

# *Group Financials*

## **RED STAR EXPRESS PLC**

**UNAUDITED SECOND QUARTER FINANCIAL REPORT  
FOR THE PERIOD ENDED 30TH SEPTEMBER 2014**

*Red Star Express*



**Red Star Freight Ltd**  
*Subsidiary of Red Star Express Plc*



**Red Star Logistics Ltd**  
*Subsidiary of Red Star Express Plc*



**Red Star Support Services Ltd**  
*Subsidiary of Red Star Express Plc*



**RED STAR EXPRESS PLC****UN AUDITED FINANCIAL HIGHLIGHTS  
FOR THE PERIOD ENDED 30th September, 2014****MAJOR PROFIT AND LOSS ACCOUNT ITEMS**

|                   | <b>GROUP</b>      |                   | <b>THE COMPANY</b> |                   |
|-------------------|-------------------|-------------------|--------------------|-------------------|
|                   | <b>2014</b>       | <b>2013</b>       | <b>2014</b>        | <b>2013</b>       |
|                   | <b>SEPT</b>       | <b>SEPT</b>       | <b>SEPT</b>        | <b>SEPT</b>       |
|                   | <b>2014</b>       | <b>2013</b>       | <b>2014</b>        | <b>2013</b>       |
|                   | <b>30/09/2014</b> | <b>30/09/2013</b> | <b>30/09/2014</b>  | <b>30/09/2013</b> |
|                   | <b>N' 000</b>     | <b>N' 000</b>     | <b>N' 000</b>      | <b>N' 000</b>     |
| TURNOVER          | 3,308,757         | 3,077,071         | 1,930,572          | 1,956,159         |
| PROFIT BEFORE TAX | 299,145           | 306,840           | 155,939            | 170,573           |
| PROFIT AFTER TAX  | 209,402           | 214,788           | 109,157            | 119,402           |

**MAJOR BALANCE SHEET ITEMS**

|                   | <b>GROUP</b>      |                   | <b>THE COMPANY</b> |                   |
|-------------------|-------------------|-------------------|--------------------|-------------------|
|                   | <b>2014</b>       | <b>2014</b>       | <b>2014</b>        | <b>2014</b>       |
|                   | <b>SEPT</b>       | <b>MARCH</b>      | <b>SEPT</b>        | <b>MARCH</b>      |
|                   | <b>2014</b>       | <b>2014</b>       | <b>2014</b>        | <b>2014</b>       |
|                   | <b>30/09/2014</b> | <b>31/03/2014</b> | <b>30/09/2014</b>  | <b>31/03/2014</b> |
|                   | <b>N' 000</b>     | <b>N' 000</b>     | <b>N' 000</b>      | <b>N' 000</b>     |
| TOTAL ASSETS      | 3,588,054         | 3,446,945         | 2,679,492          | 2,649,642         |
| SHAREHOLDERS FUND | 1,905,797         | 1,902,719         | 1,427,453          | 1,524,620         |
| SHARE CAPITAL     | 294,748           | 294,748           | 294,748            | 294,748           |
| SHARE PREMIUM     | 296,433           | 296,433           | 296,433            | 296,433           |
| REVENUE RESERVE   | 1,314,616         | 1,311,538         | 836,272            | 933,439           |

**INFORMATION PER 50 KOBO ORDINARY SHARE**

|                           | <b>GROUP</b> |              | <b>THE COMPANY</b> |              |
|---------------------------|--------------|--------------|--------------------|--------------|
|                           | <b>2014</b>  | <b>2014</b>  | <b>2014</b>        | <b>2014</b>  |
|                           | <b>SEPT</b>  | <b>MARCH</b> | <b>SEPT</b>        | <b>MARCH</b> |
|                           | <b>2014</b>  | <b>2014</b>  | <b>2014</b>        | <b>2014</b>  |
|                           | <b>2014</b>  | <b>2014</b>  | <b>2014</b>        | <b>2014</b>  |
| NO OF ORDINARY SHARES     | 589,497      | 589,497      | 589,497            | 589,497      |
| NET ASSET (N)             | 1,905,796    | 1,902,719    | 1,427,454          | 1,524,620    |
| EARNINGS PER SHARE (KOBO) | <b>36</b>    | <b>36</b>    | <b>19</b>          | <b>20</b>    |
| NET ASSET PER SHARE(KOBO) | 323          | 323          | 242                | 259          |

