COURTEVILLE BUSINESS SOLUTIONS PLC

MANAGEMENT ACCOUNTS

FOR THE PERIOD ENDED

30 JUNE 2016

COURTEVILLE BUSINESS SOLUTIONS PLC
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE ,2016
COMPANY REGISTRATION NO. 613746 OF 4TH JANUARY, 2005

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COURTEVILLE BUSINESS SOLUTIONS PLC
FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED 30 JUNE ,2016

	2016 ₦	2015 ₦	
REVENUE	618,234,086	822,174,203	-25%
PROFIT BEFORE TAXATION	5,540,454	250,632,063	-98%
PROFIT AFTER TAXATION	4,764,791	210,530,933	-98%
AUTHORIZED SHARE CAPITAL	1,800,000,000	1,800,000,000	0%
ISSUED AND FULLY PAID CAPITAL	1,776,000,000	1,480,000,000	20%
SHARE PREMIUM	478,100,000	478,100,000	0.00%
SHAREHOLDERS' FUND	3,126,863,509	3,121,174,912	0.18%
TOTAL ASSETS	4,273,968,057	4,396,118,726	-2.78%

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COURTEVILLE BUSINESS SOLUTIONS PLC
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 NIG. LTD.
STERLING BANK PLC.
WEMA BANK PLC.
FIDELITY BANK PLC
FIRST BANK NIG. LTD
UNION BANK PLC
SKYE BANK PLC
FCMB
UBA PLC

AUDITORS:-
THOMPSON AIYEGUNLE & CO.
(CHARTERED ACCOUNTANTS & TAX PRACTITIONERS)
11, ISAAC JOHN STREET
OFF IKORODU ROAD
FADEYI BUS STOP, LAGOS
TEL: 08033446618, 01-8177896

REGISTRARS:
EDC REGISTRARS LTD
154 IKORODU ROAD
LAGOS

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COURTEVILLE BUSINESS SOLUTIONS PLC
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

		JUNE. 2016		DECEMBER. 2015	
Non-Current Asset	NOTE	N	N	N	N
Property, plant and equipment	4		1,457,264,173		1,521,115,003
Intangible Assets	5		743,737,329		780,130,293
Other Assets	6		497,006,361		489,255,004
Long Term Investment	7		332,489,757		331,565,950
Long Term Receivables	8		312,958,730		341,608,730
Total Non-Current Assets			**3,343,456,351**		**3,463,674,980**
Current Assets					
Inventories	9	167,274,513		179,734,529	
Trade Receivables	10i	542,189,252		515,254,936	
Other Receivables	10ii	187,716,429		127,182,345	
Prepayments	10iii	13,080,428		8,207,685	
Cash and cash equivalents	11	20,251,085		102,064,251	
Total Current Assets			**930,511,707**		**932,443,746**
Total Assets			**4,273,968,057**		**4,396,118,726**
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		870,858,898		866,094,107
Other Reserves	14		1,904,612		980,805
Total equity			**3,126,863,509**		**3,121,174,912**
Non-current Liabilities					
Borrowings	15	237,031,090		367,843,849	
Deffered Taxation	17iii	47,730,006		47,730,006	
Total non-current Liabilities			**284,761,096**		**415,573,855**
Current Liabilities					
Trade Payables	16	61,405,186		39,510,346	
Other Payables	16	402,855,025		397,552,037	
Current portion of Borrowings	15	187,386,703		207,386,703	
Current Taxation	17i	210,696,537		214,920,873	
Total Current Liabilities			**862,343,452**		**859,369,959**
Total liabilities			**1,147,104,548**		**1,274,943,814**
Total equity and liabilities			**4,273,968,057**		**4,396,118,726**

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

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

COURTEVILLE BUSINESS SOLUTIONS PLC
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 JUNE 2016

