

COURTEVILLE BUSINESS SOLUTIONS PLC

MANAGEMENT ACCOUNTS

FOR THE YEAR ENDED

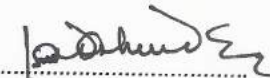
31 DECEMBER 2018


COURTEVILLE BUSINESS SOLUTIONS PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
COMPANY REGISTRATION NO. 613746 OF 4TH JANUARY, 2005


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COURTEVILLE BUSINESS SOLUTIONS PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	NOTE	DECEMBER 2018	DECEMBER 2017
Non-Current Assets			
Property, plant and equipment	3	₦ 1,992,787,307	₦ 1,290,507,851
Intangible Assets	4	561,772,512	634,558,439
Other Assets	5	575,449,868	383,360,849
Long Term Investment	6	125,315,189	307,274,680
Long Term Receivables	7	12,300,000	425,031,697
Total Non-Current Assets		3,267,624,876	3,040,733,516
Current Assets			
Inventories	8	129,449,681	126,551,342
Trade Receivables	9i	658,632,803	730,474,351
Other Current Assets	9ii	133,684,674	169,185,742
Prepayments	9iii	4,905,793	8,198,459
Cash and Cash Equivalents	10	25,733,204	35,957,068
Total Current Assets		952,406,155	1,070,366,962
Total Assets		4,220,031,031	4,111,100,478
Equity and Liabilities			
Equity			
Share Capital	11	1,776,000,000	1,776,000,000
Share Premium	11	478,100,000	478,100,000
Retained Earnings	12	1,067,330,320	940,393,153
Other Reserves	13	8,648,551	11,608,042
Total Equity		3,330,078,871	3,206,101,195
Non-current Liabilities			
Deferred Taxation	16iii	18,140,995	18,140,995
Total non-current Liabilities		18,140,995	18,140,995
Current Liabilities			
Trade Payables	15	21,120,519	7,946,529
Other Payables	15	789,638,738	598,530,239
Current portion of Borrowings	14	-	151,370,878
Current Taxation	16i	61,051,909	129,010,642
Total Current Liabilities		871,811,165	886,858,288
Total liabilities		889,952,160	904,999,283
Total Equity and Liabilities		4,220,031,031	4,111,100,478


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


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COURTEVILLE BUSINESS SOLUTIONS PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

		2018	DECEMBER	2017
	NOTE	₦		₦
Revenue	17	1,186,698,337		1,372,518,063
Cost of Sales		<u>(539,677,367)</u>		<u>(670,562,786)</u>
Gross Profit		647,020,970		701,955,277
Other Income	18	600,000		200,000
Operating Cost	19	(454,780,932)		(606,126,715)
Interest Received		<u>2,208,191</u>		<u>2,076,302</u>
Operating Profit		195,048,229		98,104,864
Interest Payable and Similar Charges	21	(23,901,920)		(46,067,810)
Profit before Taxation		<u>171,146,309</u>		<u>52,037,054</u>
Taxation		(44,209,141)		(15,060,278)
Profit for the Year		<u>126,937,167</u>		<u>36,976,776</u>
Other Comprehensive Income:				
For Value adjustment on investment in Equity instruments		(2,959,491)		10,093,296
Total Comprehensive Income		<u><u>123,977,676</u></u>		<u><u>47,070,072</u></u>
Basic Earnings Per Shares (Kobo) (EPS)		<u><u>3.57</u></u>		<u><u>1.04</u></u>

COURTEVILLE BUSINESS SOLUTIONS PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Share Capital N	Share Premium N	Retained Earnings N	Investment in Equity Instruments N	Total N
1 Jan. 2017	1,776,000,000	478,100,000	902,904,141	1,514,746	3,158,518,887
Adjustment (Note 26)			512,235		512,235
Profit for the year	-	-	36,976,776	10,093,296.00	47,070,072
31 Dec. 2017	<u>1,776,000,000</u>	<u>478,100,000</u>	<u>940,393,152</u>	<u>11,608,042</u>	<u>3,206,101,194</u>
1 Jan. 2018	1,776,000,000	478,100,000	940,393,152	11,608,042	3,206,101,194
Profit for the year	-	-	126,937,167	(2,959,491)	123,977,676
31 Dec. 2018	<u>1,776,000,000</u>	<u>478,100,000</u>	<u>1,067,330,319</u>	<u>8,648,551</u>	<u>3,330,078,870</u>

