</b>
Current assets	3,895,683	2,599,328	11,020,187	7,353,031	28,301	18,884	2,219,038	1,480,615	879,231	586,652	18,042,440	12,038,509
Non-current liabilities	(74,309)	(137,994)	-	-	-	-	-	-	-	-	(74,309)	(137,994)
Current liabilities	(3,487,748)	(2,488,375)	(10,008,330)	(7,140,562)	(26,516)	(18,918)	(1,545,715)	(1,102,809)	(817,074)	(582,951)	(15,885,382)	(11,333,615)
<b>Net assets</b>	<b>1,015,706</b>	<b>536,885</b>	<b>1,785,361</b>	<b>753,917</b>	<b>54,658</b>	<b>56,786</b>	<b>808,077</b>	<b>491,353</b>	<b>187,836</b>	<b>129,289</b>	<b>3,851,640</b>	<b>1,968,231</b>

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>6.3 Segment reconciliation</b>				
Reconciliation of reportable segment revenues, profit or loss, assets and liabilities.				
<b>Revenue</b>				
Total revenue from reportable segments	<b>46,353,452</b>	23,529,216	<b>30,064,062</b>	15,778,260
Elimination of Inter-segment revenue	-	-	-	-
<b>Total</b>	<b>46,353,452</b>	<b>23,529,216</b>	<b>30,064,062</b>	<b>15,778,260</b>
<b>Profit or Loss</b>				
Profit before taxation	<b>4,417,183</b>	1,131,916	<b>3,439,924</b>	870,132
Elimination of Inter-segment profit or loss	-	-	-	-
<b>Total</b>	<b>4,417,183</b>	<b>1,131,916</b>	<b>3,439,924</b>	<b>870,132</b>
<b>Assets</b>				
Total assets of reportable segments	<b>29,946,623</b>	17,815,299	<b>19,811,329</b>	13,439,840
Elimination of Inter-segment assets	-	-	-	-
<b>Total</b>	<b>29,946,623</b>	<b>17,815,299</b>	<b>19,811,329</b>	<b>13,439,840</b>
<b>Liabilities</b>				
Total liabilities of reportable segments	<b>23,318,564</b>	15,571,657	<b>15,885,382</b>	11,471,609
Elimination of Inter-segment liabilities	-	-	-	-
<b>Total</b>	<b>23,318,564</b>	<b>15,571,657</b>	<b>15,885,382</b>	<b>11,471,609</b>

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 N'000	2023 N'000
<b>6.4 Geographical segment</b>		
CWG's business activities are concentrated in four geographic regions. Revenue generated from these four regions are as stated below:		
Nigeria	30,064,062	15,778,260
Ghana	8,438,912	4,129,235
Uganda	7,337,843	3,548,813
Cameroon	11,862	-
FTHLAB	500,774	72,907
	<u>46,353,452</u>	<u>23,529,216</u>

	2024			2023		
	MTN N'000	UBA N'000	FBN N'000	MTN N'000	UBA N'000	IBEDC N'000
<b>6.5 Revenue made from major customers</b>						
<b>The Group</b>						
IT Infrastructure services	5,180,311	7,258	184,800	7,448,528	5,552	162,549
Communications & integrated	-	-	-	-	-	85,710
Software revenue	4,484,373	128,534	2,051,429	648,197	85,078	178,471
Managed & Support services	9,851,182	1,000,967	110,852	3,881,931	503,985	310,801
Platform business	-	2,091,487	-	2,101	790,089	-
	<u>19,515,867</u>	<u>3,228,246</u>	<u>2,347,082</u>	<u>11,980,756</u>	<u>1,384,704</u>	<u>737,531</u>
<b>The Company</b>						
IT Infrastructure services	3,722,739	4,116	184,800	1,575,968	12,488	864,757
Communications & integrated	-	-	-	-	-	-
Software revenue	1,825,070	70,781	2,051,429	428,106	36,982	-
Managed & Support services	9,713,696	958,343	110,852	2,189,896	366,331	-
Platform business	-	2,091,487	-	-	689,696	-
	<u>15,261,505</u>	<u>3,124,727</u>	<u>2,347,082</u>	<u>4,193,970</u>	<u>1,105,498</u>	<u>864,757</u>

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 7. Revenue

##### 7.1 Revenue by sector

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

	IT Infrastructure Services N'000	Software N'000	Communi- cations and Integrated Services N'000	Managed Support Services N'000	Platform business N'000	Total N'000
<b>The Group</b>						
<b>Segments:</b>						
<b>Type of goods or services</b>						
<b>31 December 2024</b>						
Financial Services Institutions	3,965,229	8,660,463	-	3,947,168	2,107,444	18,680,304
Public Sector	2,701,820	1,984,980	-	18,799	53,709	4,759,309
Emergent	475,224	761,737	447,449	201,071	14,688	1,900,168
Telecommunications	5,611,077	5,019,555	-	10,383,040	-	21,013,671
<b>Total revenue from contracts with customers</b>	<b>12,753,351</b>	<b>16,426,734</b>	<b>447,449</b>	<b>14,550,077</b>	<b>2,175,841</b>	<b>46,353,452</b>
<b>Timing of revenue recognition</b>						
<b>31 December 2024</b>						
Goods/Services transferred at a point in time	12,753,351	16,426,734	447,449	-	-	29,627,534
Services transferred over time	-	-	-	14,550,077	2,175,841	16,725,918
<b>Total revenue from contracts with customers</b>	<b>12,753,351</b>	<b>16,426,734</b>	<b>447,449</b>	<b>14,550,077</b>	<b>2,175,841</b>	<b>46,353,452</b>
<b>Segments:</b>						
<b>Type of goods or services</b>						
<b>31 December 2023</b>						
Financial Services Institutions	1,918,224	2,206,820	85,204	2,564,220	835,231	7,609,699
Public Sector	1,528,920	297,575	-	62,485	21,688	1,910,669
Emergent	286,622	77,784	1,588	407,574	3,926	777,494
Telecommunications	7,584,411	1,231,049	-	4,027,095	2,102	12,844,657
Oil & gas	385,007	-	-	1,690	-	386,697
<b>Total revenue from contracts with customers</b>	<b>11,703,184</b>	<b>3,813,228</b>	<b>86,791</b>	<b>7,063,064</b>	<b>862,947</b>	<b>23,529,216</b>
<b>Timing of revenue recognition</b>						
<b>31 December 2023</b>						
Goods/Services transferred at a point in time	11,703,184	3,812,972	86,791	-	-	15,602,948
Services transferred over time	-	256	-	7,063,064	862,947	7,926,267
<b>Total revenue from contracts with customers</b>	<b>11,703,184</b>	<b>3,813,228</b>	<b>86,791</b>	<b>7,063,064</b>	<b>862,947</b>	<b>23,529,216</b>

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	IT Infrastructure Services N'000	Software N'000	Communi- cations and Integrated Services N'000	Managed Support Services N'000	Platform business N'000	Total N'000
<b>The Company</b>						
<b>Segments:</b>						
<b>Type of goods or services</b>						
<b>31 December 2024</b>						
Financial Services Institutions	1,304,980	6,055,682	-	3,841,364	2,091,487	13,293,513
Government	533,421	21,590	-	9,709	-	564,720
Emergent	306,403	6,383	362,545	203,856	-	879,187
Telecommunications	3,722,739	1,825,070	-	9,778,832	-	15,326,641
Utility	-	-	-	-	-	-
<b>Total revenue from contracts with customers</b>	<b>5,867,543</b>	<b>7,908,725</b>	<b>362,545</b>	<b>13,833,761</b>	<b>2,091,487</b>	<b>30,064,062</b>
<b>Timing of revenue recognition</b>						
<b>31 December 2024</b>						
Goods/Services transferred at a point in time	5,867,543	7,908,725	362,545	-	-	14,138,814
Services transferred over time	-	-	-	13,833,761	2,091,487	15,925,248
<b>Total revenue from contracts with customers</b>	<b>5,867,543</b>	<b>7,908,725</b>	<b>362,545</b>	<b>13,833,761</b>	<b>2,091,487</b>	<b>30,064,062</b>
<b>Segments:</b>						
<b>Type of goods or services</b>						
<b>31 December 2023</b>						
Financial Services Institutions	296,802	437,173	300	2,190,006	787,939	3,712,219
Government	-	-	-	-	-	-
Emergent	113,388	256	1,588	382,966	-	498,198
Telecommunications	6,856,307	315,218	-	4,007,519	2,102	11,181,146
Oil & gas	385,007	-	-	1,690	-	386,697
<b>Total revenue from contracts with customers</b>	<b>7,651,504</b>	<b>752,646</b>	<b>1,888</b>	<b>6,582,181</b>	<b>790,041</b>	<b>15,778,260</b>
<b>Timing of revenue recognition</b>						
<b>31 December 2023</b>						
Goods/Services transferred at a point in time	7,651,504	752,390	1,888	-	-	8,405,782
Services transferred over time	-	256	-	6,582,181	790,040	7,372,478
<b>Total revenue from contracts with customers</b>	<b>7,651,504</b>	<b>752,646</b>	<b>1,888</b>	<b>6,582,181</b>	<b>790,041</b>	<b>15,778,260</b>

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. The group and the Company's trade receivables amount to N5.41 billion (2023 : N3.32 billion) and N558.8 Million (2023 : N172 million). In 2024, N42.26 million (2023 : N16.99 million) and N55.6 Million (2023 : N6.6 million) were recognised as provisions for expected credit losses on trade receivables for the Group and the Company.

