

**COURTEVILLE BUSINESS SOLUTIONS PLC**

**MANAGEMENT ACCOUNTS**

**FOR THE QUARTER ENDED**

**30 JUNE 2017**

**COURTEVILLE BUSINESS SOLUTIONS PLC**  
**FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 JUNE 2017**  
**COMPANY REGISTRATION NO. 613746 OF 4TH JANUARY, 2005**

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**COURTEVILLE BUSINESS SOLUTIONS PLC**  
**FINANCIAL HIGHLIGHTS**  
**FOR THE QUARTER ENDED 30 JUNE 2017**

	<b>2017 N</b>	<b>2016 N</b>	<b>% Inc/(Dec)</b>
REVENUE	672,726,863	618,234,086	9%
PROFIT BEFORE TAXATION	52,509,974	5,540,452	848%
PROFIT AFTER TAXATION	38,527,922	4,764,788	709%
AUTHORIZED SHARE CAPITAL	1,800,000,000	1,800,000,000	0%
ISSUED AND FULLY PAID CAPITAL	1,776,000,000	1,776,000,000	0%
SHARE PREMIUM	478,100,000	478,100,000	0%
SHAREHOLDERS' FUND	3,202,571,262	3,158,518,886	1%
TOTAL ASSETS	4,035,397,448	3,965,005,641	2%

**COURTEVILLE BUSINESS SOLUTIONS PLC  
CORPORATE INFORMATION  
FOR THE QUARTER ENDED 30 JUNE 2017**

**DIRECTORS:-**

-	GP. CAPT. MURTALA OSUOLALE SALAMI (RETD)	-	CHAIRMAN
-	ADEBOLA AKINDELE	-	MD/CEO
-	ROTIMI OLAOYE	-	DEPUTY MANAGING DIRECTOR
-	ADEWALE SONAIKE	-	DEPUTY MANAGING DIRECTOR
-	FEMI NIYI	-	EXECUTIVE DIRECTOR
-	OYE OGUNDELE	-	EXECUTIVE DIRECTOR
-	AFAM EDOZIE	-	DIRECTOR
-	HELEN EMORE	-	DIRECTOR

**REGISTERED ADDRESS:-**

38 COMMERCIAL AVENUE  
SABO, YABA - LAGOS  
[info@courtevillegroup.com](mailto:info@courtevillegroup.com)  
[www.courtevillegroup.com](http://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  
FIRST CITY MONUMENT BANK PLC  
UNITED BANK FOR AFRICA

**AUDITORS:-**

THOMPSON AIYEGUNLE & CO.  
(CHARTERED ACCOUNTANTS & TAX PRACTITIONERS)  
11, ISAAC JOHN STREET  
OFF IKORODU ROAD  
FADEYI BUS STOP, LAGOS  
TEL: 08033446618, 08127618175  
E-mail: [kinolathompson@yahoo.com](mailto:kinolathompson@yahoo.com)  
[www.thompsonaiyegunle.com](http://www.thompsonaiyegunle.com)

**REGISTRARS:**

EDC REGISTRARS LTD  
154 IKORODU ROAD  
LAGOS



**COURTEVILLE BUSINESS SOLUTIONS PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

	NOTE	2017	2016
<b>Non-Current Assets</b>			
Property, plant and equipment	3	1,337,099,051	1,397,688,175
Intangible Assets	4	670,951,402	707,344,366
Other Assets	5	402,338,229	408,498,606
Long Term Investment	6	302,705,837	297,181,384
Long Term Receivables	7	302,372,514	302,372,514
<b>Total Non-Current Assets</b>		<b>3,015,467,034</b>	<b>3,113,085,045</b>
<b>Current Assets</b>			
Inventories	8	115,504,382	118,157,771
Trade Receivables	9i	699,964,200	552,101,714
Other Receivables	9ii	179,808,636	138,750,155
Prepayments	9ii	-	5,198,183
Cash and Cash Equivalents	10	24,653,196	37,712,773
<b>Total Current Assets</b>		<b>1,019,930,414</b>	<b>851,920,596</b>
<b>Total Assets</b>		<b>4,035,397,448</b>	<b>3,965,005,641</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share Capital	11	1,776,000,000	1,776,000,000
Share Premium	11	478,100,000	478,100,000
Retained Earnings	12	941,432,062	902,904,140
Other Reserves	13	7,039,199	1,514,746
<b>Total Equity</b>		<b>3,202,571,262</b>	<b>3,158,518,886</b>
<b>Non-current Liabilities</b>			
Deferred Taxation	16iii	29,485,308	29,485,308
Borrowings	14	-	-
<b>Total non-current Liabilities</b>		<b>29,485,308</b>	<b>29,485,308</b>
<b>Current Liabilities</b>			
Trade Payables	15	30,162,279	41,902,181
Other Payables	15	562,951,124	287,201,490
Current portion of Borrowings	14	191,631,444	322,876,388
Current Taxation	16i	18,596,030	125,021,388
<b>Total Current Liabilities</b>		<b>803,340,878</b>	<b>777,001,447</b>
<b>Total liabilities</b>		<b>832,826,186</b>	<b>806,486,755</b>
<b>Total Equity and Liabilities</b>		<b>4,035,397,448</b>	<b>3,965,005,641</b>