COURTEVILLE BUSINESS SOLUTIONS PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 N	DECEMBER 2017 N
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit / (Loss) for the year Before Taxation	171,146,309	52,037,054
<u>ADJUSTMENT FOR ITEMS NOT INVOLVING MOVEMENT OF FUNDS:</u>		
Depreciation	116,354,436	128,403,060
Interest Receivable	(2,208,191)	(2,076,302)
Withholding Credit notes utilized	(67,448,117)	162,992,073
Amortization-Intangible	72,765,927	72,785,927
Other Intangible- Written off	2,993,231	-
Profit on Asset Disposal	(600,000)	(200,000)
Withholding Credit notes utilized		
	293,023,594	413,941,811
<u>CHANGES IN WORKING CAPITAL</u>		
(Increase) / Decrease in Inventories	(2,898,239)	(8,393,571)
(Increase) / Decrease in Trade Receivables & Others	110,635,282	(211,808,495)
Increase / (Decrease) in Creditors	204,282,489	277,373,096
	605,043,125	471,112,841
Taxation Paid	(44,719,757)	(185,407,410)
	560,323,368	285,705,431
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of Property Plant & Equipment	(818,633,992)	(20,710,500)
Proceed from disposal of asset	600,000	200,000
Long Term Receivables	409,772,206	(122,659,183)
Interest Received	2,208,191	2,076,302
Other Assets	(195,082,250)	25,137,753
	(419,176,354)	(115,955,628)
<u>CASH FLOW FROM FINANCIAL ACTIVITIES</u>		
Borrowings	(151,370,878)	(171,505,510)
	(151,370,878)	(171,505,510)
(Decrease) in Cash & Cash Equivalents	(10,223,864)	(1,755,707)
Cash & Cash Equivalents as at Beginning	35,957,068	37,712,773
Cash & Cash Equivalents as at Closing	25,733,204	35,957,066
<u>FINANCED BY:</u>		
Bank & Cash	25,733,204	35,957,068
	25,733,204	35,957,068

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, NAPAMSetc.

2. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

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 financial assets measured at fair value.

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. New and amended standards adopted by the company

The company has applied the following standards and amendments for the first time for its annual reporting period beginning on January 1, 2018:

- IFRS 15: Revenue from Contracts with Customers
- IFRS 9: Financial Instruments

The adoption of these standards did not have any impact on the amounts recognised in prior periods and will also not affect the current or future periods.

c. 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.

d. Revenue Recognition

Revenue is measured based on the fair value of the consideration specified in the contract with customer and is stated net of value-added tax (VAT) and amount collected on behalf of third parties. The company recognises revenue when control is transferred to the customers.

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled or is entitled in exchange for those good or services by applying the five-step model framework stated below:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Contracts with customers will be presented in the company's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the company's performance and the customer's payment.

A contract liability is presented in the statement of financial position where a customer has paid an amount of consideration prior to the company performing by transferring the related good or service to the customer.

Where the entity has performed by transferring a good or service to the customer and the customer has not yet paid the related consideration, a contract asset or a receivable is presented in the statement of financial position, depending on the nature of the entity's right to consideration.

A contract asset is recognised when the company's right to consideration is conditional on something other than the passage of time. A receivable is recognised when the entity's right to consideration is unconditional except for the passage of time.

Contract assets and receivables are accounted for in accordance with IFRS 9. Any impairment relating to contracts with customers is measured, presented and disclosed in accordance with IFRS 9. Any difference between the initial recognition of a receivable and the corresponding amount of revenue recognised should also be presented as an expense.

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 when control is transferred at invoice value net of value added tax.