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

Contract liabilities include short and long-term advances received with respect to contracts. The outstanding balances of these accounts increased in 2024. The increase in contract liabilities in 2024 was mainly due to some MTN and some other customer contract.

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 7.1.1. Performance obligations

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

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

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>7.2 Revenue from contracts with customers is made up of:</b>				
IT Infrastructure services	12,753,351	11,703,184	5,867,543	7,651,504
Communications & integrated services	447,449	86,791	362,545	1,888
Managed & support services	14,550,077	7,063,064	13,833,761	6,582,181
Software revenue	16,426,734	3,813,228	7,908,725	752,646
Platform business	2,175,841	862,947	2,091,487	790,041
	<b>46,353,452</b>	<b>23,529,216</b>	<b>30,064,062</b>	<b>15,778,260</b>
<b>8. Cost of sales</b>				
OEM and other cost	36,459,276	18,781,278	22,937,261	12,404,358
	<b>36,459,276</b>	<b>18,781,278</b>	<b>22,937,261</b>	<b>12,404,358</b>
<b>Cost of sales is made up of:</b>				
IT Infrastructure services	11,409,535	10,363,976	5,729,075	6,959,413
Communications and integrated services	51,961	50,961	2,178	1,178
Managed support services	13,352,702	5,313,999	12,866,151	4,962,690
Software	11,469,550	2,958,920	4,196,124	421,511
Platform business	175,528	93,422	143,732	59,566
<b>Total</b>	<b>36,459,276</b>	<b>18,781,278</b>	<b>22,937,261</b>	<b>12,404,358</b>
<b>9. Other income</b>				
Sundry income	199,184	72,046	198,364	71,910
Profit on disposal of PPE	55	10,040	55	10,040
Writeback of ECL on Trade receivables	-	46,703	-	49,075
Writeback of related parties provision no longer required	52,394	-	52,394	-
Writeback of ECL on contract assets	(14,082)	1,049	-	1,049
	<b>237,551</b>	<b>129,838</b>	<b>250,813</b>	<b>132,074</b>

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>10. Administrative expenses</b>				
Staff costs (Note 10.1)	2,852,163	1,906,464	1,632,283	1,219,626
Directors fee and remuneration	108,158	81,797	84,328	37,658
Repairs and maintenance	38,041	30,198	32,324	27,436
Dep-property, plant and equipment	243,954	170,959	218,421	160,881
Dep-right-of-Use Asset	49,000	48,635	49,000	48,635
Amortisation of intangible assets	9,756	12,378	9,653	12,275
Advertisement and sales promotion	287,653	103,233	206,457	42,340
Sales Commission	558,510	143,137	537,552	131,796
Investor relations	45,498	26,249	45,498	26,249
Professional and accountancy fee	134,983	145,118	98,623	119,213
Audit fee	55,770	40,050	15,050	14,000
Bank charges	112,484	76,542	72,129	43,711
Transport and travelling	346,194	164,001	242,494	89,388
Accommodation and entertainment	(1,602)	14,798	-	13,579
Rent and rates	107,529	56,382	7,917	3,817
Insurance	27,208	23,936	22,239	17,249
Printing, postage and telephone	40,263	24,605	18,427	14,783
Internet and other subscriptions	53,577	39,733	33,832	37,092
Electricity and diesels	79,916	30,768	76,491	28,506
License and registration fees	143,489	86,066	120,232	82,884
Cleaning and security	27,491	21,432	20,447	19,119
ECL Provisions - Receivables(Note 21.3)	48,998	-	63,080	-
Impairment of inventory	7,219	-	-	-
ECL Provisions - Related Parties (Note 21.6)	36,804	-	-	85,043
ECL Provisions - Financial asset (Note 19.2)	23,875	34	23,875	34
Corporate social responsibility	2,541	1,996	2,541	1,996
Motor vehicle expense	27,927	13,408	27,927	13,408
Sundry expenses	233,015	232,839	188,489	167,753
	<u>5,700,415</u>	<u>3,494,758</u>	<u>3,849,309</u>	<u>2,458,471</u>
<b>10.1. Staff costs</b>				
Salary, wages and allowances	2,417,496	1,640,469	1,317,322	1,025,188
Contribution to pension scheme (Note 25.1.1)	126,174	78,404	60,691	46,987
Training, recruitment and other education	123,268	63,286	108,718	47,277
Medical expenses	79,899	47,820	52,617	34,158
Other personnel expenses	105,326	76,485	92,935	66,016
	<u>2,852,163</u>	<u>1,906,464</u>	<u>1,632,283</u>	<u>1,219,626</u>

**10.2.** The increase in group audit fees is largely due to translation of subsidiaries local currencies to the reporting currency.

#### 10.3. SUNDRY EXPENSES

Sundry Expenses include: Obsolete inventory, office supplies & general expenses and Bid and general documentation.

#### 10.4 Provision of non-audit services

The Firm did not provide any non-audit services to CWG PLC during the period under review.

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>11. Exchange loss</b>				
Exchange loss	<u>-18,742</u>	<u>182,029</u>	<u>107,304</u>	<u>122,779</u>
	<u>(18,742)</u>	<u>182,029</u>	<u>107,304</u>	<u>122,779</u>
<b>12. Finance cost</b>				
Interest on overdraft	<u>32,276</u>	<u>46,921</u>	<u>32,276</u>	<u>46,921</u>
Interest on lease (Note 26.2)	<u>10,790</u>	<u>8,938</u>	<u>10,790</u>	<u>8,938</u>
Interest on short term loan (Note 27.2)	<u>52,445</u>	<u>28,267</u>	<u>-</u>	<u>13,786</u>
	<u>95,511</u>	<u>84,126</u>	<u>43,066</u>	<u>69,645</u>
<b>13. Finance income</b>				
Interest income	<u>62,640</u>	<u>15,053</u>	<u>61,989</u>	<u>15,051</u>
	<u>62640</u>	<u>15053</u>	<u>61,989</u>	<u>15051</u>

#### 14. Taxation

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

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>14.1 Income tax expense</b>				
Income tax	1,325,021	241,057	1,004,493	112,864
Education tax	118,246	33,859	34,552	33,859
Information technology	34,552	9,159	118,246	9,159
Police trust fund	173	46	173	46
NASENI Levy	8,638	2,290	8,638	2,290
Under provision in previous year	(15,272)	132,015	(15,272)	-
	<u>1,436,806</u>	<u>418,426</u>	<u>1,150,830</u>	<u>158,218</u>
Deferred tax (credit)/charge (Note 14.5)	<u>(63,683)</u>	<u>137,406</u>	<u>(63,685)</u>	<u>137,994</u>
Income tax expense reported in profit or loss	<u>1,373,123</u>	<u>555,832</u>	<u>1,087,145</u>	<u>296,212</u>