The Financial Statements on pages 4 to 7 and notes on pages 8 to 22 were approved by the Management on July 19, 2017 and signed on its behalf by:

  
Wale Sonaika (DMD, Operations)  
FRC/2013/ICAN/000000002781

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

**COURTEVILLE BUSINESS SOLUTIONS PLC**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 30 JUNE 2017**

		2017	JUNE	2016
	NOTE	₦		₦
Revenue	17	672,726,863		618,234,086
Cost of Sales		<u>(353,385,250)</u>		<u>(372,478,166)</u>
Gross Profit		319,341,613		245,755,920
Other Income	18	224,800		52,247,576
Operating Cost	19	(237,704,366)		(225,700,127)
Interest Received		<u>1,096,736</u>		<u>54,329</u>
Operating Profit		82,733,983		72,357,698
Interest Payable and Similar Charges	21	(30,224,009)		(66,817,246)
Profit before Taxation		<u>52,509,974</u>		<u>5,540,452</u>
Taxation		(13,982,052)		(775,664)
Profit for the Year		<u>38,527,922</u>		<u>4,764,788</u>
<b>Other Comprehensive Income:</b>				
For Value adjustment on investment in Equity instruments		5,524,453		923,807
<b>Total Comprehensive Income</b>		<u><u>44,052,376</u></u>		<u><u>5,688,595</u></u>
Basic Earnings Per Shares (Kobo) (EPS)		<u><u>1.08</u></u>		<u><u>0.26</u></u>

**COURTEVILLE BUSINESS SOLUTIONS PLC**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE 2ND QUARTER 2017**

	<b>SECOND QUARTER</b>		
	<b>2017</b>	<b>2016</b>	
	<b>N</b>	<b>N</b>	
Revenue	341,510,843	271,363,845	26%
Cost of Sales	<u>(172,453,712)</u>	<u>(174,392,766)</u>	1%
Gross Profit	169,057,131	96,971,079	74%
Other Income	224,800	45,618,075	0%
Operating Cost	(134,232,393)	(114,031,087)	-18%
Interest Received	<u>637,246</u>	<u>54,329</u>	1073%
Operating Profit	35,686,784	28,612,396	25%
Interest Payable and Similar Charges	(13,775,722)	(31,247,278)	56%
Profit before taxation	<u><b>21,911,062</b></u>	<u><b>(2,634,882)</b></u>	932%

**COURTEVILLE BUSINESS SOLUTIONS PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 30 JUNE 2017**

	Share Capital N	Share Premium N	Retained Earnings N	Investment in Equity Instruments N	Total N
1 Jan. 2016	1,776,000,000	478,100,000	866,094,107	980,805	3,121,174,912
Profit for the year	-	-	36,810,033	533,941	37,343,974
31 December 2016	<u>1,776,000,000</u>	<u>478,100,000</u>	<u>902,904,140</u>	<u>1,514,746</u>	<u>3,158,518,886</u>
1 Jan. 2017	1,776,000,000	478,100,000	902,904,140	1,514,746	3,158,518,886
Profit for the year	-	-	38,527,922	5,524,453	44,052,376
31 March 2017	<u>1,776,000,000</u>	<u>478,100,000</u>	<u>941,432,062</u>	<u>7,039,199</u>	<u>3,202,571,262</u>