	NOTE	JUNE 2016 ₦	JUNE 2015 ₦	
Revenue	18	618,234,086	822,174,203	-25%
Cost of Sales		(372,478,166)	(308,189,792)	-21%
Gross Profit		245,755,920	513,984,411	-52%
Other Income	19	52,247,576	52,413,854	0%
Operating Cost	20	(225,700,126)	(248,017,000)	9%
Interest Received		54,329	1,744,552	-97%
Operating Profit	21	72,357,701	320,125,817	-77%
Interest Payable and Similar Charg	22	(66,817,246)	(69,493,754)	4%
Profit before taxation		**5,540,454**	**250,632,063**	-98%
Taxation		(775,664)	(40,101,130)	
Profit for the Year		**4,764,791**	**210,530,933**	-98%
Other Comprehensive Income:				
Fair Value adjustment on investment in Equity instruments		**923,807**	**(289,105)**	
Total Comprehensive Income		**5,688,597**	**210,241,828**	
Basic Earnings Per Shares (Kobo)		0.26	5.93	

COURTEVILLE BUSINESS SOLUTIONS PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Share Capital	Share Premium	Retained Earnings		Investment in Equity Instruments	Total
	₦	₦	₦		₦	₦
1 Jan. 2015	1,776,000,000	478,100,000	942,556,844		6,280,436	3,202,937,280
Profit for the period	-	-	65,617,263		(5,299,631)	60,317,632
Other Comp. Income					-	-
Dividend Paid			(142,080,000)			(142,080,000)
31 Dec. 2015	**1,776,000,000**	**478,100,000**	**866,094,107**	-	**980,805**	**3,121,174,912**
	₦	₦	₦	₦	₦	₦
1 Jan. 2016	1,776,000,000	478,100,000	866,094,107	-	980,805	3,121,174,912
Profit for the period	-	-	4,764,791		923,807	5,688,597
Balance at the end	**1,776,000,000**	**478,100,000**	**870,858,898**		**1,904,612**	**3,126,863,509**

COURTEVILLE BUSINESS SOLUTIONS PLC
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2016

	June 2016 ₦	June 2015 ₦
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) for the year before taxation	5,540,454	250,632,063
ADJUSTMENT FOR ITEMS NOT INVOLVING MOVEMENT OF FUNDS:		
Depreciation	67,424,983	88,177,535
Interest Receivable	(54,329)	(1,744,552)
Amortization- Intangible	36,392,964	36,392,964
Other Intangibles-Write off	13,927,414	33,313,061
	123,231,485	**406,771,071**
CHANGES IN WORKING CAPITAL		
(Increase) / Decrease in Stock	12,460,016	43,568,630
(Increase) / Decrease in Trade Receivable & Others	(92,341,143)	(87,998,629)
Increase / (Decrease) in Creditors	7,197,829	(25,140,107)
	50,548,187	**337,200,965**
Taxation Paid	(5,000,000)	(9,000,000)
	45,548,187	**328,200,965**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant & Equipment	(3,574,153)	(315,951,110)
Long Term Receivable	28,650,000	(48,000)
Interest Received	54,329	1,744,552
Other Assets	(21,678,772)	(115,309,276)
	3,451,404	**(429,563,834)**
CASH FLOW FROM FINANCIAL ACTIVITIES		
Borrowings	(130,812,759)	122,569,842
	(130,812,759)	**122,569,842**
(Decrease) in Cash & Cash Equivalent	(81,813,167)	21,206,973
Cash & Cash Equivalent as at Begining	102,064,252	114,049,110
Cash & Cash Equivalent as at Closing	**20,251,085**	**135,256,083**
FINANCED BY:		
Bank & Cash	**20,251,085**	**135,256,083**

1. General Information

Courteville Business Solution 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 Motor Vehicle Administration Documentations (MVAD), Egole Online Shopping Mall, WebPeople, P-SEAMS, NIID, NAPAMS etc.

2. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) being standards and interpretation issued by International Accounting Standards Board.

3. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation 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 which is the Company's functional currency, 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 judgement and assumptions in the process of applying the accounting policies and reporting the amount of assets, liabilities, income and expenses. The actual results are likely to be different from the estimates.