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	COMPANY
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
<b>14.2 Reconciliation of tax charge</b>				
<b>Profit before taxation</b>	<b>4,417,183</b>	1,131,916	<b>3,439,924</b>	870,132
Tax at Nigeria statutory income tax 30%	<b>1,325,155</b>	339,575	<b>1,031,977</b>	261,040
Income exempt from tax	<b>(101,712)</b>	(101,712)	<b>(101,712)</b>	(101,712)
Non-deductible expenses	<b>(339,040)</b>	(339,040)	<b>(339,040)</b>	(339,040)
Expenses that are not deductible in determining taxable profit	<b>218,275</b>	218,275	<b>165,523</b>	165,523
Impact of tax losses not recognised	-	-	-	-
Deferred tax charge	<b>(63,685)</b>	298,063	<b>(63,685)</b>	298,063
Deferred tax asset movement	<b>3</b>	(587)	-	-
Effect of tax adjustments (minimum tax, dividend tax, petroleum trust fund levy, information tax levy)	<b>193,430</b>	193,430	<b>63,922</b>	63,922
NASENI levy	<b>8,638</b>	2,290	<b>8,638</b>	-
Education tax	<b>118,246</b>	33,859	<b>118,246</b>	33,859
Capital allowance	<b>(225,727)</b>	(225,727)	<b>(225,727)</b>	(225,727)
	<b>1,133,584</b>	418,426	<b>658,143</b>	155,928
Adjustments recognized in the current period in relation to the deferred tax of prior periods	<b>(63,683)</b>	137,406	<b>(63,685)</b>	137,994
Effective tax charge	<b>1,069,901</b>	555,832	<b>594,458</b>	293,922
Effective tax rate	<b>24%</b>	49%	<b>17%</b>	34%

The tax rate used for 2023 & 2022

	Group		Company	COMPANY
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
<b>14.3 Income tax receivable</b>				
At 1 January	<b>39,231</b>	16,399	-	-
Income tax charge	<b>107,519</b>	85,573	-	-
Under provision	<b>39,951</b>	39,951	-	-
Tax paid during the year	<b>(102,692)</b>	(102,692)	-	-
<b>At 31 December</b>	<b>84,009</b>	39,231	-	-
<b>14.4 Income Tax payable</b>				
At 1 January	<b>428,325</b>	225,480	<b>249,780</b>	225,405
Income tax charge	<b>1,373,123</b>	555,832	<b>1,087,145</b>	296,212
Over provision	<b>(15,272)</b>	22,476	<b>(15,272)</b>	-
Tax paid during the year	<b>(79,371)</b>	(201,523)	<b>(41,388)</b>	(163,540)
WHT credit note utilised	<b>(22,601)</b>	(108,297)	<b>(22,601)</b>	(108,297)
Translation adjustment	<b>(426,315)</b>	(65,643)	-	-
<b>At 31 December</b>	<b>1,257,889</b>	428,325	<b>1,257,664</b>	249,780

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
<b>14.5 Deferred tax balances/(liabilities)</b>				
<b>14.5.1 Deferred tax assets</b>				
The following is the analysis of the deferred tax assets and liability presented in the consolidated and separate statements of financial position:				
Deferred tax assets	2,674	10,441	-	-
Deferred tax liabilities (Note 14.5.2)	(75,250)	(137,994)	(74,309)	(137,994)
<b>Deferred tax assets/(liabilities)</b>	<b>(72,576)</b>	<b>(127,553)</b>	<b>(74,309)</b>	<b>(137,994)</b>

	Group			Company		
	At 1	Recognised	At 31	At 1	Recognised	At 31
	January	in profit	December	January	in profit	December
	balance	or loss	balance	balance	or loss	balance
	N'000	N'000	N'000	N'000	N'000	N'000
<b>2024</b>						
<b>Deferred tax assets in relation to:</b>						
Accelerated depreciation for tax purpose	2,098	-	2,098	-	-	-
Short-term timing differences	-	576	576	-	-	-
Translation adjustment	-	717	-	-	-	-
	<u>2,098</u>	<u>1,293</u>	<u>2,674</u>	-	-	-
<b>Deferred tax liabilities in relation to:</b>						
Property, plant and equipment	-	75,250	75,250	-	74,309	74,309
Translation adjustment	-	-	-	-	-	-
	<u>-</u>	<u>75,250</u>	<u>75,250</u>	<u>-</u>	<u>74,309</u>	<u>74,309</u>
<b>2023</b>						
<b>Deferred tax liabilities in relation to:</b>						
Property, plant and equipment	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The deferred tax asset for the Company was not recognised by the Group and the Company during the year based on prudence as there are unabsorbed losses, the balance not recognised in the Group and the Company's books is N149.6 million (2022: N149.6 million). The deferred tax recognised by the Group relates to deferred tax liabilities recognised in the books of two of its subsidiaries – CWG Uganda and CWG Ghana as AT 31 DECEMBER 2024.

	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
<b>15. Basic earnings per share</b>				
Profit after taxation	<u>3,044,060</u>	<u>576,084</u>	<u>2,352,779</u>	<u>573,920</u>
<b>Number of shares</b>				
Weighted average number of shares for basic earning per share	<u>2,524,826</u>	<u>2,524,826</u>	<u>2,524,826</u>	<u>2,524,826</u>
Effect of dilutive potential share: restricted shares and share options	-	-	-	-
Weighted average number of shares for diluted earnings per share	<u>2,524,826</u>	<u>2,524,826</u>	<u>2,524,826</u>	<u>2,524,826</u>
<b>Earnings per share (kobo)</b>				
- Basic	<u>120.57</u>	<u>22.82</u>	<u>93.19</u>	<u>22.73</u>
- Diluted	<u>120.57</u>	<u>22.82</u>	<u>93.19</u>	<u>22.73</u>

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 16.a. Property, plant and equipment

##### The Group

	Land N'000	Buildings & building improv- ements N'000	Plant & Machinery N'000	Furniture & fittings N'000	Office Equipment N'000	Motor vehicle N'000	Loose Tools N'000	Communication equipment N'000	ATM N'000	Capital WIP N'000	Total N'000
<b>Cost</b>											
<b>At 1 January 2023</b>	<b>111,395</b>	<b>176,973</b>	<b>100,458</b>	<b>106,547</b>	<b>266,608</b>	<b>68,402</b>	<b>542</b>	<b>1,494,469</b>	<b>17,169</b>	<b>-</b>	<b>2,342,563</b>
Additions	-	35,326	10,261	50,743	41,015	7,741	542	74,948	-	20,593	241,170
Translation adjustment	-	-0	884	9,760	22,827	10,296	-161	22,218	-	-	65,824
<b>At 31 December 2023</b>	<b>111,395</b>	<b>212,299</b>	<b>111,603</b>	<b>167,050</b>	<b>330,450</b>	<b>86,439</b>	<b>923</b>	<b>1,591,635</b>	<b>17,169</b>	<b>20,593</b>	<b>2,649,556</b>
<b>At 1 January 2024</b>	<b>111,395</b>	<b>212,299</b>	<b>111,603</b>	<b>167,050</b>	<b>330,450</b>	<b>86,439</b>	<b>923</b>	<b>1,591,635</b>	<b>17,169</b>	<b>20,593</b>	<b>2,649,556</b>
Additions	-	327	-	70,607	113,722	11,113	542	303,827	11,951	-	512,088
Disposal	-	-	-	-	18,501	-	-	-	-	(18,501)	-
Translation adjustment	-	3,649	867	10,246	57,259	32,751	(169)	35,252	0	-	139,856
<b>At 31 December 2024</b>	<b>111,395</b>	<b>216,275</b>	<b>112,470</b>	<b>247,903</b>	<b>519,932</b>	<b>130,303</b>	<b>1,296</b>	<b>1,930,714</b>	<b>29,120</b>	<b>2,093</b>	<b>3,301,500</b>
<b>Accumulated depreciation</b>											
<b>At 1 January 2023</b>	<b>-</b>	<b>85,433</b>	<b>81,958</b>	<b>96,185</b>	<b>191,920</b>	<b>58,469</b>	<b>367</b>	<b>1,266,151</b>	<b>14,025</b>	<b>-</b>	<b>1,794,508</b>
Charge for the year	-	7,779	7,153	6,108	51,253	5,793	177	91,050	1,646	-	170,959
Translation adjustment	-	-	844	16,121	17,373	10,033	304	22,218	-	-	66,893
<b>At 31 December 2023</b>	<b>-</b>	<b>93,212</b>	<b>89,955</b>	<b>118,414</b>	<b>260,546</b>	<b>74,295</b>	<b>848</b>	<b>1,379,419</b>	<b>15,671</b>	<b>-</b>	<b>2,032,360</b>
<b>At 1 January 2024</b>	<b>-</b>	<b>93,212</b>	<b>89,955</b>	<b>118,414</b>	<b>260,546</b>	<b>74,295</b>	<b>848</b>	<b>1,379,419</b>	<b>15,671</b>	<b>-</b>	<b>2,032,360</b>
Charge for the year	-	12,950	9,170	17,905	75,684	13,562	-	113,611	1,412	-	244,294
Translation adjustment	-	(585)	867	22,547	21,706	(12,683)	343	35,253	-	-	67,448
<b>At 31 December 2024</b>	<b>-</b>	<b>105,577</b>	<b>99,992</b>	<b>158,866</b>	<b>357,936</b>	<b>75,174</b>	<b>1,191</b>	<b>1,528,283</b>	<b>17,083</b>	<b>-</b>	<b>2,344,102</b>
<b>Carrying amount:</b>											
<b>At 31 December 2024</b>	<b>111,395</b>	<b>110,698</b>	<b>12,478</b>	<b>89,037</b>	<b>161,996</b>	<b>55,129</b>	<b>-</b>	<b>402,431</b>	<b>12,037</b>	<b>2,093</b>	<b>957,398</b>
At 31 December 2023	111,395	119,087	21,648	48,636	69,904	12,144	-	212,216	1,498	20,593	617,196

