COURTEVILLE BUSINESS SOLUTIONS PLC.

...enabling systems

MANAGEMENT ACCOUNTS

FOR THE PERIOD ENDED

31st DECEMBER 2014

CONTENTS

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER, 2014

	2014 ₦	2013 ₦
REVENUE	1,350,915,001	1,289,873,939
PROFIT BEFORE TAXATION	457,031,807	403,029,900
PROFIT AFTER TAXATION	317,657,145	307,804,729
AUTHORIZED SHARE CAPITAL	1,800,000,000	1,800,000,000
ISSUED AND FULLY PAID CAPITAL	1,776,000,000	1,776,000,000
SHARE PREMIUM	478,100,000	478,100,000
SHAREHOLDERS' FUND	3,220,477,280	2,965,395,399
TOTAL ASSETS	4,722,171,862	4,362,913,168

CORPORATE INFORMATION

DIRECTORS

GP. CAPT. MURTALA OSUOLALE SALAMI (RETD)	-	CHAIRMAN
ADEBOLA AKINDELE	-	GMD/CEO
ROTIMI OLAOYE	-	DEPUTY MANAGING DIRECTOR
ADEWALE SONAIKE	-	DEPUTY MANAGING DIRECTOR
FEMI NIYI	-	EXECUTIVE DIRECTOR
OYE OGUNDELE	-	EXECUTIVE DIRECTOR
AFAM EDOZIE	-	DIRECTOR
ALHAJI MOHAMMED GOBIR	-	DIRECTOR
OLABISI AKINDELE (MRS)	-	DIRECTOR
LILIAN AJAYI	-	DIRECTOR
TOPE OSAZEE	-	DIRECTOR

REGISTERED ADDRESS

38, COMMERCIAL AVENUE
SABO, YABA - LAGOS
info@courtevillegroup.com
www.courtevillegroup.com

COMPANY SECRETARY

JACKSON, ETTI & EDU & CO
RCO COURT
3-5, SINARI DARANIJO STREET
OFF AJOSE ADEOGUN STREET
VICTORIA ISLAND, LAGOS

NATURE OF BUSINESS

CONSULTING/BUSINESS SOLUTIONS DEVELOPMENT

MAJOR BANKERS

ECOBANK PLC
STERLING BANK PLC.
FIDELITY BANK PLC
FIRST BANK PLC
UNION BANK PLC
SKYE BANK PLC
FCMB PLC
UBA PLC

AUDITORS

THOMPSON AIYEGUNLE & CO.
(CHARTERED ACCOUNTANTS & TAX PRACTITIONERS)
11, ISAAC JOHN STREET
OFF IKORODU ROAD
FADEYI BUS STOP, LAGOS
TEL: 08033446618, 08087522197
E-mailakinolathompson@yahoo.com
www.thompsonaiyegunle.com

REGISTRARS

EDC REGISTRARS LTD
154 IKORODU ROAD
LAGOS

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER, 2014

The Directors have pleasure in submitting their report with the Financial Statements for the year ended 31st December, 2014

1. **ACCOUNTS**

   The Profit of the company for the year before providing for taxation was ₦457,031,807

2. **LEGAL FORM**

   The company was incorporated in Nigeria as a private limited liability company on 4th January, 2005 and commenced business on the same date. In 2008, the company became a public limited company and was quoted on the Nigeria Stock Exchange in April 2009. The company is wholly owned by private Nigerian shareholders'. On July 28, 2011 the company changed its name from Courteville Investments Plc to Courteville e Business Solutions Plc.

3. **PRINCIPAL ACTIVITIES**

   The main business of the Company is the development of business solutions and provision of other e-commerce services.

4. **DIRECTORS AND DIRECTORS' INTERESTS**

   .1 The names of the present Directors are listed on page 3.

   .2 The Directors' shareholdings are as follows:-

	No. of Shares
- Gp. Capt. Murtala Osuolale Salami (Retd)	1,200,000
- Adebola Akindele	1,527,692,235
- Rotimi Olaoye	297,452,400
- Adewale Sonaike	270,694,800
- Afam Edozie	7,800,000
- Femi Niyi	139,872,600
- Oye Ogundele	94,107,800
- Alhaji Mohammed Gobir	-
- Olabisi Akindele (Mrs)	192,108,000
- Lilian Ajayi	-
- Tope osaze	-

5. **DONATIONS**

   Donations were made during the year in line with the provisions of the Companies Income Tax Act 2004(as amended)

6. **EVENTS AFTER THE REPORTING DATE**

   There were no events after the reporting date, which could have had material effects on the state of affairs of the company as at 31st December 2014

7. **ACQUISITION OF OWN SHARES**

   The company did not purchase its own shares during the year.