**COURTEVILLE BUSINESS SOLUTIONS PLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 JUNE 2017**

	2017 N	JUNE 2016 N
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Profit / (Loss) for the year Before Taxation	52,509,974	5,540,454
<b><u>ADJUSTMENT FOR ITEMS NOT INVOLVING MOVEMENT OF FUNDS:</u></b>		
Depreciation	63,894,624	67,424,983
Interest Receivable	(1,096,736)	(54,329)
Amortization-Intangible	36,392,964	36,392,964
Other Intangible- Written off	22,597,664	13,927,414
	<b>174,298,489</b>	<b>123,231,486</b>
<b><u>CHANGES IN WORKING CAPITAL</u></b>		
(Increase) / Decrease in Inventories	2,653,389	12,460,016
(Increase) / Decrease in Trade Receivables & Others	(183,722,785)	(92,341,143)
Increase / (Decrease) in Creditors	264,009,738	7,197,829
	<b>257,238,832</b>	<b>50,548,188</b>
Taxation Paid	(120,407,409)	(5,000,000)
	<b><u>136,831,422</u></b>	<b><u>45,548,188</u></b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Purchase of Property Plant & Equipment	(3,305,500)	(3,574,153)
Long Term Investments	(0)	28,650,000
Long Term Receivables	(0)	-
Interest Received	1,096,736	54,329
Other Assets	(16,437,291)	(21,678,772)
	<b><u>(18,646,055)</u></b>	<b><u>3,451,404</u></b>
<b><u>CASH FLOW FROM FINANCIAL ACTIVITIES</u></b>		
Borrowings	(131,244,944)	(130,812,759)
	<b><u>(131,244,944)</u></b>	<b><u>(130,812,759)</u></b>
(Decrease) in Cash & Cash Equivalents	(13,059,577)	(81,813,167)
Cash & Cash Equivalents as at Beginning	37,712,773	102,064,252
Cash & Cash Equivalents as at Closing	<b><u>24,653,196</u></b>	<b><u>20,251,085</u></b>
<b><u>FINANCED BY:</u></b>		
Bank & Cash	<b><u>24,653,196</u></b>	<b><u>20,251,085</u></b>



## **COURTEVILLE BUSINESS SOLUTIONS PLC**

### **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	null

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 recognised 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 the 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.

COURTEVILLE BUSINESS SOLUTIONS PLC  
NOTES TO THE FINANCIAL STATEMENTS  
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3 PROPERTY, PLANT & EQUIPMENT

	LAND N	BUILDING N	MOTOR VEHICLES N	LEASEHOLD IMPROVEMENTS N	COMPUTERS N	FURNITURE & FITTINGS N	OFFICE EQUIPMENT N	ELEVATOR N	TOTAL N
<u>AT COST</u>									
1 Jan. 2017	185,050,075	1,010,793,800	197,209,179	21,742,732	532,950,027	150,409,628	82,867,912	18,026,837	2,199,050,190
Additions	-	-	-	-	109,000	45,000	3,151,500	-	3,305,500
30 JUNE. 2017	<u>185,050,075</u>	<u>1,010,793,800</u>	<u>197,209,179</u>	<u>21,742,732</u>	<u>533,059,027</u>	<u>150,454,628</u>	<u>86,019,412</u>	<u>18,026,837</u>	<u>2,202,355,690</u>
<u>ACC. DEPRECIATION</u>									
1 Jan. 2017	-	40,049,219	-	21,742,632	456,175,360	84,212,747	52,651,911	1,585,722	801,362,015
Charged in the year	-	10,107,938	18,052,531	-	11,103,691	16,385,995	7,883,933	360,537	63,894,624
30 JUNE. 2017	<u>-</u>	<u>50,157,157</u>	<u>162,996,955</u>	<u>21,742,632</u>	<u>467,279,051</u>	<u>100,598,742</u>	<u>60,535,844</u>	<u>1,946,259</u>	<u>865,256,639</u>
<u>NETBOOK VALUE</u>									
30 JUNE. 2017	<u>185,050,075</u>	<u>960,636,643</u>	<u>34,212,224</u>	<u>100</u>	<u>65,779,976</u>	<u>49,855,886</u>	<u>25,483,568</u>	<u>16,080,578</u>	<u>1,337,099,051</u>
31 Dec. 2016	<u>185,050,075</u>	<u>970,744,581</u>	<u>52,264,755</u>	<u>100</u>	<u>76,774,667</u>	<u>66,196,881</u>	<u>30,216,001</u>	<u>16,441,115</u>	<u>1,397,688,175</u>