i.- There was no interest capitalised as part of Property, Plant and Equipment (PPE) during the year. The net carrying amount of leased assets as at 31 December 2024 is Nil (2023: Nil). Also, there was no existence or restrictions on the title to the Group and the Company's PPE. No contractual commitment on any of the Group and the Company's PPE.

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 16.b. Property, plant and equipment

#### The Company

	Land N'000	Buildings & building improv- ements N'000	Plant & Machinery N'000	Furniture & Fittings N'000	Office Equipment N'000	Motor Vehicles N'000	Communication Equipment N'000	ATM N'000	Capital work in progress N'000	Total N'000
<b>Cost</b>										
At 1 January 2023	111,395	176,973	99,200	92,185	224,288	55,486	1,471,198	17,169	-	2,247,894
Additions	-	35,326	10,261	40,680	38,585	-	74,948	-	20,593	220,394
Disposal	-	-	-	-	-	-	-	-	-	-
<b>At 31 December 2023</b>	<b>111,395</b>	<b>212,299</b>	<b>109,461</b>	<b>132,864</b>	<b>262,873</b>	<b>55,486</b>	<b>1,546,146</b>	<b>17,169</b>	<b>20,593</b>	<b>2,468,288</b>
At 1 January 2024	111,395	212,299	109,461	132,864	262,873	55,486	1,546,146	17,169	20,593	2,468,288
Additions	-	327	-	60,544	111,293	3,372	303,827	11,951	-	491,313
Reclassification	-	-	-	-	18,501	-	-	-	(18,501)	-
<b>At 31 December 2024</b>	<b>111,395</b>	<b>212,626</b>	<b>109,461</b>	<b>193,408</b>	<b>392,667</b>	<b>58,858</b>	<b>1,849,973</b>	<b>29,120</b>	<b>2,093</b>	<b>2,959,602</b>
<b>Accumulated depreciation</b>										
At 1 January 2023	-	85,434	80,662	81,893	165,308	46,030	1,242,881	14,025	-	1,716,233
Charge for the year	-	7,779	7,153	8,816	39,870	4,566	91,049	1,646	-	160,879
Disposal	-	-	-	-	-	-	-	-	-	-
<b>At 31 December 2023</b>	<b>-</b>	<b>93,213</b>	<b>87,815</b>	<b>90,709</b>	<b>205,178</b>	<b>50,596</b>	<b>1,333,930</b>	<b>15,671</b>	<b>-</b>	<b>1,877,112</b>
At 1 January 2024	-	93,213	87,815	90,709	205,178	50,596	1,333,930	15,671	-	1,877,112
Charge for the year	-	12,142	9,171	21,118	57,522	3,570	113,836	1,412	-	218,771
Disposal	-	-	-	-	-	-	-	-	-	-
<b>At 31 December 2024</b>	<b>-</b>	<b>105,355</b>	<b>96,986</b>	<b>111,827</b>	<b>262,700</b>	<b>54,166</b>	<b>1,447,766</b>	<b>17,083</b>	<b>-</b>	<b>2,095,883</b>
<b>Carrying amount:</b>										
<b>At 31 December 2024</b>	<b>111,395</b>	<b>107,271</b>	<b>12,475</b>	<b>81,581</b>	<b>129,967</b>	<b>4,692</b>	<b>402,207</b>	<b>12,037</b>	<b>2,093</b>	<b>863,719</b>
At 31 December 2023	111,395	119,086	21,646	42,155	57,695	4,890	212,216	1,498	20,593	591,176

i)- There was no interest capitalised as part of Property, Plant and Equipment (PPE) during the year.

ii). Also, there was no existence or restrictions on the title to the Group and the Company's PPE

iii). No contractual commitment on any of the Group and the Company's PPE.

iv). No impairment on property, plant and equipment during the year

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	The Group			The Company		
	Software N'000	Licences N'000	Total N'000	Software N'000	Licences N'000	Total N'000
<b>17. Intangible asset</b>						
<b>Cost:</b>						
At 1 January 2023	571,749	97,664	669,413	571,233	97,664	668,897
Additions in the year	-	-	-	-	-	-
<b>AT 31 DECEMBER 2023</b>	<b>571,749</b>	<b>97,664</b>	<b>669,413</b>	<b>571,233</b>	<b>97,664</b>	<b>668,897</b>
<b>At 1 January 2024</b>	<b>571,749</b>	<b>97,664</b>	<b>669,413</b>	<b>571,233</b>	<b>97,664</b>	<b>668,897</b>
Additions in the year	9,673	938	10,611	9,673	938	10,611
<b>At 31 December 2024</b>	<b>581,422</b>	<b>98,602</b>	<b>680,024</b>	<b>580,906</b>	<b>98,602</b>	<b>679,508</b>
<b>Amortisation and impairment</b>						
At 1 January 2023	565,233	29,590	594,823	565,212	29,590	594,802
Charge for the year	5,175	7,205	12,380	5,070	7,205	12,275
<b>AT 31 DECEMBER 2024</b>	<b>570,408</b>	<b>36,795</b>	<b>607,203</b>	<b>570,282</b>	<b>36,795</b>	<b>607,077</b>
<b>At 1 January 2024</b>	<b>570,408</b>	<b>36,795</b>	<b>607,203</b>	<b>570,282</b>	<b>36,795</b>	<b>607,077</b>
Charge for the year	2,160	7,596	9,756	2,057	7,596	9,653
<b>At 31 December 2024</b>	<b>572,568</b>	<b>44,391</b>	<b>616,959</b>	<b>572,339</b>	<b>44,391</b>	<b>616,730</b>
<b>Carrying amount:</b>						
<b>At 31 December 2024</b>	<b>8,854</b>	<b>54,211</b>	<b>63,065</b>	<b>8,567</b>	<b>54,211</b>	<b>62,778</b>
AT 31 DECEMBER 2023	11,014	61,807	62,210	10,624	61,807	61,820

The intangible assets are in respect of software for Vericash project with a net book value of N8.6 million (2023: N10.6 million). The software is deemed to have a finite useful life and thus amortised over a period of 3 - 5 years.

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

18. Investment in subsidiaries	% Holding	Group		Company	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
CWG Cameroun	100	-	-	883	883
CWG Ghana	100	-	-	272,098	272,098
CWG Uganda	100	-	-	303	303
FTHLAB	100	-	-	25,000	25,000
CWG Global Services FZ-LLC (Note 18.1)	100	80,740	59,990	80,740	59,990
Impairment provision		(13,020)	-	(13,020)	-
		<b>67,720</b>	<b>59,990</b>	<b>366,004</b>	<b>358,274</b>

**Note 18.1** CWG Global Services FZ-LLC relates to a new subsidiary the company incorporated in Dubai in 2023. The amount stated above refers to the initial cost the company spends on CWG Dubai. As at the year end, CWG Global Services FZ-LLC has not started operation, thus, was not part of the subsidiaries consolidated.