8. **DIRECTORS' RESPONSIBILITY STATEMENT**

The following which should be read in conjunction with the report of the Auditors on page 6 is made to distinguish the responsibility of the Directors for the preparation of the Financial Statements from those of the Auditors.

In accordance with provision of section 334 and 335 of the Companies and Allied Matters Act, 1990, the company's Directors are responsible for the preparation of the Financial Statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its result for the year and comply with the requirements of the Act. These responsibilities include ensuring that;

i. Adequate internal control procedures are instituted to safeguard assets and, prevent and detect fraud and other irregularities.

ii. Proper accounting standards are followed.

iii. Applicable accounting standards are followed.

iv. Suitable accounting policies are used and consistently applied.

v. The financial statements are prepared on a going concern basis.

9. **AUDITORS**

In accordance with section 357(2) of the Companies and Allied Matters Act 1990, Messrs Thompson Aiyegunle & Co. will continue in office as Auditors of the company. A resolution will be proposed authorizing the Directors to determine their remunerations.

JACKSON, ETTI & EDU
Company Secretaries

ORDER OF THE BOARD

LAGOS,
NIGERIA.

SECRETARY

JACKSON, ETTI & EDU
SADE OZOWE
FRC/2013/NBA/00000003320

Thompson Aiyegunle & Co
(CHARTERED ACCOUNTANTS & TAX PRACTITIONERS)

11, Isaac John Street, Ikorodu Rd, Fadeyi B/Stop, Lagos
Tel: 08033446618, 01-8177896, 08127618175
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REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF COURTEVILLE BUSINESS SOLUTIONS PLC

We have audited the accompanying financial statements of **Courteville Business Solutions Plc**. for the year ended 31st December 2014 set out on pages 7 to 10 which have been prepared on the basis of the significant accounting policies on pages 11 to 18 and other explanatory notes on pages 19 to 23.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act, CAP C20 LFN 2004. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error ; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements , plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the company has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies and Allied Matters Act, CAP C20, LFN 2004. The financial statements give a true and fair view of the financial position of **Courteville Business Solutions Plc** for the year ended 31st December, 2014, and of its financial performance and its cash flows for the year then ended in accordance with the Financial Reporting Council of Nigeria (FRCN) Act no. 6, 2011 and International Financial Reporting Standards (IFRS).

Aiyegunle A. Thompson
FOR: THOMPSON AIYEGUNLE & Co
FRC/2013/ICAN/00000002394

Chartered Accountants
Lagos, Nigeria
16th March, 2015

A 0828776

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER, 2014

	NOTE	2014 ₦	2014 ₦	2013 ₦	2013 ₦
ASSETS					
Non-Current Assets					
Property, plant and equipment	4		1,341,226,609		742,536,356
Intangible Assets	5		852,916,220		925,702,147
Other Intangible Assets	6		422,639,342		398,116,398
Long Term Investment	7		336,865,581		345,940,845
Long Term Receivables	8		411,560,730		431,260,730
Investment in Sierra-Leone	23		274,414,655		305,134,665
Deffered Taxation	17iii		28,576,827		26,928,664
Total Non-Current Assets			**3,668,199,963**		**3,175,619,805**
Current Assets					
Inventories	9	149,582,879		166,973,503	
Trade Receivables	10i	586,921,184		544,529,904	
Other Receivables	10ii	158,190,914		328,881,922	
Prepayments		27,687,812		49,804,878	
Cash and cash equivalents	11	131,589,110		97,103,156	
Total Current Assets			**1,214,222,027**		**1,119,861,362**
Total Assets			**1,053,971,899**		**1,187,293,363**

	NOTE	2014 ₦	2014 ₦	2013 ₦	2013 ₦
EQUITY AND LIABILITIES					
Equity					
Share Capital	12		1,776,000,000		1,776,000,000
Share Premium	12		478,100,000		478,100,000
Retained Earnings	13		960,096,844		695,939,699
Other Reserves	14		6,280,436		15,355,700
Total equity			**3,220,477,280**		**2,965,395,399**
Non-current Liabilities					
Borrowings	15	**440,363,985**		**394,703,386**	
Total non-current Liabilities			**394,703,386**		**619,031,212**
Current Liabilities					
Trade Payables	16	16,462,486		12,532,005	
Other Payables	16	455,878,314		445,218,113	
Borrowings	15	217,851,392		287,248,683	
Current Taxation	17	371,138,406		257,815,582	
Total Current Liabilities			**1,061,330,598**		**1,002,814,383**
Total liabilities			**1,501,694,583**		**1,397,517,769**
Total equity and liabilities			**4,722,171,862**		**4,362,913,168**