The estimates and the underlying assumptions are subjected to review on an on-going basis. Any revision to the accounting estimates is recognised in the year in which the estimates are revised and any further years affected

b. Going Concern

The management of the company makes annual assessments of the ability of the company to continue as a going concern basis. As at 31 December 2014, the management has no intention to liquidate the entity or cease trading, or has no realistic alternative but to do so. The management is also not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

The company continues to adopt the going concern basis in preparing its financial statements.

c. 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 recognises revenue when 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 recognised at invoice value after deducting value added tax and when the risk and reward of ownership are transferred.

ii. Interest Income & Dividend

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

d. 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 property under construction or plant and equipment undergoing installation and is not depreciated; upon completion of the construction or installation, the associated costs of each asset is transferred to the relevant asset category and begin depreciation immediately the item property, plant and equipment are available for use.

The cost of self constructed assets includes:

- The cost of material and direct labour;
- Any other directly attributable cost of bringing the asset to a working condition for their intended use;
- In situations where the company has obligation to remove 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;
- Capitalised borrowing costs.

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

Subsequent expenditure is capitalised 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 useful life and residual value of item of Property, Plant and equipment are reviewed and adjusted at the end of each reporting period. The annual depreciation rates adopted for various asset categories are as follows:

	%
Leasehold Improvement	25
Land	Nil
Building	2%
Elevator	5%
Computers	33.33
Furniture & Fittings	25
Office Equipment	25
Motor Vehicles	25
Capital Work in Progress	Nil

Item of Property, Plants and Equipment are derecognized on disposal or when it is no economic benefits are expected from its use. Gains or losses on disposal or recognition of plant, property and equipment are calculated with reference to the sales proceed and carrying amounts and are included in the income statements.

e. Intangible Assets

Intangible assets represent the cost incurred on the development of the AutoReg system and bringing it to specific use. These cost are capitalized and recognized as intangible assets only when the following criteria are met:

(a) It is technically feasible to complete the intangible asset and use it or sell it

(b) The management has intention to complete the intangible asset and use or sell it.

(c) The ability to use or sell the intangible asset is available.

(d) The evidence of existence of a market for the output of the intangible asset or the intangible asset itself can be demonstrated.

(e) There is adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

(f) The expenditure attributable to the intangible asset during its development can be measured reliably.

The directly attributable costs that are capitalized as intangible assets include the labour cost of the programmer and software developer and appropriate portion of relevant overheads. Other development costs that do not meet these criteria are expensed off as incurred. Development cost recognized as expenses are not subsequently recognized as intangible assets in later periods.

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, separated and amortized over the contract period to adequately match the revenue from the project to its attributed cost.

Assets are recognised 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 amortisation and accumulated impairment (if any).

Subsequent expenditure is capitalised 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 recognised in profit or loss as incurred.

Amortisation 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	nill

The amortization method, useful life and residual values are reviewed at the end of each reporting period and adjusted for, where needed.

f. 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 recognised for the amount by which the asset's carrying amount exceeds its recoverable 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 recognised 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. The increase in carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods, a reversal of the impairment loss is recognised immediately in the income statement.

g. Financial Instruments

i. Recognition

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

ii. Derecognition

- **Financial assets**

The company derecognise a financial asset when, and only when:

a) The contractual rights to the cash flows from the financial assets expire or
b) It transfer the financial asset and the transfer qualifies for derecognition

Where the transfer does not result in the transfer of all the risks and rewards of ownership of transferred assets, the company continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent period,

On derecognition of a financial asset in its entirety, the difference between:

- The carrying amount (measured at the date of derecognition) and
- The consideration received (including any new asset obtained less any new liability assumed)

shall be recognised in profit or loss.

- **financial liabilities**

The company derecognises financial liability (or part of a financial liability) from its statement of financial position when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

The difference between the carrying amount of a financial liability (or part of financial liability) extinguished or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss.

iii. Classification

a) Financial Assets

The company's financial assets are classified as subsequently measured at either amortised cost or fair value on the basis of both:

a) The entity's business model for managing the financial assets and
b) The contractual cash flow characteristics of the financial assets.