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 18.2 Interest in subsidiaries

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

	CWG Ghana		CWG Uganda		CWG Cameroon		FTHLAB	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Condensed statement of profit or loss and other comprehensive income:</b>								
Revenue	8,438,912	4,129,235	7,337,843	3,548,813	11,862	-	500,774	72,907
Cost of sales	(7,197,985)	(3,330,167)	(6,197,715)	(3,012,899)	(9,550)	-	(116,765)	(33,856)
<b>Gross Profit</b>	<b>1,240,927</b>	<b>799,069</b>	<b>1,140,127</b>	<b>535,914</b>	<b>2,313</b>	<b>-</b>	<b>384,009</b>	<b>39,052</b>
Administrative expenses	(604,948)	(394,094)	(847,954)	(381,669)	(38,927)	(25,282)	(373,359)	(322,653)
Other operating income	-	135	-	-	-	-	-	-
Exchange gain/(loss)	90,190	(48,889)	35,855	(10,363)	-	-	-	-
Finance cost	-	-	(52,445)	(14,481)	-	-	-	-
<b>Profit before taxation</b>	<b>726,168</b>	<b>356,220</b>	<b>275,583</b>	<b>129,402</b>	<b>(36,615)</b>	<b>(25,282)</b>	<b>10,650</b>	<b>(283,601)</b>
Income tax expense	(182,308)	(221,697)	(103,410)	(37,925)	(261)	-	-	-
<b>Profit/(loss) for the year</b>	<b>543,860</b>	<b>134,524</b>	<b>172,174</b>	<b>91,476</b>	<b>(36,875)</b>	<b>(25,282)</b>	<b>10,650</b>	<b>(283,601)</b>
Other comprehensive (loss)/ income	91,698	34,988	50,100	29,559	(8,196)	(8,613)	-	-
<b>Total comprehensive income/(loss)</b>	<b>635,558</b>	<b>169,512</b>	<b>222,273</b>	<b>121,035</b>	<b>(45,072)</b>	<b>(33,895)</b>	<b>10,650</b>	<b>(283,601)</b>
<b>Attributable to:</b>								
Equity holders of parent	635,558	169,512	222,273	121,035	(45,072)	(33,895)	10,650	(283,601)
<b>Condensed statement of financial position:</b>								
Inventories and cash and short-term deposits	2,666,675	221,989	825,928	501,206	1,332	732.9640153	19,882	32,189
Trade and other receivables and prepayment	6,804,599	4,404,339	1,156,023	237,285	113,832	64,037	160,800	8,029
Property, plant and equipment	26,642	3,247	45,828	6,881	1,803	1167	19,400	14,726
Right-of-use assets	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	288	391
Income tax receivable	84,009	12,705	-	-	-	-	-	-
Deferred tax (liabilities)/assets	2,674	1,906	(941)	8,535	-	-	-	-
Trade and other payables and contract liabilities	(7,499,423)	(3,435,372)	(1,227,469)	(365,029)	(868,250)	(466,212)	(543,087)	(409,534)
Interest-bearing loans and borrowings	-	-	(157,160)	(178,817)	35,995	(11,163)	-	-
Lease liability	-	-	-	-	-	-	-	-
Income tax payable	-	(178,322)	-	-	-	1	-	-
<b>Total equity</b>	<b>2,085,175</b>	<b>1,030,491</b>	<b>642,210</b>	<b>210,061</b>	<b>(715,288)</b>	<b>(411,436)</b>	<b>(342,717)</b>	<b>(354,198)</b>

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>19. Financial assets</b>				
Measured at FVOCI (Note 19.1)	33,998	25,088	33,998	25,088
Measured at amortised costs (Note 19.2)	290,380	252,464	290,380	252,464
	<b>324,378</b>	<b>277,552</b>	<b>324,378</b>	<b>277,552</b>
<b>19.1. Measured at FVOCI</b>				
At 1 January	25,088	11,365	25,088	11,365
Fair value	8,910	13,723	8,910	13,723
<b>At 31 December</b>	<b>33,998</b>	<b>25,088</b>	<b>33,998</b>	<b>25,088</b>

19.1.1 The Group and the Company recognise gain/(loss) on financial assets measured at FVOCI within the other comprehensive income. The fair value of the equity instrument is N25 million as AT 31 DECEMBER 2024 (2022: N18million).

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>19.2. Measured at Amortised costs</b>				
<b>Gross investment</b>	290,633	252,717	290,633	252,717
Less: impairment	(253)	(253)	(253)	(253)
<b>Net carrying amount</b>	<b>290,380</b>	<b>252,464</b>	<b>290,380</b>	<b>252,464</b>

19.2.1. This represents an investment in Cordros liquidity management with an 15% interest rate to be matured on January 31,2024.

	Level 1 N'000	Level 2 N'000	Level 3 N'000
<b>At 31 December 2024</b>			
<b>Financial assets :</b>			
Measured at FVOCI	18,364	-	-
Measured at Amortised cost	218,112	-	-
<b>At 31 December 2023</b>			
<b>Financial assets :</b>			
Measured at FVOCI	18,364	-	-
Measured at Amortised cost	252,464	-	-

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>20. Inventories</b>				
ATM and other inventory items	1,714,912	516,495	1,579,734	444,450
Work in progress	1,825,019	2,106,888	1,165,528	2,075,198
Goods in transit	(7,130)	-	-	-
<b>Total inventories</b>	<b>3,532,801</b>	<b>2,623,383</b>	<b>2,745,262</b>	<b>2,519,648</b>

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

**20.1.** Inventories value of N2.745 billion (2023: N2.520 billion) were carried at lower of cost and net realisable value. No amount was charged to the statement of profit or loss and other comprehensive income in respect of written-down value of inventories to net realizable value (2023: Nil). During the year 31 December 2024, NIL (2023: Nil) was recognised as an expense for inventories and WIP carried at net realisable value. This is recognised in cost of sales.

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>21. Trade and other receivable</b>				
Trade receivable (Note 21.1)	5,407,657	3,322,067	558,829	172,056
Expected credit losses (Note 21.2)	(61,255)	(16,987)	(55,601)	(6,603)
	<b>5,346,402</b>	3,305,080	<b>503,228</b>	165,453
Contract assets (Note 21.3)	1,605,224	1,194,244	1,602,305	1,194,243
Other receivables (Note 21.5)	18,722	-	-	-
Receivable from related parties (Note 21.6)	258,188	-	1,028,358	732,154
Withholding tax receivables	8,498,292	6,545,181	7,612,415	5,797,149
Value added tax receivables	1,070,219	640,760	-	-
	<b>16,797,047</b>	11,685,265	<b>10,746,306</b>	7,888,999

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

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>21.2. Expected credit loss- Trade receivable</b>				
At 1 January	16,987	59,605	6,603	55,677
Additional in the year (Note 10)	48,998	-	48,998	34,724
Translation adjustment	(4,730)	(42,618)	-	-
<b>At 31 December</b>	<b>61,255</b>	16,987	<b>55,601</b>	6,603

AT 31 DECEMBER 2024, there was an additional of N48.9 (2023: N34.7 million), and a writeback of N49m in the ECL provisions on trade receivables. The computation is in line with the requirements of IFRS 9.

### 21.3. Contract assets

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

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Contract assets - gross	1,621,473	1,196,411	1,618,554	1,196,410
Expected credit losses (Note 21.4)	(16,249)	(2,167)	(16,249)	(2,167)
	<b>1,605,224</b>	1,194,244	<b>1,602,305</b>	1,194,243

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>21.4 Expected credit losses - Contract assets</b>				
At 1 January	2,167	3,216	2,167	3,216
Additional/(write back) in the year (Note 10)	14,082	-	-	-
Translation adjustment	-	(1,049)	-	-
<b>At 31 December</b>	<b>16,249</b>	<b>2,167</b>	<b>16,249</b>	<b>2,167</b>

At 31 December 2024, there was an additional charge of Nil (2023: Nil million) in the ECL provisions on trade receivables. The computation is in line with the requirements of IFRS 9.