The Financial Statements on pages 7 to 10 and notes on pages 11 to 23 were approved by the Board of Directors on 12/03/2015 and signed on its behalf by:

....
Adebola Akindele (GMD/CEO)
FRC/2013/ICAN/000000002780

....
Rotimi Olaoye (DMD, Fin & Admin/CFO)
FRC/2013/ICAN/000000002782

THE NOTES ATTACHED FORM AN INTEGRAL PART OF THIS STATEMENT

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

	NOTE	2014 ₦	2013 ₦
Revenue	18	1,350,915,001	1,289,873,939
Cost of Sales		(526,292,421)	(537,574,280)
Gross Profit		824,622,580	752,299,659
Other Income	19	128,467,268	86,933,221
Operating Costs	20	(442,644,004)	(398,003,552)
Interest Received		2,825,987	4,063,403
Operating Profit	21	513,271,831	445,292,731
Interest Payable and Similar Charges	22	(56,240,024)	(42,262,831)
Profit before taxation	21	457,031,807	403,029,900
Taxation	17ii	(139,374,662)	(95,225,171)
Profit for the Year		317,657,145	307,804,729
Other Comprehensive Income:			
Fair value adjustment on investment in Equity Instruments	14	(9,075,264)	4,545,434
Total Comprehensive Income		308,581,881	312,350,163
Basic Earnings Per Shares(EPS) (Kobo)		8.94	8.67

STATEMENT OF CHANGES IN EQUITY

	Share Capital ₦	Share Premium ₦	Retained Earnings ₦	Investment in Equity Instruments ₦	Total ₦
1st January, 2013	1,480,000,000	790,600,000	695,939,699	15,355,700	2,981,895,399
Bonus Issue	296,000,000	(296,000,000)	-	-	-
Profit for the period	-	-	307,804,729		307,804,729
Other Comp. Income	-	-	-	4,545,434	4,545,434
Share Issue Cost	-	(16,500,000)	-	-	(16,500,000)
Dividend Paid	-	-	(148,000,000)	-	(148,000,000)
					-
31st December, 2013	**1,776,000,000**	**478,100,000**	**695,939,699**	**15,355,700**	**2,965,395,399**
1st January, 2014	**1,776,000,000**	**478,100,000**	**695,939,699**	**15,355,700**	**2,965,395,399**
Other Comprehesive Income	-	-	-	(9,075,264)	(9,075,264)
Profit for the period	-	-	317,657,145	-	317,657,145
Dividend Paid	-	-	(53,500,000)	-	(53,500,000)
Restated Balance as at 31st Dec. 2014	**1,776,000,000**	**478,100,000**	**960,096,844**	**6,280,436**	**3,220,477,280**

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

	2014 ₦	2013 ₦
CASH FLOW FROM OPERATING ACTIVITIES	457,031,807	403,029,900
Profit for the year before taxation		
ADJUSTMENT FOR ITEMS NOT INVOLVING		
MOVEMENT OF FUNDS:		
Depreciation	91,144,026	85,850,016
Impirment Loss	30,720,010	
Loss/(Profit) on Asset disposal	(599,970)	-
Interest Receivable	(2,825,987)	(4,063,403)
Amortization	72,785,927	72,785,927
Other Intangeable Written Off	33,012,311	38,588,704
	681,268,125	**596,191,144**
CHANGES IN WORKING CAPITAL		
(Increase) / Decrease in Inventories	17,390,624	(27,399,764)
(Increase) / Decrease in Trade Receivable & Others	150,416,794	177,287,407
Increase / (Decrease) in Creditors	(54,806,612)	(183,533,499)
	794,268,930	562,545,288
Taxation Paid	(27,700,000)	(15,000,000)
Dividend Paid	(53,500,000)	(148,000,000)
	713,068,930	**399,545,288**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant & Equipment	(689,834,310)	(199,334,072)
Long Term Receivable	19,700,000	(34,150,000)
Interest Received	2,825,987	4,063,404
Other Intangibles	(57,535,255)	(10,282,708)
Proceed from disposal of MotorVehicles	600,000	
	(724,243,578)	**(239,703,376)**
CASH FLOW FROM FINANCIAL ACTIVITIES		
Share Premium	-	(16,500,000)
Borrowings	45,660,599	(243,102,863)
	45,660,599	(259,602,863)
(Decrease) in Cash & Cash Equivalents	34,485,952	(99,760,951)
Cash & Cash Equivalents as at Beginning	97,103,158	196,864,109
Cash & Cash Equivalents as at Closing	131,589,110	97,103,158
FINANCED BY:		
Bank & Cash	**131,589,110**	**97,103,156**