Measured at amortised cost

Financial asset shall be measured at amortised cost if both of the following conditions are met:

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

Measured at fair value

Financial assets shall be measured at fair value unless measured at amortised cost.

b). Financial liabilities

The company classifies all its financial liability as subsequently measured at amortised cost using the effective interest method.

iv. Measurements

At recognition, financial assets or financial liabilities are measured at fair value plus or minus, in the case of a financial asset or financial liability, the transaction costs that are directly attributable to the acquisition to the acquisition or issue of the financial asset or financial liability. Subsequent measurements are done with reference with their initial classification

h. Inventories

Inventories are stated at the lower of cost and net realisable 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 realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

i. Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised 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 recognised 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.

j. **Payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payments are due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognise initially at fair value and subsequently measured at amortised cost using the effective interest method

k. **Share Capital**

The Company has only one class of Shares - ordinary shares which are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve. Incremental costs directly attributed to the issue of ordinary shares and recognised as a deduction from equity, net of any tax effects.

Shares Repurchase and Re-issue of Share Capital

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

l. **Cash and Cash Equivalent**

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.

m. **Current and Deferred Tax**

Income tax expense represents the sum of current tax expense and deferred tax expense. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Company is subject to the following types of current tax:

- Companies Income Tax - This relates to tax on revenue and profit generated by the Company during the year, to be taxed under the Companies Income Tax Act Cap C21, LFN 2004 as amended date.

- Education Tax - Education tax is based on assessable income of the Company and is governed by the Education Trust Fund (Establishment) Act LFN 2011

Deferred tax

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases 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 nor loss, it is not accounted for.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax 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.

n. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred Borrowings are subsequently stated at amortised cost using the effective interest method; any differences between proceeds (net of transaction costs) and the redemption value is recognised 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 capitalised. Other borrowing costs are recognised as an expense.

Where funds are borrowed specifically, costs eligible for capitalisation 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 capitalisation rate to the expenditure on that asset. The capitalisation rate will be the weighted average of the borrowing costs applicable to the general pool.

Capitalisation commences 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).

Capitalisation should be suspended during periods in which active development is interrupted. Capitalisation 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.

o. Dividend

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

p. Pension

The Company operates a defined contribution plan which is funded by contributions from both t h e Company and the employees where the company contribute 10% of employees emoluments and employees contribute 8% of their monthly emoluments. The Company's contribution is recognised as employee benefit expenses and charged to the income statement. The contributions of both the Company and the employees are paid on a monthly basis to a pension fund administrator. The Company has no legal or constructive obligation to pay further contributions if the pension fund administrator does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expenses when they are due.

q. 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.

r. Provisions, Contingent Liabilities & Assets

Provisions, contingent liabilities and assets are recognised 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. Provisions for restructuring costs are recognised when the Company has a detailed formal plan for the restructuring that has been communicated to affected parties. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be acquired to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

s. 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.

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Management Committee.

The company operates two segments which are e-Commerce and Motor Vehicle Administration Documentation.

t. **Operating Cost**

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

u. **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.