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	June 2017 N	December 2016 N
<b>4 Intangible Assets</b>		
As at beginning of the year	707,344,366	780,130,293
Amortization in the year	(36,392,964)	(72,785,927)
	<u><b>670,951,402</b></u>	<u><b>707,344,366</b></u>
<b>5 Other Assets</b>		
At the beginning	408,498,602	489,255,000
Addition	16,057,291	-
Written off	(22,597,664)	(80,756,398)
Assets realised from Sierra Leone	-	-
	<u><b>402,338,229</b></u>	<u><b>408,498,602</b></u>
This represents the development costs incurred till date on projects ventured into with the view of increasing the revenue base of the company. These costs are not amortized. On commencement of commercial operation 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 cost.		
<b>6 Long Term Investments</b>		
Investment in equity instrument		
Fair value as at January, 1, 2017	118,181,384	152,565,950
Disposal during the period	-	(34,918,507)
	<u>118,181,384</u>	<u>117,647,443</u>
Movement during the year	5,524,453	533,941
Fair value as at March, 2017	<u>123,705,837</u>	<u>118,181,384</u>
Property (Foster Estate Ltd)	<u>179,000,000</u>	<u>179,000,000</u>
	<u><b>179,000,000</b></u>	<u><b>179,000,000</b></u>
	<u><b>302,705,837</b></u>	<u><b>297,181,384</b></u>
<b>Available for sale Financial Instruments</b>		
These are investment in marketable securities on the Nigeria Stock Exchanges.		
<b>Property</b>		
This represents investment in Foster Estate. This venture is carried in conjunction with Synergy Capital and Advisory Ltd.		
<b>7 Long Term Receivables</b>	<u><b>302,372,514</b></u>	<u><b>302,372,514</b></u>
This represent the amount incurred on behalf of Forster Estate Ltd that are recoupable from the company		
<b>8 Inventories</b>		
Cards	39,539,109	39,539,109
Stickers	73,375,272.50	78,118,662.00
Bulk SMS	2,590,000	500,000
	<u><b>115,504,382</b></u>	<u><b>118,157,771</b></u>
The sum of N32,450,683 represents the amount of inventories consumed during the quarter and charged to Income Statements through cost of sale. The amount of inventory carried at net realizable value is nil.		
<b>9i Trade Receivables</b>	<u><b>699,964,200</b></u>	<u><b>552,101,714</b></u>
<b>9ii Other Receivables</b>		
Sundry Receivables	179,808,636	155,186,905
Less Impairment loss	-	(16,436,750)
	<u><b>179,808,636</b></u>	<u><b>138,750,155</b></u>
Prepayments	<u><b>-</b></u>	<u><b>5,198,183</b></u>
<b>Trade Receivables</b>		
This represents the invoice value of trade receivables from the State Government in the States where Auto Reg is in operations.		

**COURTEVILLE BUSINESS SOLUTIONS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 JUNE 2017**

		June 2017 N		December 2016 N	
10	Cash & Cash Equivalents				
	Cash	1,409,730		791,466	
	Bank	23,243,466		36,921,307	
		<u>24,653,196</u>		<u>37,712,773</u>	
11	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 2017				
	Issued & Fully Paid Shares of N0.50	3,552,000,000	1,776,000,000	478,100,000	2,254,100,000
	Movement during the period	-	-	-	-
	At 31 March 2017	<u>3,552,000,000</u>	<u>1,776,000,000</u>	<u>478,100,000</u>	<u>2,254,100,000</u>
11i	Directors Shareholdings Interest:	%	2016 N	%	2015 N
	Gp. Capt. Salami (Retd)	0%	1,200,000	0%	1,200,000
	Adebola Akindele	43%	1,527,692,235	43%	1,527,692,235
	Rotimi Olaoye	8%	297,452,400	8%	297,452,400
	Adewale Sonaike	7%	270,694,800	7%	270,694,800
	Afam Edozie	0%	7,800,000	0%	7,800,000
	Femi Niyi	4%	139,872,600	4%	139,872,600
	Oye Ogundele	3%	94,107,800	2%	94,107,800
	Olabisi Akindele (Mrs)	5%	192,108,000	5%	192,108,000
	Lilian Ajayi	-	-	-	-
	Tope Osazee	-	-	-	-
	Helen Emore	0%	780,000.00	-	-
		<u>0.71</u>	<u>2,531,707,835</u>	<u>0.71</u>	<u>2,530,927,835</u>
11ii	Shareholders with 5% and above				
	Adebola Akindele	43%	1,527,692,235	0.43	1,527,692,235
	Rotimi Olaoye	8%	297,452,400	0.08	297,452,400
	Wale Sonaike	7%	270,694,800	0.07	270,694,800
	Olabisi Akindele	5%	192,108,000	0.05	192,108,000
		<u>0.64</u>	<u>2,287,947,435</u>	<u>0.64</u>	<u>2,287,947,435</u>
12	Retained Earnings				
	At the beginning		902,904,140		866,094,107
	Profit after taxation		38,527,922		36,810,033
	Dividend paid during the period		-		-
			<u>941,432,062</u>		<u>902,904,140</u>