1. General Information

Courteville Business Solution s Plc (formerly Courteville Investment Plc) was incorporated in Nigeria as a private Limited Liability Company on January 4, 2005 and commenced business on the same date. In 2008, the company became a public company and was quoted on the Nigeria Stock Exchange in April 2009. The company formally changed its name from Courteville Investment Plc to Courteville Business Solutions Plc on July 28, 2011. The principal activities of the company are the development of automated business solutions and other e-Commerce services such as the Egole Online Shopping Mall, WebPeople, PSEAMS, NIID, NAPAMS etc.

2. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements at 31st December 2014, have been drawn up using, in all material respects, the same accounting methods as those utilized in the 2013 Annual Financial Statements.

3. Summary of Significant Accounting Policies

The principal accounting policies adopted in the pr eparation of these financial statements are set out below. The accounting policies are consistently applied to all the years presented.

a. Basis of Preparation

The Financial Statements have been prepared in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. The Financial Statements are presented in the currency of Nigerian Naira, and prepared under the historical cost basis except for Available for Sales Financial Assets measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the accounting policies.

b. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for sales of goods and services, in the ordinary course of the company's activities and is stated net of value-added tax (VAT). The company recognizes revenue wh en the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

i. Commission

Revenue from commission represents the fair value of consideration received or receivable from state governments where AutoReg Business Solution service is in operation and it is recognized at invoice value after deducting value added tax and when the risk and reward of ownership are transferred.

i. **Interest Income & Dividend**
Interest income revenue is recognized on time apportioned basis using effective interest rate method while dividend is recognized when the company's right to receive payment is established and on the actual amount received.

a. **Property, Plant & Equipment**
Property, Plant & Equipment are initially stated at cost and subsequently carried at cost less accumulated depreciation. Costs include expenditure directly attributable to the acquisition of the assets and cost of bringing the assets to its location and working condition.

Capital Work in Progress represents proper ty under construction and is not depreciated; upon completion of the construction and when it is available for use , the associated costs of asset will be transferred to the relevant asset category and begin depre ciation.

The cost of self constructed property includes:
- The cost of material and direct labour;
- Any other directly attributable cost of bringing the asset to a working condition for its intended use;
- In situations where the company has obligation to rem ove the asset or restore the site in which the asset is situated, an estimate of the present value of the cost of dismantling and removing the asset and restoring the site;
- Capitalized borrowing costs.

When part of items of property, plant and equipment has different useful lives, they are accounted for as separate items of property, plant and equipments.

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the company.

Depreciation of Property, Plant and equipment is calculated on a straight line method to write off the depreciable costs over the estimated useful lives of the assets. Property, Plant and Equipment is depreciated from the month the asset is available for use. The annual rates adopted for various asset categories are as follows:

	%
Leasehold Improvement	25
Computers	33.33
Furniture & Fittings	25
Office Equipment	25
Motor Vehicles	25
Capital Work in Progress	Nil

Gains or losses on disposal of plant, property and equipment are calculated with reference to the carrying amounts and are included in the income statement.

a. Intangible Assets

Intangible assets represent the cost incurred on the development of the AutoReg system and bringing it to specific use. This cost is amortized over the patent period of the respective intangible asset.

Other intangibles represent projects ventured into with a view to increasing the revenue base of the company. These costs are not amortized. On commencement of commercial operation of any of the projects, the associated cost of the project is identified, separat ed and amortized over the contract period to adequately match the revenue from the project to its attributed cost.

These costs are only capitalized as intangible assets only when the recognition criteria specified in IAS 38 Intangible Assets are met.

Assets are recognized as intangible assets only if they meet the recognition criteria and the definition of intangible asset; it is probable that future economic benefits attributable to the intangible asset will flow to the entity and its cost can be measured reliably.

All intangible assets are, on recognition, measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairments (if any).

Subsequent expenditure is capitalized only when it increases the future economic benefits associated with the specific assets to which it relates. All other expenditures, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

Amortization of intangible assets is calculated on a straight line basis to write off the costs over their estimated useful life from the date they are available for use.