21.5. Other receivables consist largely of debit balances in trade creditors.

#### 21.6 Receivable from and payable to related parties

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

Related Parties	Nature of Transactions	Relationship	2024		2023	
			Receivable from related parties N'000	Payable to related parties N'000	Receivable from related parties N'000	Payable to related parties N'000
CWG Ghana	Advances and vendor payment	Subsidiary	-	336,417	20,352	-
CWG Uganda	Advances and vendor payment	Subsidiary	22,018	-	104,373	-
CWG Cameroun	Advances and payment of salaries	Subsidiary	581,631	-	333,788	-
FTHLAB	Advances and payment of salaries	Subsidiary	462,419	-	363,745	-
ECL on Intercompany receivables			(37,710)	-	(90,104)	-
<b>Net amounts receivable from related parties</b>			<b>1,028,358</b>	<b>336,417</b>	<b>732,154</b>	<b>-</b>

#### 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.

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>22. Prepayments</b>				
Project costs	1,005,793	304,970	1,005,793	304,970
Staff advances	142,811	64,898	141,721	64,033
Other prepayments	772,096	162,976	84,818	118,565
	<b>1,920,700</b>	<b>532,844</b>	<b>1,232,332</b>	<b>487,568</b>

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

#### 22.2 Project costs

This represents cost of various ongoing projects which have not been completely delivered as at year end

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 23. Cash and cash equivalents

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

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Cash in hand	2,232	9,240	1,179	7,985
Cash at bank	3,697,699	1,647,022	972,561	995,893
Restricted Cash	185,131	138,391	185,041	138,391
	<u>3,885,062</u>	<u>1,794,653</u>	<u>1,158,781</u>	<u>1,142,269</u>
Short term deposits	2,170,613	25	2,170,613	25
	<u>6,055,675</u>	<u>1,794,678</u>	<u>3,329,394</u>	<u>1,142,294</u>
Impairment of fixed deposit	(10,854)	-	(10,854)	-
<b>Gross cash and bank balances</b>	<u>6,044,821</u>	<u>1,794,678</u>	<u>3,318,540</u>	<u>1,142,294</u>
Cash and bank balances as per statement of financial position	6,044,821	1,794,678	3,318,540	1,142,294
<b>23.1 Bank overdrafts (Note 27)</b>	<u>(203,478)</u>	<u>(346,926)</u>	<u>(203,478)</u>	<u>(346,926)</u>
Cash and bank balances as per statement of cash flows	<u>5,841,343</u>	<u>1,447,752</u>	<u>3,115,062</u>	<u>795,368</u>
<b>24. Authorised, issued and fully paid:</b> 2,524,826,359 ordinary shares of 50 kobo each	<u>1,262,413</u>	<u>1,262,413</u>	<u>1,262,413</u>	<u>1,262,413</u>
<b>24.1 Retained earnings</b>				
At 1 January	798,698	323,608	688,120	215,193
Profit for the year	3,044,060	576,084	2,352,779	573,920
Dividend	(403,972)	(100,993)	(403,972)	(100,993)
<b>At 31 December</b>	<u>3,438,786</u>	<u>798,698</u>	<u>2,636,927</u>	<u>688,120</u>

Following the Board meeting held on the 10 March 2025, it was resolved that a final dividend of N0.39 (Thirty-Nine Kobo) per ordinary share of 50 kobo each (N 984,682,279.62) be approved and paid subject to deduction of appropriate withholding tax (2024: N0.16 per share totalling (N403,972,217.44).

The Group and the Company's retained earnings comprise of the Group and the Company's retained earnings net of distribution made to equity holders.

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>24.2 Fair value reserve</b>				
At 1 January	17,697	10,661	17,697	10,661
Recognised during the year	8,910	7,036	8,910	7,036
<b>At 31 December</b>	<u>26,607</u>	<u>17,697</u>	<u>26,607</u>	<u>17,697</u>

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

# CWG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>24.3 Foreign translation reserve</b>				
At 1 January	164,834	(124,748)	-	-
Translation gain for the year	1,735,420	289,582	-	-
<b>At 31 December</b>	<b>1,900,254</b>	<b>164,834</b>	<b>-</b>	<b>-</b>

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

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>25. Trade &amp; other payables</b>				
Trade payables	7,765,982	5,083,659	2,820,617	3,132,628
Payable to related party (Note 21.6)	28,552	-	336,417	-
Accrued expenses	1,858,283	1,043,874	2,689,258	900,648
Other payables (Note 25.1)	5,645,599	4,308,609	2,915,431	2,705,807
	<b>15,298,416</b>	<b>10,436,142</b>	<b>8,761,723</b>	<b>6,739,083</b>

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

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>25.1. Other Payables</b>				
Withholding Tax Payable	345,938	370,779	345,938	342,779
VAT Payable (Note 25.1)	5,290,970	3,929,009	2,560,676	2,354,213
Unclaimed Dividend	7,686	7,686	7,686	7,686
Sundry Creditors	1,005	1,135	1,131	1,129
	<b>5,645,599</b>	<b>4,308,609</b>	<b>2,915,431</b>	<b>2,705,807</b>

### 25.1 Reclassification of VAT Payable

For presentation purposes, VAT Receivable (Note 21) is usually reclassified to VAT Payable. The outstanding VAT Liability is then recorded as a net-off of VAT Payable and VAT Receivable.

Terms and conditions of the above Trade and Other Payables:

\* Trade payables are non-interest bearing and are normally settled on 45-day terms

\* Other payables are non-interest bearing and have an average term of six months

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>25.1.1 Movement in pension payables</b>				
At 1 January	326,279	218,252	278,399	215,750
Charge for the year (Note 10.1)	126,174	78,404	60,691	46,987
Remitted in the year	(121,108)	29,623	(98,108)	15,662
Translation adjustment	(28,326)	-	-	-
<b>At 31 December</b>	<b>303,019</b>	<b>326,279</b>	<b>240,982</b>	<b>278,399</b>

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 25.2. Terms and conditions of the above Trade and other payables:

\* Trade payables are non-interest bearing and are normally settled on 45-day terms

\* Other payables are non-interest bearing and have an average term of six months

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>26. Lease liability</b>				
Lease under IFRS 16 (Note 26.1)	<u>26,238</u>	<u>8,703</u>	<u>26,238</u>	<u>8,703</u>
	<u><b>26,238</b></u>	<u><b>8,703</b></u>	<u><b>26,238</b></u>	<u><b>8,703</b></u>
<b>26.1. Analysis by tenor</b>				
Current portion	26,238	8,703	26,238	8,703
Non-current portion	-	-	-	-
	<u><b>26,238</b></u>	<u><b>8,703</b></u>	<u><b>26,238</b></u>	<u><b>8,703</b></u>
<b>26.2 Movement in lease liability</b>				
At 1 January	8,703	19,741	8,703	19,741
Additions during the year	34,314	5,741	34,314	5,741
Accretion of interest (Note 12)	10,790	8,938	10,790	8,938
Repayment of principal during the year	(16,779)	(16,779)	(16,779)	(16,779)
Repayment of interest during the year	(10,790)	(8,938)	(10,790)	(8,938)
Translation adjustment	-	-	-	-
<b>At 31 December</b>	<u><b>26,238</b></u>	<u><b>8,703</b></u>	<u><b>26,238</b></u>	<u><b>8,703</b></u>

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 26.3. Group/Company as a Lessee

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

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

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

	Guest Houses N'000	Office Building N'000	Plant & Machinery N'000	Motor Vehicle N'000	Total N'000
<b>The Group</b>					
<b>Cost</b>					
At 1 January 2023	7,355	98,665	58,960	33,759	198,739
Addition	-	109,762	-	-	109,762
Translation adjustment	-	-	-	-	-
<b>AT 31 DECEMBER 2024</b>	<b>7,355</b>	<b>208,427</b>	<b>58,960</b>	<b>33,759</b>	<b>308,501</b>
<b>At 1 January 2024</b>	<b>7,355</b>	<b>208,427</b>	<b>58,960</b>	<b>33,759</b>	<b>308,501</b>
Additions	-	88,502	-	-	88,502
Translation adjustment	-	-	-	-	-
<b>At 31 December 2024</b>	<b>7,355</b>	<b>296,929</b>	<b>58,960</b>	<b>33,759</b>	<b>397,002</b>
<b>Accumulated depreciation</b>					
At 1 January 2023	2,683	57,302	56,113	31,260	147,358
Charge for the year	3,789	39,500	2,847	2,499	48,635
Translation adjustment	-	-	-	-	-
<b>AT 31 DECEMBER 2024</b>	<b>6,472</b>	<b>96,802</b>	<b>58,960</b>	<b>33,759</b>	<b>195,993</b>
<b>At 1 January 2023</b>	<b>6,472</b>	<b>96,802</b>	<b>58,960</b>	<b>33,759</b>	<b>195,993</b>
Charge for the year	-	49,000	-	-	49,000
Translation adjustment	-	-	-	-	-
<b>AT 31 DECEMBER 2024</b>	<b>6,472</b>	<b>145,802</b>	<b>58,960</b>	<b>33,759</b>	<b>244,993</b>
<b>Carrying value:</b>					
<b>At 31 December 2024</b>	<b>883</b>	<b>151,127</b>	<b>-</b>	<b>-</b>	<b>152,010</b>
<b>At 31 December 2023</b>	<b>883</b>	<b>111,625</b>	<b>-</b>	<b>-</b>	<b>112,508</b>