**COURTEVILLE BUSINESS SOLUTIONS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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		June 2017 N	December 2016 N
13	<b>Other Reserves</b>		
	<b>Fair Value Adjustment in Equity Instruments</b>		
	At the beginning	1,514,746	980,805
	Movement during the period	5,524,453	533,941
	Closing Balance	<u>7,039,199</u>	<u>1,514,746</u>
14	<b>Borrowings</b>		
	Bank Loan	<u>191,631,444</u>	<u>322,876,388</u>
	Falling due within 1 year	191,631,444	322,876,388
	Falling due after 1 year	-	-
		<u>191,631,444</u>	<u>322,876,388</u>
15	<b>Trade &amp; Other Payables</b>		
	Trade Payables	30,162,279	41,902,181
	Others-Payables	562,951,124	287,201,490
		<u>593,113,404</u>	<u>329,103,671</u>
16	<b>Current Income Tax</b>		
	At the beginning	125,021,388	214,920,873
	Payment during the period	(120,407,409)	(110,221,886)
	Tax deducted at source		
	<b>i Charges for the year</b>		
	Income Tax	11,651,710	16,895,115
	Education	2,330,342	3,427,286
	At the closing	<u>18,596,030</u>	<u>125,021,388</u>
	<b>ii To Income Statement</b>		
	Charge for the year	13,982,052	20,322,401
	Deferred Tax Adjustment		(18,244,698)
	Net Charge for the year	<u>13,982,052</u>	<u>2,077,703</u>
	<b>iii Deferred Tax Liability</b>		
	At the Beginning	29,485,308	47,730,006
	Movement during the year		(18,244,698)
	At year end (Assets)/Liabilities	<u>29,485,308</u>	<u>29,485,308</u>
		June 2017	June 2016
17	<b>Revenue</b>		
	Commission	600,016,275	532,798,417
	E-Commerce	72,710,588	85,435,669
		<u>672,726,863</u>	<u>618,234,086</u>
18	<b>Other Income</b>		
	Re-imbursable		52,247,576
	Amount Due to Sierra-Leone Brokers	-	-
		<u>-</u>	<u>52,247,576</u>

This represent reimbursibles from State Governments for cost of AutoReg material purchased on behalf of the Government.

**COURTEVILLE BUSINESS SOLUTIONS PLC**  
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		June 2017	June 2016
<b>19</b>	<b>Operating Cost</b>	<b>N</b>	<b>N</b>
	Staff Cost		
	Repairs and Maintenance	45,631,489	66,471,211
	Transport and Travelling	17,223,401	7,736,830
	Depreciation	9,766,362	3,636,518
	Bad debt	63,894,624	67,424,983
	Other admin. Expenses	-	8,217,429
		<u>101,188,490</u>	<u>72,213,156</u>
		<b><u>237,704,366</u></b>	<b><u>225,700,127</u></b>
<b>20</b>	<b>Profit before tax</b>		
	This is stated after charging:		
	Auditors Remuneration	-	-
	Depreciation	63,894,624	67,424,983
<b>21</b>	<b>Interest Payable &amp; Similar Charges</b>		
	Interest on Loan	29,213,562	64,063,442
	Bank Charges	1,010,448	2,753,804
		<u>30,224,009</u>	<u>66,817,246</u>