Development cost of AutoReg Platform	20 years
Other Intangible Assets	nil

b. Impairment of Assets

The carrying values of investments, property and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recov erable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and the value in use. Value in use is assessed by reference to the estimated future cash flows, which are discounted to present value using an appropriate pre tax discount rate. Impairment losses are recognized in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. But so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods, a reversal of the impairment loss is recognized immediately in the income statement.

a. Financial Instruments

The company only recognizes financial asset or financial liability when, and only when, the entity becomes a party to the contractual provisions of the instrument.

i. Financial Assets

The company's financial assets are classified into the following categories: Loans and Receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. The classification is determined by the Management at the initial recognition of the financial assets.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. The company's loans and receivables comprise Trade and Other Receivables, Staff Loans and Cash and Cash Equivalents on the face of the statement of financial position.

- Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories of financial instruments. They are included in non-current assets unless management intends to dispose of the asset within 12 months of the balance sheet date.

The company measures all its available-for-sales financial assets at fair value on initial recognition and on subsequent measurements.

Recognition and measurements

The acquisition of investments is recognized on the transaction date. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Available for-sale financial assets are subsequently carried at fair value.

Unrealized gains and losses arising from changes in the fair value of equity instruments classified as available -for-sale are recognized in other comprehensive income. When securities classified as available for -sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. The company assesses the significance of a decline in the fair value below cost relative to the specific security's volatility, and regards a decline below cost of longer than 12 months to be prolonged. If any such evidence exists for available -for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in income statement) is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement.

i. **Financial Liabilities**

Financial liabilities are initially recognized at fair value less transaction costs for all financial liabilities not carried at fair value through profit or loss and are subsequently carried at amortized cost.

The company’s financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

a. **Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is determined by the First in First out (FIFO) method. Cost comprises suppliers’ invoice price and where appropriate, freight and other charges incurred to bring the materials to their location and condition net of any trade discount or rebate. Net realizable value is the esti mate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

b. **Receivables**

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that debtor will enter bankruptcy and default or delinquency in payment (more than 30 days overdue), are the indicators that trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement within operating costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative costs in the income statement.

a. Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

b. Share Capital

Ordinary shares are classified as equity. Share issue costs net of tax are charged to share premium account.

Shares Repurchase and Re-issue of Share Capital

When share capital recognized as equity is repurchased, the amount of consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury an d are presented in the reserves for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

c. Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

d. Current and Deferred Tax

Income tax expense is the aggregate of the charge to the profit or loss account in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bas es of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Current and deferred income tax is determined using tax rates and laws enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and wh en the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

a. Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred Borrowings are subsequently stated at amortized cost using the effective interest method; any differences between proceeds (net of transaction costs) and the redemption value is recognized in the profit or loss account over the period of the borrowings, using the effective interest method.

Borrowing cost

`Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, form part of the cost of that asset and, therefore, is capitalized. Other borrowing costs are recognized as an expense.

Where funds are borrowed specifically, costs eligible for capitalization are the actual costs incurred less any income earned on the temporary investment of such borrowings. Where funds are part of a general pool, the eligible amount is determined by applying a capitalization rate to the expenditure on that asset. The capitalization rate will be the weighted average of the borrowing costs applicable to the general pool.

Capitalization should commence when expenditures are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. (may include some activities prior to commencement of physical production).

Capitalization should be suspended during periods in which active development is interrupted. Capitalization should cease when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete. If only minor modifications are outstanding, this indicates that substantially all of the activities are complete.

b. Dividend

Dividends payable to the Company's shareholders are recognized as a liability in the period in which they are declared (i.e. approved by the shareholders).

c. Pension

The company operates a contributory pension scheme in which the employees and employer each contribute 7.5% of the employees' emoluments in line with Pension Reform Act, 2004.

d. Investment in subsidiary

The company holds 70% equity of Courteville Investment (Sierra Leone) Limited which commenced operations in July 2011.

a. Events after the Reporting Period
There were no events after the reporting period which could have had any material effect on the state of affairs of the company as at 31 December, 2014.

b. Provisions, Contingent Liabilities & Assets
Provisions, contingent liabilities and assets are recognized when the company has a present obligation, whether legal or constructive, as a result of past event for which 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 in accordance with IAS 37.

c. Segment Reporting
A segment is distinguished component of the company that is engaged either in providing products or services (Business Segment) or in providing products or services within a particular economic environment (Geographical Segment) which is subject to risks and rewards that are different from those segments. The company operates two segments which are e-Commerce and Motor Vehicle Administration Documentation.

d. Operating Costs
Operating costs include salaries and wages, repair and maintenance cost, e.t.c. They are accounted for on an accrual basis.

e. Earnings Per Share (EPS)
The company presents basic earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year.