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Guest Houses N'000	Office Building N'000	Plant & Machinery N'000	Motor Vehicle N'000	Total N'000
<b>The Company</b>					
<b>Cost</b>					
At 1 January 2023	7,355	98,664	58,960	33,759	198,738
Additions	-	109,762	-	-	109,762
Retirement	-	-	-	-	-
<b>AT 31 DECEMBER 2024</b>	<b>7,355</b>	<b>208,426</b>	<b>58,960</b>	<b>33,759</b>	<b>308,500</b>
<b>At 1 January 2024</b>	<b>7,355</b>	<b>208,426</b>	<b>58,960</b>	<b>33,759</b>	<b>308,500</b>
Additions	-	88,502	-	-	88,502
Retirement	-	-	-	-	-
<b>At 31 December 2024</b>	<b>7,355</b>	<b>296,928</b>	<b>58,960</b>	<b>33,759</b>	<b>397,002</b>
<b>Accumulated depreciation</b>					
At 1 January 2023	2,684	57,348	56,113	31,260	147,405
Charge for the year	3,789	39,500	2,847	2,499	48,635
Retirement	-	-	-	-	-
<b>AT 31 DECEMBER 2024</b>	<b>6,473</b>	<b>96,848</b>	<b>58,960</b>	<b>33,759</b>	<b>195,992</b>
<b>At 1 January 2024</b>	<b>6,473</b>	<b>96,848</b>	<b>58,960</b>	<b>33,759</b>	<b>195,992</b>
Charge for the year	-	49,000	-	-	49,000
Retirement	-	-	-	-	-
<b>At 31 December 2024</b>	<b>6,473</b>	<b>145,848</b>	<b>58,960</b>	<b>33,759</b>	<b>244,992</b>
<b>Carrying amount:</b>					
<b>At 31 December 2024</b>	<b>882</b>	<b>151,080</b>	<b>-</b>	<b>-</b>	<b>152,010</b>
At 31 December 2023	882	111,578	-	-	112,508

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>27. Short-term interest-bearing loans and borrowings</b>				
Interest-bearing loans and borrowings (Note 27.1)	<b>1,807,830</b>	2,056,705	<b>1,686,665</b>	1,866,725
Bank overdrafts (Note 27.1.4)	<b>203,478</b>	346,926	<b>203,478</b>	346,926
	<b><u>2,011,308</u></b>	<u>2,403,631</u>	<b><u>1,890,143</u></b>	<u>2,213,651</u>
<b>27.1 Interest-bearing loans and borrowings</b>				
Stanbic Bank Uganda (Note 27.1.1)	<b>121,165</b>	189,980	-	-
Stanbic IBTC Nigeria (Note 27.1.2)	<b>1,470,550</b>	1,533,073	<b>1,470,550</b>	1,533,073
Globus Bank Nigeria (Note 27.1.3)	<b>216,115</b>	156,483	<b>216,115</b>	156,483
First Bank Nigeria (Note 27.1.4)	-	177,168	-	177,168
	<b><u>1,807,830</u></b>	<u>2,056,705</u>	<b><u>1,686,665</u></b>	<u>1,866,725</u>
<b>27.2 Movement in Interest-bearing loans and borrowings</b>				
At 1 January	<b>2,056,705</b>	1,776,838	<b>1,866,725</b>	1,619,834
Additions during the year	<b>12,778,250</b>	2,934,453	<b>12,072,272</b>	2,228,475
Repayment of loan principal during the year	<b>(13,081,232)</b>	(2,810,483)	<b>(12,252,333)</b>	(1,981,584)
Translation adjustment	<b>54,107</b>	155,897	-	-
<b>At 31 December</b>	<b><u>1,807,830</u></b>	<u>2,056,705</u>	<b><u>1,686,665</u></b>	<u>1,866,725</u>

#### 27.1.1 Stanbic Bank Uganda

The amount represents utilized amount of the Bank Guarantee facility of USD1,754,712.01 by Stanbic IBTC Bank to CWG Uganda. The purpose of the facility is to enable the company to execute and deliver on contract awarded to the organization. The facility is for a period of 12 months, and it is renewable, every year.

#### 27.1.2. Stanbic IBTC Nigeria

This amount represents the drawdown from N10 billion General-Short Term Banking Finance (GSTBF) from Stanbic Bank to CWG. The N10 billion covers Trade Finance Facility, Letter of Credit, import finance facility and Overdraft.

#### 27.1.3. Globus Bank Nigeria

This represents amount utilised from the Global facility of N2bn contract finance and overdraft.

#### 27.1.4. First Bank of Nigeria

The amount represents Letter of credit facility of \$344,695.19 , out of which S172,000.00 have been settled within the year and a balance of \$172,695.19 as at year end. The facility is a 90-day tenure with a post negotiation rate of 8% per annum.

#### 27.1.5. Bank overdraft

This represents the amount utilized from the N200 million overdraft lines extended by Stanbic IBTC Bank and Globus Bank, respectively. The interest rate on these overdraft facilities is set at 21% per annum.

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>28. Contract liability</b>				
At 1 January	2,156,861	1,233,043	2,122,399	1,220,597
Arising during the year	14,407,839	-	14,407,839	14,407,839
Released to profit or loss	(11,915,237)	923,818	(12,654,933)	(13,506,037)
<b>At 31 December</b>	<b>4,649,463</b>	<b>2,156,861</b>	<b>3,875,305</b>	<b>2,122,399</b>
<b>29. Emoluments of directors and employees</b>				
Directors' emoluments comprise:				
Fees	68,380	18,500	44,550	18,500
Other remunerations	90,375	90,375	90,375	90,375
	<b>158,755</b>	<b>108,875</b>	<b>134,925</b>	<b>108,875</b>
Highest paid director	<b>90,375</b>	<b>90,375</b>	<b>90,375</b>	<b>90,375</b>

The directors' emolument are included in staff costs and directors' remuneration in the administrative expenses.

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

	Number	Number	Number	Number
Technical	252	285	229	274
Non-technical	69	86	54	65
	<b>321</b>	<b>371</b>	<b>283</b>	<b>339</b>

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

	N	N	Number	Number	Number	Number
2,000,001 - 3,000,000			-	-	-	-
Above - 3,000,000			9	9	9	9
			<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
Executive Directors			3	3	3	3
Non-Executive Directors			6	6	6	6
			<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>

	N'000	N'000	N'000	N'000
<b>29.1 Staff Costs - Salaries and allowances:</b>				
Wages, Salaries, allowances	2,417,496	1,640,469	1,317,322	1,025,188
Pension costs	126,174	78,404	60,691	46,987
Other personnel benefits- Welfare	308,493	187,591	254,270	147,451
	<b>2,852,163</b>	<b>1,906,464</b>	<b>1,632,283</b>	<b>1,219,626</b>

## CWG PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
The numbers of employees with gross emoluments within the bands stated below were:					
	N	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Up to	- 1,000,000	25	69	18	69
	1,000,001 - 2,000,000	89	113	81	112
	2,000,001 - 3,000,000	45	39	40	36
	Above - 3,000,000	162	150	144	122
		<b>321</b>	<b>371</b>	<b>283</b>	<b>339</b>
		<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>

#### 29.2 Transactions with key management personnel

Compensation of key management personnel of the Group and the Company

Short-term employment benefits	90,375	90,375	90,375	90,375
Fees paid for meetings attended	-	-	-	-
Total compensation paid to key management personnel	<b>90,375</b>	<b>90,375</b>	<b>90,375</b>	<b>90,375</b>

#### 30. Commitments and contingencies

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

	2024		2023	
	Minimum payments N'000	Present value of payments N'000	Minimum payments N'000	Present value of payments N'000
Within one year	26,238	26,238	8,703	8,703
After one year but not more than five years	-	-	-	-
Total minimum lease payments	<b>26,238</b>	<b>26,238</b>	<b>8,703</b>	<b>8,703</b>
<b>Less:</b> Amount representing finance charge	-	-	-	-
Present value of minimum lease payments	<b>26,238</b>	<b>26,238</b>	<b>8,703</b>	<b>8,703</b>