# RED STAR EXPRESS PLC

## UN AUDITED CONSOLIDATED COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30th SEPT, 2014

|   | Note | The Group        |                    | The Company      |                    |
|---|------|------------------|--------------------|------------------|--------------------|
|   |      | SEPT-14          | SEPT-13            | SEPT-14          | SEPT-13            |
|   |      | N'000            | N'000              | N'000            | N'000              |
| Turnover  | 1    | 3,308,757        | <b>3,077,071</b>   | 1,930,572        | <b>1,956,159</b>   |
| Cost of sales                                   | 3    | (2,387,741)      | <b>(2,192,993)</b> | (1,339,913)      | <b>(1,347,716)</b> |
| Gross profit                                    |      | 921,015          | <b>884,078</b>     | 590,659          | <b>608,443</b>     |
| Other income                                    | 2    | 8,580            | <b>18,532</b>      | 6,540            | <b>3,135</b>       |
|   |      | 929,596          | <b>902,610</b>     | 597,199          | <b>611,578</b>     |
| Administrative and Other Operating Expences     | 3    | (371,125)        | <b>(370,351)</b>   | (292,652)        | <b>(301,514)</b>   |
| Personell Expences                              | 3    | (208,350)        | <b>(185,958)</b>   | (109,870)        | <b>(109,122)</b>   |
| Pension & Gratuity                              | 3    | (13,754)         | <b>(11,925)</b>    | (8,265)          | <b>(7,757)</b>     |
| Depreciation & Amortisation                     | 4    | (35,195)         | <b>(26,818)</b>    | (32,341)         | <b>(23,770)</b>    |
| Impairment Loss                                 |      | -                | -                  | -                | -                  |
| Effect of change in estimate useful life of PPE | 4    | -                | -                  | -                | -                  |
| <b>Total operating Expences</b>                 |      | <b>(628,424)</b> | <b>(595,052)</b>   | <b>(443,128)</b> | <b>(442,163)</b>   |
| Finance Income                                  |      | 8,361            | 9,149              | 8,273            | 8,148              |
| Finance Costs                                   |      | (10,388)         | (9,867)            | (6,405)          | (6,991)            |
| <b>Net Finance Costs</b>                        |      | <b>(2,026)</b>   | <b>(718)</b>       | <b>1,868</b>     | <b>1,157</b>       |
| <b>Profit Before interest and Tax</b>           |      | <b>299,145</b>   | <b>306,840</b>     | <b>155,939</b>   | <b>170,573</b>     |
| Interest and similar charges                    |      | -                | -                  | -                | -                  |
| Provision for diminution in investments         |      | -                | -                  | -                | -                  |
| <b>Profit Before Income Tax</b>                 |      | <b>299,145</b>   | <b>306,840</b>     | <b>155,939</b>   | <b>170,573</b>     |
| Income Tax                                      | 6    | (89,744)         | (92,052)           | (46,782)         | (51,172)           |
| <b>Profit from continuing operation</b>         |      | <b>209,402</b>   | <b>214,788</b>     | <b>109,157</b>   | <b>119,402</b>     |
| <b>Profit attributable to:</b>                  |      |                  |                    |                  |                    |
| Owners of the company                           |      | 209,402          | <b>214,788</b>     | 109,157          | <b>119,402</b>     |
| Non controlling Interests                       |      | -                | -                  | -                | -                  |
| <b>Profit for the period</b>                    |      | <b>209,402</b>   | <b>214,788</b>     | <b>109,157</b>   | <b>119,402</b>     |
| <b>Earnings per share</b>                       |      |                  |                    |                  |                    |
| Basic earnings per share (kobo)                 | 27   | <b>36</b>        | <b>36</b>          | <b>19</b>        | <b>20</b>          |
| Diluted earnings per share (kobo)               |      |                  |                    |                  |                    |
| <b>Number of ordinary shares in issue</b>       | 27   | <b>589,497</b>   | <b>589,497</b>     | <b>589,497</b>   | <b>589,497</b>     |