PROPERTY, PLANT & EQUIPMENT

	CAPITAL WORK IN PROGRESS ₦	LAND ₦	BUILDING ₦	MOTOR VEHICLES ₦	LEASEHOLD IMPROVEMENTS ₦	COMPUTERS ₦	FURNITURE & FITTINGS ₦	OFFICE EQUIPMENT ₦	TOTAL ₦
AT COST									
1st January, 2014	598,883,167			113,950,599	21,742,732	446,542,940	20,541,424	21,007,982	1,222,668,844
Additions	532,765,413			143,458,580		11,478,317	-	2,132,000	689,834,310
Re -classification	(1,131,648,580)	185,050,075	946,598,505	-	-	-	-	-	-
Disposal	-			(74,300,000)	-	-	-	-	(74,300,000)
31st December, 2014	-	185,050,075	946,598,505	183,109,179	21,742,732	458,021,257	20,541,424	23,139,982	1,838,203,154
ACC. DEPRECIATION									
1st January, 2014	-	-	-	106,770,830	21,742,632	315,679,754	16,757,146	19,182,126	480,132,488
Charged in the period	-	-	-	31,953,912	-	55,269,856	1,720,479	2,199,780	91,144,027
Disposal	-	-	-	(74,299,970)		-	-	-	(74,299,970)
31st December, 2014	-	-	-	64,424,772	21,742,632	370,949,610	18,477,625	21,381,906	496,976,545
NETBOOK VALUE									
31st December, 2014	-	185,050,075	946,598,505	118,684,407	100	87,071,647	2,063,799	1,758,076	1,341,226,609
31st December, 2013	598,883,167	-	-	7,179,769	100	130,863,186	3,784,278	1,825,856	742,536,356

		2014 ₦	2013 ₦
5	**Intangible Assets**		
	As at beginning of the year	925,702,147	998,488,074
	Amortization in the year	(72,785,927)	(72,785,927)
		852,916,220	**925,702,147**
	These represent the costs incurred on the development of AutoReg Platform and will be amortized over the patent period on twenty (20) years		
6	**Other Intangibles**	**422,639,342**	**398,116,398**
	This represents the development costs incurred till date on projects ventured into with a view to increasing the revenue base of the company while on commencement of commercial operations of any of the projects, the associated costs of the project is identified, separated and amortized over the contract period to adequately match the revenue from the project to its attributed costs.		
	During the period, additional sum of ₦57,535,255.40 was incurred as addition to other Intangibles while the sum of ₦33,012,311.40 representing the cost incurred to date on projects that are no longer viable was written off.		
7	**Long Term Investments**		
	Investment in equity instrument		
	Fair value as at January 1,2014	166,940,845	162,295,410
	Movement in fair value	(9,075,264)	4,645,435
	Fair value as at December 31, 2014	157,865,581	166,940,845
	Property (Forster Estate Limiited)	179,000,000	179,000,000
		336,865,581	**345,940,845**
	Property		
	This represents investment in Foster Estate. This venture is carried in conjuction with Synergy Capital and Advisory Limited.		
8	**Long Term Receivables**	**411,560,730**	**431,260,730**
	This represents the amount incurred on behalf of Foster Estate Ltd on the development of Foster Residential Estate which recoupable from the company.		
9	**Inventories**		
	Hackney Permit	5,301,507	10,388,629
	Cards	41,537,734	68,851,114
	Stickers	95,393,638	72,842,448
	Bulk SMS	7,350,000	14,891,312
		149,582,879	**166,973,503**
	The sum of ₦102,033,910 represents the amount of inventory consumed during the period and charged to Income Statements through cost of sale in Direct Cost. The amount of inventory carried at net realizable value is nil.		
10i	**Trade Receivables**	**586,921,184**	**544,529,904**
	They are the invoices valued that are yet to be paid by the State Governments that enjoyed the services of the company where AutoReg ™ are in use during the year		
10ii	**Other Receivables**		
	Sundry Receivables	189,978,725	361,437,230
	Impairment	(31,787,811)	(32,555,308)
		158,190,914	**328,881,922**
	Total	**745,112,098**	**873,411,826**
11	**Cash & Cash Equivalents**	₦	₦
	Cash	6,641,383	4,627,266
	Bank	123,214,015	88,263,395
	Short Term Deposit -Ecobank	1,733,712	4,212,495
		131,589,110	**97,103,156**