#### 31. Events after the reporting year

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

#### 32. Comparative figures

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

**CWG PLC**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**Other National Disclosures**

## CWG PLC

### CONSOLIDATED STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2024

	Group				Company			
	2024 N'000	%	2023 N'000	%	2024 N'000	%	2023 N'000	%
Revenue	46,353,452		23,529,216		30,064,062		15,778,260	
Other income	237,551		129,838		250,813		132,074	
	<b>46,591,003</b>		23,659,054		<b>30,314,875</b>		15,910,334	
Bought-in-material:	<b>(38,923,436)</b>		(20,304,576)		<b>(24,922,528)</b>		(13,529,140)	
<b>Value added</b>	<b><u>7,667,567</u></b>	<b><u>100</u></b>	<b><u>3,354,478</u></b>	<b><u>100</u></b>	<b><u>5,392,347</u></b>	<b><u>100</u></b>	<b><u>2,381,194</u></b>	<b><u>100</u></b>

#### Applied as follows:-

<b>To pay employees</b>								
- Wages, salaries and other staff cost:	<b>2,852,163</b>	<b>37</b>	1,906,464	57	<b>1,632,283</b>	<b>30</b>	1,219,626	51
<b>To pay government</b>								
- Corporate tax	<b>1,373,123</b>	<b>18</b>	555,832	17	<b>1,087,145</b>	<b>20</b>	296,212	12
<b>To pay provider of capital</b>								
- Interest expense and similar charges:	<b>95,511</b>	<b>1</b>	84,126	3	<b>43,066</b>	<b>1</b>	69,645	3
<b>To provide for replacement of assets dividend to shareholders and development of business:</b>								
- Depreciation and amortization	<b>302,710</b>	<b>4</b>	231,972	7	<b>277,074</b>	<b>5</b>	221,791	9
Profit for the year	<b>3,044,060</b>	<b>40</b>	576,084	17	<b>2,352,779</b>	<b>44</b>	573,920	24
<b>Value added</b>	<b><u>7,667,567</u></b>	<b><u>100</u></b>	<b><u>3,354,478</u></b>	<b><u>100</u></b>	<b><u>5,392,347</u></b>	<b><u>100</u></b>	<b><u>2,381,194</u></b>	<b><u>100</u></b>

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

# CWG PLC

## FINANCIAL SUMMARY - GROUP

31 DECEMBER	2024 N'000	2023 N'000	2022 N'000	2021 N'000	2020 N'000
<b>Statement of financial position</b>					
<b>Assets employed</b>					
Non current assets	1,567,245	1,139,898	911,283	1,401,331	646,386
Current assets	<u>28,379,378</u>	<u>16,675,401</u>	<u>13,621,750</u>	<u>12,038,509</u>	<u>8,527,766</u>
<b>Total assets</b>	<b><u>29,946,623</u></b>	<b><u>17,815,299</u></b>	<b><u>14,533,033</u></b>	<b><u>13,439,840</u></b>	<b><u>9,174,152</u></b>
<b>Liabilities</b>					
Creditors within one year	23,243,314	15,433,663	13,061,099	8,096,356	7,469,939
Creditors due after one year	<u>75,250</u>	<u>137,994</u>	<u>-</u>	<u>20,110</u>	<u>22,208</u>
<b>Total liabilities</b>	<b>23,318,564</b>	<b>15,571,657</b>	<b>13,061,099</b>	<b>8,116,466</b>	<b>7,492,147</b>
<b>Capital employed</b>					
Issued share capital	1,262,413	1,262,413	1,262,413	1,262,413	1,262,413
Share premium	-	-	-	-	1,852,748
Accumulated losses	3,438,785	798,698	323,608	(153,195)	(2,455,582)
Fair value reserve of financial assets at FVOCI	26,607	17,697	10,661	10,972	3,974
Foreign translation reserve	<u>1,900,254</u>	<u>164,834</u>	<u>(124,748)</u>	<u>(62,504)</u>	<u>(103,345)</u>
<b>Total equity and liabilities</b>	<b><u>29,946,623</u></b>	<b><u>17,815,299</u></b>	<b><u>14,533,033</u></b>	<b><u>9,174,152</u></b>	<b><u>8,052,355</u></b>
<b>Statement of profit or loss account and other comprehensive income</b>					
Revenue	46,353,452	23,529,216	14,206,737	11,708,774	11,715,818
Direct costs	<u>(36,459,276)</u>	<u>(18,781,278)</u>	<u>(10,377,506)</u>	<u>(8,795,196)</u>	<u>(9,080,002)</u>
Gross profit	9,894,176	4,747,938	3,829,231	2,913,578	2,635,816
Other income	237,551	129,838	65,235	143,874	132,550
Administrative expenses	(5,700,415)	(3,494,758)	(2,883,046)	(2,215,018)	(2,099,710)
Exchange loss/(gain)	18,742	(182,029)	(219,667)	(186,865)	(24,615)
Finance costs	(95,511)	(84,126)	(55,919)	(48,542)	(97,283)
Finance income	<u>62,640</u>	<u>15,053</u>	<u>5,551</u>	<u>9,398</u>	<u>504</u>
Profit on ordinary activities before tax	4,417,183	1,131,916	741,385	616,425	547,262
Income tax expense	<u>(1,373,123)</u>	<u>(555,832)</u>	<u>(264,582)</u>	<u>(166,786)</u>	<u>(104,109)</u>
Profit after taxation	<b><u>3,044,060</u></b>	<b><u>576,084</u></b>	<b><u>476,803</u></b>	<b><u>449,639</u></b>	<b><u>443,153</u></b>
Earning per share - basic (kobo)	<u>1.21</u>	<u>0.23</u>	<u>0.19</u>	<u>0.18</u>	<u>0.18</u>
Net Asset per share (kobo)	<u>11.86</u>	<u>7.06</u>	<u>5.76</u>	<u>5.32</u>	<u>3.63</u>

# CWG PLC

## FINANCIAL SUMMARY - COMPANY

<b>31 DECEMBER</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Assets employed</b>					
Non current assets	<b>1,768,889</b>	1,401,331	1,191,585	888,935	948,055
Current assets	<b>18,042,440</b>	12,038,509	11,799,937	7,367,789	6,345,404
<b>Total assets</b>	<b>19,811,329</b>	13,439,840	12,991,522	8,256,724	7,293,458
<b>Liabilities</b>					
Creditors within one year	<b>15,811,073</b>	11,333,615	11,503,255	7,289,243	6,652,727
Creditors due after one year	<b>74,309</b>	137,994	-	20,110	20,110
<b>Total liabilities</b>	<b>15,885,382</b>	11,471,609	11,503,255	7,309,353	6,672,837
<b>Capital employed</b>					
Issued share capital	<b>1,262,413</b>	1,262,413	1,262,413	1,262,413	1,262,413
Share premium	-	-	-	-	1,852,748
Accumulated losses	<b>2,636,927</b>	688,121	215,193	(326,014)	(2,498,513)
Fair value reserve of financial assets at FVOCI	<b>26,607</b>	17,697	10,661	10,972	3,974
Foreign translation reserve	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>19,811,329</b>	13,439,840	12,991,522	8,256,724	7,293,459
<b>Statement of profit or loss account and other comprehensive income</b>					
Revenue	<b>30,064,062</b>	15,778,260	9,920,212	8,528,461	8,692,532
Direct costs	<b>(22,937,261)</b>	(12,404,358)	(6,896,406)	(6,260,213)	(6,638,481)
<b>Gross profit</b>	<b>7,126,801</b>	3,373,902	3,023,806	2,268,248	2,054,051
Other income	<b>250,813</b>	132,074	43,142	103,093	37,853
Administrative expenses	<b>(3,849,309)</b>	(2,458,471)	(2,215,428)	(1,732,862)	(1,652,834)
Exchange (loss)/gain	<b>(107,304)</b>	(122,779)	(126,918)	(189,024)	(32,340)
Finance costs	<b>(43,066)</b>	(69,645)	(44,443)	(37,961)	(77,290)
Finance income	<b>61,989</b>	15,051	5,551	9,398	504
<b>Profit on ordinary activities</b>	<b>3,439,924</b>	870,132	685,710	420,892	329,944
Profit before taxation	<b>3,439,924</b>	870,132	685,710	420,892	329,944
Income tax expense	<b>(1,087,145)</b>	(296,212)	(144,503)	(101,141)	(34,247)
Profit after taxation	<b>2,352,779</b>	573,920	541,207	319,751	295,697
Earnings per share - basic (kobo)	<b>0.93</b>	0.23	0.21	0.13	0.12