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.

e. 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	4%
Computers	33.33
Furniture & Fittings	25
Office Equipment	25
Motor Vehicles	25

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.

f. 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.

g. 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.

h. 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. De-recognition

- 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 or substantially all the risks and rewards of ownership. the transfer qualifies for de-recognition

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 de-recognition of a financial asset in its entirety, the difference between:

- The carrying amount (measured at the date of de-recognition) 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 amortized cost, fair value through other comprehensive income or fair value through profit or loss on the 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 through other comprehensive income

Financial asset shall be measured at fair value through other comprehensive income (unless the asset is designated at fair value through profit or loss under the fair value option) if both of the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- 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 through profit or loss

All other financial instruments must be measured at fair value through profit or loss.

b). Financial liabilities

Financial liabilities are classified as measured either at

- At fair value through profit or loss or
- At amortized cost

A financial liabilities is classified at fair value through profit or loss if:

- It is held for trading or
- Upon initial recognition, it is designated at fair value through profit or loss

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 or issue of the financial asset or financial liability. Subsequent measurements are done with reference with their initial classification

i. 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.

j. 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.

k. 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

l. 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.

m. 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.

n. 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.

o. 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.

p. 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).

q. 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.

r. 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, 2018.

s. 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.

t. 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.

u. Operating Cost

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

v. 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
FOR THE YEAR ENDED 31 DECEMBER 2018

3 PROPERTY, PLANT & EQUIPMENT

	LAND N	BUILDING N	MOTOR VEHICLES N	LEASEHOLD IMPROVEMENTS N	COMPUTERS N	FURNITURE & FITTINGS N	OFFICE EQUIPMENT N	ELEVATOR N	TRANSFORMER N	TOTAL N
<u>AT COST</u>										
1 Jan. 2018	185,050,075	1,010,793,800	204,567,532	21,742,732	133,245,496	135,050,258	69,012,215	18,026,837	-	1,777,488,945
Additions	-	715,544,276	300,000	-	13,401,150	21,482,566	37,906,000	-	30,000,000	818,633,992
Disposal			(129,681,580)	(21,742,732)						(151,424,312)
31 Dec. 2018	<u>185,050,075</u>	<u>1,726,338,076</u>	<u>75,185,952</u>	<u>-</u>	<u>146,646,646</u>	<u>156,532,824</u>	<u>106,918,215</u>	<u>18,026,837</u>	<u>30,000,000</u>	<u>2,444,698,625</u>
<u>ACC. DEPRECIATION</u>										
1 Jan. 2018	-	60,647,628	173,979,297	21,742,632	76,205,811	101,164,789	50,897,448	2,343,489		486,981,094
Charged in the year	-	27,339,652	10,354,481		21,931,852	35,378,065	19,879,313	721,073	750,000	116,354,436
Disposal			(129,681,580)	(21,742,632)						(151,424,212)
31 Dec. 2018	<u>-</u>	<u>87,987,280</u>	<u>54,652,198</u>	<u>-</u>	<u>98,137,663</u>	<u>136,542,854</u>	<u>70,776,761</u>	<u>3,064,562</u>	<u>750,000</u>	<u>451,911,318</u>
<u>NETBOOK VALUE</u>										
31 Dec. 2018	<u>185,050,075</u>	<u>1,638,350,797</u>	<u>20,533,754</u>	<u>-</u>	<u>48,508,983</u>	<u>19,989,971</u>	<u>36,141,454</u>	<u>14,962,275</u>	<u>29,250,000</u>	<u>1,992,787,307</u>
31 Dec. 2017	<u>185,050,075</u>	<u>950,146,172</u>	<u>30,588,235</u>	<u>100</u>	<u>57,039,685</u>	<u>33,885,469</u>	<u>18,114,767</u>	<u>15,683,348</u>	<u>-</u>	<u>1,290,507,851</u>

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	2018 N	2017 N
4 Intangible Assets		
As at beginning of the year	634,558,439	707,344,366
Amortization in the year	<u>(72,785,927)</u>	<u>(72,785,927)</u>
	<u>561,772,512</u>	<u>634,558,439</u>
5 Other Assets		
At the beginning	383,360,849	408,498,602
Addition	195,082,250	20,057,575
Written off	<u>(2,993,231)</u>	<u>(45,195,328)</u>
	<u>575,449,868</u>	<u>383,360,849</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.