		No. Of Ordinary Shares	Ordinary Shares ₦	Share Premium ₦	Total ₦
12	**Share Capital**				
	Authorised Ordinary Share Capital	3,600,000,000	1,800,000,000	-	1,800,000,000
	At 1 January 2014				
	Issued & Fully Paid				
	Ordinary Share of 50k each	3,552,000,000	1,776,000,000	478,100,000	2,254,100,000
		3,552,000,000	**1,776,000,000**	**478,100,000**	**2,254,100,000**
12i	**Directors Shareholdings Interest:**	%		%	
	Gp. Capt. Salami (Retd)	0.03%	1,200,000	0.03%	1,200,000
	Mr. Adebola Akindele	43.01%	1,527,692,235	43.01%	1,527,692,235
	Alhaji Mohamed Gobir	0.00%	-	0.00%	-
	Mr. Rotimi Olaoye	8.37%	297,452,400	8.37%	297,452,400
	Mr. Wale Sonaike	7.62%	270,694,800	7.62%	270,694,800
	Mr. Afam Edozie	0.22%	7,800,000	0.22%	7,800,000
	Mr. Femi Niyi	3.94%	139,872,600	3.94%	139,872,600
	Mr. Oye Ogundele	2.65%	94,107,800	2.65%	94,107,800
	Mrs. Olabisi Akindele	5.41%	192,108,000	5.41%	192,108,000
	Ms. Lilian Ajayi	-	-	-	-
	Mr. Tope Osaze	-	-	-	-
		71.25%	**2,530,927,835**	**71.25%**	**2,530,927,835**
12ii	**Shareholders with 5% and above**				
	Mr. Adebola Akindele	43.01%	1,527,692,235	43.01%	1,527,692,235
	Mr. Rotimi Olaoye	8.37%	297,452,400	8.37%	297,452,400
	Mr. Wale Sonaike	7.62%	270,694,800	7.62%	270,694,800
	Mrs. Olabisi Akindele	5.41%	192,108,000	5.41%	192,108,000
		64.41%	**2,287,947,435**	**64.41%**	**2,287,947,435**
13	**Retained Earnings**				
	At the beginning			**695,939,699**	**536,134,970**
	At the beginning			695,939,699	536,134,970
	Profit after taxation			317,657,145	307,804,729
	Dividend paid during the period			(53,500,000)	(148,000,000)
				960,096,844	**695,939,699**
14	**Other Reserves**				
	Fair value adjustment on investment in Equity Instruments				
	At the begining			15,355,700	10,810,266
	Movement during the period			(9,075,264)	4,545,434
	Closing Balance as31 December 2014			**6,280,436**	**15,355,700**
15	**Borrowings**				
	Bank Loan			**658,215,377**	**681,952,069**
	Falling due within 1 year			217,851,392	287,248,683
	Falling due after 1 year			440,363,985	394,703,386
				658,215,377	**681,952,069**
	(a) The bank loan is secured by personal guarantee of the Executive Directors				
	(b) The fair value equal the carring amount of borrowing,so the impact of of discounting is not significant				
16	**Trade & Other Payables**				
	Trade Payable			16,462,486	12,532,005
	Other Payable			455,878,314	445,218,113
				472,340,800	**457,750,118**

		2014 ₦	2013 ₦
17	**Current Income Tax**		
	At the beginning	257,815,581	170,790,764
	Payment	(27,700,000)	(15,000,000)
	Charges for the year		
	Income Tax	130,059,308	92,247,219
	Education	10,963,517	9,777,598
	At the closing	**371,138,406**	**257,815,581**
17 ii	**To Income Statement**		
	Charge for the year	141,022,825	102,024,818
	Deferred Tax Adjustment	**(1,648,163)**	(6,799,647)
	Net Charge for the year	**139,374,662**	**95,225,171**
17 iii	**Deferred Tax Liability**		
	At the Beginning	(26,928,664)	(20,129,017)
	Movement during the year	(1,648,163)	(6,799,647)
	At year end (Asset)/Liabilities	**(28,576,827)**	**(26,928,664)**
18	**Revenue**		
	Commission	1,239,472,605	1,176,972,613
	E-Commerce	111,442,396	112,901,326
		1,350,915,001	**1,289,873,939**
19	**Other Income**		
	Re-imbursable	347,924,898	236,538,371
	Reclassification	(220,057,600)	(149,605,150)
	Profit on Disposal of Motor Vehicles	599,970	-
		128,467,268	**86,933,221**

This represent rehimbursibles from State Governments for cost of AutoReg material purchased on behalf of the Government.
A total amount of N220,057,600 (2013:N149,605,150) was reclassified to cost of sales to match the actual cost of precuring the materials on behalf of the Governments. -

