



Dear Stakeholder,

As you are aware The World Health Organisation (WHO) has declared the current coronavirus disease, COVID-19, a global pandemic following its unprecedented spread across the world and the deaths that have been caused by this disease; in line with our being a responsible corporate, we know that we should offer a full disclosure to all our stakeholders on how this current situation has affected our operations and our thinking going forward with this.

## **TRENDS & OUTLOOK OF COVID-19 PANDEMIC ON COURTEVILLE BUSINESS SOLUTIONS PLC**

Following the pandemic spread, certain trends have been observed, first amongst which is that in a bid to curtail the spread of the disease, a complete lock down status has been placed on Lagos & Ogun States and Abuja and with most of the other states of the Federation shutting down their borders with each other and social distancing being practiced in the states where somewhat movements are still allowed. This has necessitated that work operations of most corporates have shifted to the home front with a lot of dependency on technology replacing physical one on one meeting with virtual meetings.

At Courteville, we being a technology driven company already have the tools/technology in place to allow for our staff to work from home and as a result of our forward thinking on safety of our employees and customers had already applied the “work from home” rule for about 50% of our staff in order to reduce the physical coming in contact with as few people as possible; we had also quartered some of the remainder of our essential duties staff in the company’s guest house which is within the office complex, to enable them come to work safely with minimal contacts with external parties.

Our flagship business is the automation of motor vehicle administration documentation and our main clients are in the Public Sector i.e. State governments; however, our indirect clients are the end users who are individuals and corporate institutions that need to obtain or renew different licences linked to vehicles and with the social distancing and lock down status in the different states, our business operations will suffer underperformance as it has been greatly affected as people are to stay at home in adherence to the directives, so there are no vehicular movements and registration or renewal of licenses will not be a priority. Our business operations that result in at least 40% of our total sales revenue occurs in Lagos and Ogun States.



Our outlook as a result of the Covid-19 pandemic is that we will have to become more customer centric with our operations by engaging our major clients in ensuring that we provide an alternative channel for vehicle license renewal **online** bringing ease of the processing to the end user and also guarantee revenue completeness and ease of reconciliation for our major clients. We also expect that as a result of the pandemic, our company would be streamlining our processes by focusing on being more technology driven and also diversifying the industries that we provide services for as this period has highlighted the sectors/industries that are considered high priority.

#### MANAGEMENT'S EXPECTATIONS OF FUTURE IMPACT OF THE PANDEMIC

The expectations of the management of Courteville on the impact of the pandemic are as follows:

- A review of our 2020 Financial Year Budget, as the assumptions used for cutting the Budget have become obsolete/redundant.
- A drastic reduction in the earnings of the Country as the resulting lock down and restriction of movement in various countries around the world has slowed down economic activities in different industries like aviation, manufacturing, tourism, hospitality, oil & gas etc. these slowdown in activities has resulted in low demand for crude oil and a glut of the product. This affects Nigeria whose earnings are largely dependent on Oil.
- Some form of palliatives/cushioning effect from the Government in form of forbearance measures on the loss of revenues that will be suffered by companies.
- Continued work from home for a larger percentage of the staff after the restrictions are removed as we expect that safety concerns of employees and clients from the social distancing will still be one of our priorities till we are sure that the pandemic curve as truly been flattened.
- A review of our Business Continuity Plan to include a pandemic situation from the recent lessons learnt from this current situation
- A review of our current business model to automate the complete cycle from operations to collections in order to ensure that our working capital cycle is at optimal efficiency.
- Possibility of mergers with companies in like businesses or might provide opportunities to diversify to providing services to other sectors/industries.



## HOW WE ARE RESPONDING TO EVOLVING EVENTS

At Courteville we continue to be responsible by ensuring that we are on top of evolving events in the course of this pandemic:

- We provide resources to ease the stay at home work period for our staff members at the expense of the company as we are aware that these are tough and trying times for everyone.
- We are constantly providing communication with all of our staff working from their various homes by staying in touch with them through virtual technology; we have weekly addresses to the staff by the Group Managing Director where he keeps staff abreast of goings on in the country and the latest directives as given by the Government.
- In line with safety of our employees being one of our priorities, our HR Manager has a current address listing where our staff members are operating from and ensures that there are constant departmental meetings going on; we have also taken the liberty to ensure that we have a virtual meeting with a leading psychiatrist/psychologist to give a talk on mental health awareness to the staff as these are unprecedented times.
- We still have our core essential staff quartered in the official guest house where they are providing operational services for our clients that are not under complete restrictions; they will still be quartered there whenever the restrictions are lifted and normalcy begins to return to economic and social life.
- We are testing our business continuity plan that concerns when we have to move our IT processing away from our head office and so far this has worked effectively.

## PLANS TO DEAL WITH RELATED UNCERTAINTIES

There are related uncertainties that pervade the country in this pandemic period and our company plans to deal with them in the following ways:



- A related uncertainty from this pandemic will be the ability of our clients to pay us for services rendered as and when due thus leading to a growth in receivables if they are not; it is a well-known fact that most of the States are dependent on their earnings from the FAAC; this is going to be drastically reduced as the earnings of the Federal Government will not be as high as previous years; Courteville is dealing with this by ensuring that our payment terms is structured such that we receive payments during the transaction process for future contracts and reliance on our strong relationship management team for our current contracts.
- Another related uncertainty from this pandemic will be the fear of a loss of jobs of our staff members as a result of redundancy; whilst we intend to streamline our processes to make them more efficient, we also expect that once normalcy returns there will be additional job creation with the projected growth of our niche market. We do not intend for our staff to suffer job losses especially when there are expected palliative measures being put in place by the Government for companies that retain their staff strength in this pandemic period.
- Another related uncertainty from this pandemic will be the reliability of our supply chain; we intend to deal with this by making a conscious effort to diversify and renegotiate with our current suppliers and prospective ones in order to avoid single points of failure.

We thank you for being there for us at Courteville Business Solutions Plc and promise to continue to offer these disclosures to keep our stakeholders abreast of happenings in our company.

Yours faithfully,

**Dr. Adebola Akindele**  
Group Managing Director