6 Long Term Investments		
Investment in equity instrument		
Fair value as at January, 1, 2018	128,274,680	118,181,384
Disposal during the period	<u>-</u>	<u>-</u>
	128,274,680	118,181,384
Movement during the period	<u>(2,959,491)</u>	<u>10,093,296</u>
Fair value as at 30 September, 2018	<u>125,315,189</u>	<u>128,274,680</u>
Property (Foster Estate Ltd) (See note 24)	<u>-</u>	<u>179,000,000</u>
	<u>-</u>	<u>179,000,000</u>
	<u>125,315,189</u>	<u>307,274,680</u>

Available for sale Financial Instruments

These are investment in marketable securities on the Nigeria Stock Exchanges.

Property

This represents investment in Foster Estate. This venture is carried in conjunction with Synergy Capital and Advisory Ltd.

7 Long Term Receivables (See note 24)	<u>12,300,000</u>	<u>425,031,697</u>
This represent the amount incurred on behalf of Forster Estate Ltd that are recoupable from the company		
8 Inventories		
Cards	10,530,848	39,539,109
Stickers	115,004,833	84,422,233
Bulk SMS	-	2,590,000
Other Materials	<u>3,914,000</u>	<u>-</u>
	<u>129,449,681</u>	<u>126,551,342</u>

The sum of N84,663,060 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.

9i Trade Receivables	<u>658,632,803</u>	<u>730,474,351</u>
9ii Other Current Assets		
Sundry Receivables	133,684,674	169,185,742
Less Impairment loss	<u>-</u>	<u>-</u>
	<u>133,684,674</u>	<u>169,185,742</u>
Prepayments	<u>4,905,793</u>	<u>8,198,459</u>

Trade Receivables

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

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		N		N
10	Cash & Cash Equivalents			
	Cash	7,791,060		144,295
	Bank	17,942,144		35,812,773
		<u>25,733,204</u>		<u>35,957,068</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 2018			
	Issued & Fully Paid Shares of N0.50	3,552,000,000	1,776,000,000	478,100,000
	Movement during the period	-	-	-
	At 31 December 2018	<u>3,552,000,000</u>	<u>1,776,000,000</u>	<u>2,254,100,000</u>
11i	Directors Shareholdings Interest:	%	2018 N	% 2017 N
	Gp. Capt. Salami (Retd)	-	-	0% 1,200,000
	Adebola Akindele	43%	1,527,692,235	43% 1,527,692,235
	Adewale Sonaika	7%	270,694,800	7% 270,694,800
	Femi Niyi	-	-	4% 139,872,600
	Afam Edozie	0%	7,800,000	0% 7,800,000
	Oye Ogundele	2%	94,107,800	2% 94,107,800
	Helen Emore	0%	780,000.00	0% -
		<u>53%</u>	<u>1,901,074,835</u>	<u>57%</u> <u>2,041,367,435</u>
11ii	Shareholders with 5% and above			
	Adebola Akindele	43%	1,527,692,235	43% 1,527,692,235
	Rotimi Olaoye	8%	297,452,400	8% 297,452,400
	Wale Sonaika	7%	270,694,800	7% 270,694,800
	Olabisi Akindele	5%	192,108,000	5% 192,108,000
		<u>64%</u>	<u>2,287,947,435</u>	<u>64%</u> <u>2,287,947,435</u>
12	Retained Earnings			
	At the beginning	940,393,153		902,904,141
	Adjustment	-		512,235
	Profit after taxation	126,937,167		36,976,777
		<u>1,067,330,320</u>		<u>940,393,153</u>
13	Other Reserves	N		N
	Fair Value Adjustment in Equity Instruments			
	At the beginning	11,608,042		1,514,746
	Movement during the period	(2,959,491)		10,093,296
	Closing Balance	<u>8,648,551</u>		<u>11,608,042</u>
14	Borrowings			
	Bank Loan	-		151,370,878
	Falling due within 1 year	-		151,370,878
	Falling due after 1 year	-		151,370,878
		<u>-</u>		<u>151,370,878</u>
15	Trade & Other Payables			
	Trade Payables	21,120,519		7,946,529
	Others-Payables	789,638,738		598,530,239
		<u>810,759,257</u>		<u>606,476,768</u>
16	Current Income Tax			
	At the beginning	129,010,642		125,021,388
	WHT Utilised	(67,448,117)		162,992,073
	Payment during the period	(44,719,757)		(185,407,410)
	Tax deducted at source			102,606,051
	i Charges for the year			
	Income Tax	36,842,179		22,003,459
	Education	7,366,962		4,401,132
	At the closing	<u>61,051,909</u>		<u>129,010,642</u>
	ii To Income Statement			
	Charge for the year	44,209,141		26,404,591
	Deferred Tax Adjustment	-		(11,344,313)
	Net Charge for the year	<u>44,209,141</u>		<u>15,060,278</u>