		2014 ₦	2013 ₦
20	**Operating Cost**		
	Staff Cost	87,107,359	64,443,620
	Auditors Remuneration	3,000,000	2,500,000
	Repairs and Maintainance	21,927,202	20,196,583
	Transport and Traveling	34,560,815	28,170,598
	Depreciation	91,144,027	85,850,016
	Bad Debt	31,787,811	32,555,308
	Donations	8,324,600	2,854,140
	Other Admin Expenses	164,792,190	161,433,287
		442,644,004	**398,003,552**
21	**Profit before tax**		
	This is stated after charging:		
	Auditors remuneration	3,000,000	2,500,000
	Depreciation	91,144,027	85,850,016
	Directors Emoluments	34,140,000	28,450,000
22	**Interest Payable & Similar Charges**		
	Interest on Loan	49,788,955	34,793,660
	Bank Charges	6,451,069	7,469,171
		56,240,024	**42,262,831**

23 **Impairment of Assets**

Courteville Business Solutions Plc performs an impairment test on its Sierra Leonne Invetsments (i.e. subsidiary) and on all of its assets on an annual basis and at the reporting date if there are indicators of impairments. The most recent test was undertaken as at 31 December 2014.

As a result of the cancellation of the contract agreement with the Government of Sierra Leonne, the management test for impairment on its investment in Sierra Leonne as a cash generating unit (CGU) and for this purpose, recoverable amounts were established based on fair value less cost to sell calculation.

A total sum of N30,720,010 was recognised as impairment loss on investment in Sierra Leonne as calculated below:

	2014 ₦	2013 ₦
Carrying Value of investment in Sierra Leonne	**305,134,665**	**305,134,665**
Recoverable amount	**(274,414,655)**	**(305,134,665)**
	30,720,010	**-**

24 **Segments Reporting**

The company operates two strategic divisions that offer distinct services and have senior executives running them based on very distinct strategies and technologies. For each of the strategic division, the company's execitive management committee reviews internal management reports on a monthly basis while comprehensive assessments of the performance of divisions are reviewed quarterly. The following summary details the operation in each of the group's reporting segments.

SEGMENT 1:

AutoReg™ Motor Vehicle Administration Documentation (MVAD)

This is a business solution platform designed to address the inefficiencies in motor vehicle administration . Part of the platform runs on the Auto-RegTM web-based business automation application that was designed and developed by Courteville Business Solutions Plc, and patented for 20years in Nigeria, ,and has been developed into a franchise with the Bureau of Services. The MVAD franchise services is currently provided in over 4500 processing outlets through 10,000 operators in the 20 states where the franchise is in operation.

These processing outlets cut accross the the AutoReg ™ partner banks, State Licensing Offices and Courteville Registered Independent Processing Outlets, and are all staffed with well-trained personnel as well as equipped to perform all manners of data capturing processing services. The various services currently offer include:AutoReg Vehicle License, AutoReg Hackney Permit, AutoReg Insurance, AutoReg Vehicle Test, AutoReg Road Worthiness, and AutoReg Inspector.

SEGMENT 2:

E-Commerce

The products offered under this segments are:

1). WebPeople: The webpeople ™ is a web-based flexible and interactive platform that allows the design and hosting of websites at very reaso-able rates and within 48 hours for companies and individuals.

2). Egole Shopping Mall: This is an online e-commerce merchant and service providers aggregator website of differenct categories and customers to transact business (buying and selling) online and real-time.

3). Students' Parents-School Education and Monitoring System (P-SEAMS)

This is a custom-tailored, web-based and online school management solution that is designed to support and automate a school's administration and academic processes in relation to the management of Students' Life Cycle and that of theschool. It also has the unique feature of providing the means for parents or guardians to monitor the general academic performance of their wards from home or the office while providing a feed-back mechanism between the school and the parents or guardians.

Segment Result

The information regarding the results of the reportable segment is presented below. Performance is measured based on segment gross profit of each reportable segment, as included in the internal management reports that are reviewed by the company

	MVAD		E-Commerce		TOTAL	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Sales Revenue	1,239,472,605	1,176,972,613	111,442,396	112,901,326	1,350,915,001	1,289,873,939
Cost of Sales	(484,327,082)	(501,529,753)	(41,965,339)	(36,044,527)	(526,292,421)	(537,574,280)
	755,145,523	**675,442,860**	**69,477,057**	**76,856,799**	**824,622,580**	**752,299,659**

24 **Employees Information**

	2014	**2013**
Number of persons employed as at the year end were as follows:		
Management Staff	9	8
Senior Staff	48	41
Junior Staff	26	18
The following cost were incurred in relation to staff		
Staff cost	87,107,359	64,443,620
Medical and welfare	13,046,802	16,996,583