4 PROPERTY, PLANT & EQUIPMENT

	LAND	BUILDING	ELEVATOR	MOTOR VEHICLES	LEASEHOLD IMPROVEMENTS	COMPUTERS	FURNITURE & FITTINGS	OFFICE EQUIPMENT	TOTAL
	N	N		N	N	N	N	N	N
AT COST									
1 Jan. 2016	185,050,075	1,010,793,800	18,026,837	197,209,179	21,742,732	523,013,677	150,359,625	81,391,362	2,187,587,287
Reclassification				-	-				-
Additions						2,774,150	50,003	750,000	3,574,153
Disposal				-	-	.	-	-	-
30 June. 2016	**185,050,075**	**1,010,793,800**	**18,026,837**	**197,209,179**	**21,742,732**	**525,787,827**	**150,409,628**	**82,141,362**	**2,191,161,440**
ACC. DEPRECIATION									
1 Jan. 2016		19,833,343	864,649	100,694,571	21,742,632	434,710,644	51,362,975	37,263,470	666,472,284
Reclassification				-	-		-	-	-
Charged in the period	-	10,107,938	360,537	22,324,823		10,484,947	16,438,748	7,707,991	67,424,983
Adjustment									-
Disposal				-		-	-	-	-
30 June. 2016	**-**	**29,941,281**	**1,225,186**	**123,019,394**	**21,742,632**	**445,195,591**	**67,801,723**	**44,971,461**	**733,897,267**
NETBOOK VALUE									
30 June. 2016	**185,050,075**	**980,852,519**	**16,801,651**	**74,189,786**	**100**	**80,592,236**	**82,607,905**	**37,169,901**	**1,457,264,173**
31 Dec. 2015	**185,050,075**	**990,960,457**	**17,162,188**	**96,514,608**	**100**	**88,303,033**	**98,996,650**	**44,127,892**	**1,521,115,003**

	June 2016	December 2015
5 Intangible Assets		
As at begining of the year	780,130,293	852,916,220
Amortization in the year	(36,392,964)	(72,785,927)
	743,737,329	780,130,293

	June 2016	December 2015
6 Other Assets		
At the Beginning	489,255,004	422,639,345
Addition	21,678,772	21,816,177
Written off	(13,927,414)	(60,629,606)
Assets realised from Sierra Leone		105,429,088
	497,006,361	489,255,004

This represents the development costs incurred till date on projects 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, seperated, and amortized over the contract period to adequately match the revenue from the project to its attributed cost.
During the period, additional sum of N21,678,772 was incurred as addition while the sum of N13,927,414 representing the cost incurred to date on projects that are no longer viable was written off.

	June 2016	December 2015
7 Long Term Investments		
Investment in equity instruments		
Fair value as at January 1, 2016	152,565,950	157,865,581
Movement during the period	923,807	(5,299,631)
Fair value as at March 31, 2016	153,489,757	152,565,950
Property (Foster Estate)	179,000,000	179,000,000
	332,489,757	331,565,950

Available for sale Fin Instruments
These are investment in marketable securities on the Nigeria Stock Exchanges.

Property
This represents investment in Foster Estate. This venture is carried in conjuction with Synergy Capital and Advisory Limited.

	June 2016	December 2015
8 Long Term Receivables	312,958,730	341,608,730

This represents the amount incurred on behalf of Forster Estate Ltd that are recoupable from the company

	June 2016	December 2015
9 Inventories		
Cards	63,197,577	61,987,137
Stickers	104,076,936	117,747,392
	167,274,513	179,734,529

The sum of N31,118,035 represent the amount of inventory consumed during the period and charged to Income Statements in cost of sale. The amount of inventory carried at net realizable value is nil.

	June 2016	December 2015
10 Trade Receivables and Other Receivables		
10i Trade Receivables	542,189,252	515,254,936
10ii Other receivables		
Sundry Receivables	187,716,429	259,922,555
Less Impairment loss		(132,740,210)
	187,716,429	127,182,345
Prepayments	13,080,428	8,207,685
	200,796,857	135,390,030
Total	742,986,109	650,644,966

Trade Receivables
This represents the invoice value of trade receivables from State Governments in the States where AutoReg is in operations.

	June 2016	December 2015
11 Cash & Cash Equivalents		
Cash	56,350	2,078,162
Bank	20,194,735	99,986,089
Short Term Deposit		-
	20,251,085	102,064,251

12 Share Capital

	No. Of Ordinary Shares	Ordinary Shares N	Share Premium N	Total N
Authorised Share Capital	3,600,000,000	1,800,000,000	-	1,800,000,000
At 1 January 2014				
Issued & Fully Paid Shares of N0.50	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:

	%	2016	%	2015
Gp. Capt. Salami (Retd)	0.03%	1,200,000.00	0.03%	1,200,000.00
Mr. Adebola Akindele	43.01%	1,527,692,235.00	43.01%	1,527,692,235.00
Alhaji Mohammed Gobir	0.00%	-	0.00%	-
Mr. Rotimi Olaoye	8.37%	297,452,400.00	8.37%	297,452,400.00
Mr Wale Sonaike	7.62%	270,694,800.00	7.62%	270,694,800.00
Mr. Afam Edozie	0.22%	7,800,000.00	0.22%	7,800,000.00
Mr. Femi Niyi	3.94%	139,872,600.00	3.94%	139,872,600.00
Mr. Oye Ogundele	2.65%	94,107,800.00	2.65%	94,107,800.00
Mrs. Olabisi Akindele	5.41%	192,108,000.00	5.41%	192,108,000.00
Ms. Lilian Ajayi	-	-	-	-
Mr. Tope Osaze	-	-	-	-
	71.25%	**2,530,927,835.00**	**71.25%**	**2,530,927,835.00**

12.ii Shareholders with 5% and above

	%	2016	%	2015
Mr. Adebola Akindele	43.01%	1,527,692,235.00	43.01%	1,527,692,235.00
Mr. Rotimi Olaoye	8.37%	297,452,400.00	8.37%	297,452,400.00
Mr Wale Sonaike	7.62%	270,694,800.00	7.62%	270,694,800.00
Mrs. Olabisi Akindele	5.41%	192,108,000.00	5.41%	192,108,000.00
	64.41%	**2,287,947,435.00**	**64.41%**	**2,287,947,435.00**

	June 2016		December 2015
13 Retained Earnings			
At the begining	866,094,107	(866,094,107)	942,556,844
Profit after taxation	4,764,791		65,617,263
Dividend paid during the period			(142,080,000)
	870,858,898		866,094,107
14 Other Reserves			
Fair value adjustment on Investment in Equity Instruments			
At the begining	980,805		6,280,436
Movement in the period	923,807		(5,299,631)
Closing Balance	1,904,612		980,805
15 Borrowings			
Bank Loan	424,417,793		575,230,552
Falling due within 1year	187,386,703		207,386,703
Falling due after 1year	237,031,090		367,843,849
	424,417,793		575,230,552
16 Trade & Other Payables			
Trade Payables	61,405,186		39,510,346
Other Payables	402,855,025		397,552,037
	464,260,212		437,062,383
17 i Current Income Tax			
At the begining	214,920,873		371,138,406
Payment during the period	(5,000,000)		(19,000,000)
Tax Reduced at source	-		(179,679,853)
Charge for the year			
Income tax	720,259		35,384,677
Education tax	55,405		7,077,643
At the Closing	210,696,537		214,920,873
ii To Income Statement			
Charge for the year	775,664.00		40,101,130
Deferred Tax Adjustment	-		-
Net Charge for the year			40,101,130
iii Deferred Taxation			
At the Begining	47,730,006		(28,576,827)
Movement during the year	-		76,306,833
At year end (Asset)/Liabilities	47,730,006		47,730,006

	June 2016	June 2015
18 Revenue		
Commission	532,798,417	766,340,530
E-Commerce	85,435,669	55,833,673
	618,234,086	**822,174,203**
19 Other Income		
Re-imbursable	52,247,576	52,413,854
	670,481,662	**52,413,854**

This represent re-imbursibles from State Governments for cost of AutoReg material purchased on behalf of the Government

	June 2016	June 2015
20 Operating Cost		
Staff Cost	66,471,211	48,241,961
Repairs and Maintainance	7,736,830	13,946,481
Transport and Travelling	3,636,518	4,131,944
Depreciation	67,424,983	88,177,536
Bad debt	8,217,429	8,217,429
Donations	-	2,660,000
Depletion in value of investment in equity instrument		-
Other admin	72,213,156	82,641,650
	225,700,126	**248,017,000**
21 Profit before tax		
This is stated after charging:		
Auditors remuneration	-	-
Depreciation	67,424,983	88,177,536
Directors Emoluments		
22 Interest Payable & Similar Charges		
Interest on Loan	64,063,442	66,869,147
Bank Charges	2,753,804	2,624,607
	66,817,246	**69,493,754**