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iii Deferred Tax Liability		
At the Beginning	18,140,995	29,485,308
Movement during the year		(11,344,313)
At year end (Assets)/Liabilities	<u>18,140,995</u>	<u>18,140,995</u>
17 Revenue		
Commission	1,101,943,982	1,229,901,261
E-Commerce	84,754,355	142,616,802
	<u>1,186,698,337</u>	<u>1,372,518,063</u>
18 Other Income		
Reimbursable		-
Profit from disposal of fixed assets	600,000	200,000
	<u>600,000</u>	<u>200,000</u>
19 Operating Cost		
Staff Cost	N	N
Auditors Remuneration	109,860,400	99,116,550
Repairs and Maintenance	3,675,000	3,500,000
Transport and Travelling	31,288,840	39,793,281
Depreciation	18,642,003	19,174,222
Retirements Benefit (See note 27)	116,354,436	128,403,060
Donations	-	39,616,484
Other admin. Expenses	5,668,218	18,582,820
	<u>169,292,035</u>	<u>257,940,298</u>
	<u>454,780,932</u>	<u>606,126,715</u>
20 Profit before tax		
This is stated after charging:		
Auditors Remuneration	3,675,000	3,500,000
Depreciation	116,354,436	128,403,060
21 Interest Payable & Similar Charges		
Interest on Loan	19,957,365	42,611,674
Bank Charges	3,944,555	3,456,136
	<u>23,901,920</u>	<u>46,067,810</u>

22 Operating Segments

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 executive management committee reviews internal management marketing reports on a monthly basis while comprehensive assessments of the performance of individual units are reviewed quarterly. The following summary details the operations in each of the group's reportable 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-Reg™ web-based business automation application that was designed and developed by Courteville Business Solutions Plc, and patented for 20 years 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 22 States where the franchise is in operation. These processing outlets cut across 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 capture and processing service. 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 reasonable rates and within 48 hours for companies and individuals.
2. Ego Shopping Mall: This is an online e-commerce merchant and service providers aggregator website of different categories and customers to transact business (buying and selling) online and real-time.

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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 the school. It also has the unique 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	
	2018	2017	2018	2017	2018	2017
	N	N	N	N	N	N
Sales Revenue	1,101,943,982	1,229,901,261	84,754,355	142,616,802	1,186,698,337	1,372,518,063
Cost of Sales	(573,897,399)	(613,852,306)	34,220,031	(56,710,480)	(539,677,367)	(670,562,786)
	528,046,584	616,048,955	118,974,386	85,906,322	647,020,970	701,955,277

23 Employees Information

Number of persons employed as at the year end were as follows:

Management Staff

6

7

Other Staff

95

88

The following cost were incurred in relation to staff

Staff cost

109,860,400

99,116,550

24 Foster Estate Limited

Foster Estate Limited was joint investment between the company and Synergy Advisory Ltd to develop and sell blocks of flats. The estates comprised of three blocks of building of 20 flats. The venture was desolved in 2017 and two blocks of building consisting of 13 units of flats were ceded to Courteville Business Solutions Plc has its share of the venture assets to be realized to off set all the expenses incurred on behalf of the venture and its share of the venture's liability. Out of the 13 units transferred to the company, the eight (8) units that belong to the company were fully deveped for the use of the company, hence the need to transfer the initial investment of N179,000,000 and the expense of N412,731,697 incurred on behalf of the venture to addition to building cost.