# RED STAR EXPRESS PLC

## UN AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER, 2014

|                                       | Note | The Group        |                  | The Company      |                  |
|---------------------------------------|------|------------------|------------------|------------------|------------------|
|                                       |      | Sep-14           | March 14         | Sep-14           | March 14         |
|                                       |      | N'000            | N'000            | N'000            | N'000            |
| <b>ASSETS</b>                         |      |                  |                  |                  |                  |
| <b>Non Current Assets</b>             |      |                  |                  |                  |                  |
| Property, plant and equipments        | 7    | 1,042,443        | 1,064,599        | 552,071          | 543,635          |
| Intangible Assets                     | 9    | 11,654           | 10,698           | 10,866           | 10,351           |
| Long Term Prepayments                 | 12   | 6,153            | 11,938           | 6,153            | 11,939           |
| Financial Assets Available for Sale   | 8    | 1,193            | 1,193            | 285,258          | 285,258          |
| Deposit for shares                    |      | 1,500            | 1,500            | 1,500            | 1,500            |
| Employee Benefit asset                | 16   | -                | -                | -                | -                |
| <b>Total Non Current Assets</b>       |      | <b>1,062,943</b> | <b>1,089,928</b> | <b>855,847</b>   | <b>852,682</b>   |
| <b>Current Assets</b>                 |      |                  |                  |                  |                  |
| Inventories                           | 10   | 59,043           | 59,642           | 56,010           | 57,203           |
| Trade debtors                         | 11   | 1,479,798        | 1,289,687        | 966,414          | 854,584          |
| Other debtors and prepayments         | 12   | 520,750          | 398,372          | 382,335          | 311,156          |
| Due from related company              | 26   |                  |                  | 74,393           | 23,755           |
| Cash and cash equivalents             | 13   | 465,519          | 609,316          | 344,492          | 550,262          |
| <b>Total Current Assets</b>           |      | <b>2,525,111</b> | <b>2,357,017</b> | <b>1,823,645</b> | <b>1,796,960</b> |
| <b>TOTAL ASSETS</b>                   |      | <b>3,588,054</b> | <b>3,446,945</b> | <b>2,679,492</b> | <b>2,649,642</b> |
| <b>EQUITY AND LIABILITIES</b>         |      |                  |                  |                  |                  |
| <b>LIABILITIES</b>                    |      |                  |                  |                  |                  |
| <b>Non-current liabilities</b>        |      |                  |                  |                  |                  |
| Deferred taxation                     | 15   | 131,456          | 131,456          | 33,190           | 33,190           |
| Term Loan                             |      | 77,933           | 90,644           |                  |                  |
| Provision for liabilities and charges |      |                  |                  |                  |                  |
| Employee Benefit Liabilities          |      | 26,700           | 10,429           | 17,318           | 10,429           |
| <b>Total Non Current Liabilities</b>  |      | <b>236,089</b>   | <b>232,529</b>   | <b>50,508</b>    | <b>43,619</b>    |
| <b>Current liabilities</b>            |      |                  |                  |                  |                  |
| Trade creditors                       |      | 254,030          | 265,910          | 253,988          | 265,910          |
| Other creditors and accruals          | 14   | 906,543          | 849,935          | 568,563          | 618,853          |
| Due to related companies              | 26   |                  |                  | 205,513          | 69,955           |
| Income tax liabilities                | 6    | 285,596          | 195,852          | 173,467          | 126,685          |
| <b>Total Current Liabilities</b>      |      | <b>1,446,169</b> | <b>1,311,697</b> | <b>1,201,530</b> | <b>1,081,403</b> |
| <b>TOTAL LIABILITIES</b>              |      | <b>1,682,257</b> | <b>1,544,226</b> | <b>1,252,038</b> | <b>1,125,022</b> |
| <b>Equity</b>                         |      |                  |                  |                  |                  |
| Share capital                         |      | 294,748          | 294,748          | 294,748          | 294,748          |
| Share premium                         |      | 296,433          | 296,433          | 296,433          | 296,433          |
| General reserve                       |      | 1,314,616        | 1,311,538        | 836,272          | 933,439          |
| Total Equity                          |      | 1,905,797        | 1,902,719        | 1,427,453        | 1,524,620        |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |      | <b>3,588,054</b> | <b>3,446,945</b> | <b>2,679,492</b> | <b>2,649,642</b> |

The consolidated financial statements on pages - to - were approved by the Board of Directors on -----  
and signed on its behalf by:

\_\_\_\_\_) )  
\_\_\_\_\_) )  
\_\_\_\_\_) **Directors** )  
\_\_\_\_\_) )  
\_\_\_\_\_) )

The accounting policies on pages - to - and the explanatory notes on pages - to - form part of these consolidated financial statements.

RED STAR EXPRESS PLC

STATEMENT OF CASH FLOWS  
FOR THE SECOND QUARTER ENDED 30th SEPT, 2014

| NOTE  | GROUP            |                  | THE COMPANY      |                  |
|---|------------------|------------------|------------------|------------------|
|   | Sep-14<br>N      | Sep-13<br>N      | Sep-14<br>N      | Sep-13<br>N      |
| Cash flows from operating activities:                         |                  |                  |                  |                  |
| Cash receipts from customers                                  | 3,180,817        | 2,976,886        | 2,152,120        | 2,342,137        |
| Payment to suppliers and employees                            | (2,982,359)      | (2,558,089)      | (2,070,598)      | (2,170,410)      |
| <b>Cash generated from operating activities</b>               | <b>198,459</b>   | <b>418,797</b>   | <b>81,522</b>    | <b>171,727</b>   |
| VAT (NET)   | (55,587)         | (48,862)         | (45,520)         | (38,813)         |
| Withholding Tax credit utilised                               | -                | -                | -                | -                |
| Taxes paid  | -                | (10,419)         | -                | -                |
| <b>Net cash provided by operating activities</b>              | <b>142,872</b>   | <b>359,515</b>   | <b>36,002</b>    | <b>132,914</b>   |
| <b>Cash flows from investing activities:</b>                  | -                | -                | -                | -                |
| Interest received   | 8,361            | 2,867            | 827              | 2,867            |
| Dividend received   | -                | -                | -                | -                |
| Proceeds from sale of PPE                                     | 1,692            | 1,049            | 1,692            | 1,049            |
| Purchase of Intangible assets                                 | (5,425)          | -                | (4,900)          | -                |
| Acquisition of PPE  | (107,978)        | (366,121)        | (78,184)         | (78,804)         |
| Increase in investment  | -                | -                | -                | -                |
| <b>Net cash provided by investing activities</b>              | <b>(103,350)</b> | <b>(362,205)</b> | <b>(80,565)</b>  | <b>(74,888)</b>  |
| <b>Cash flows from financing activities:</b>                  | -                | -                | -                | -                |
| Proceeds from issue of share capital                          | -                | -                | -                | -                |
| Proceeds from Long term borrowings                            | -                | -                | -                | -                |
| Proceeds of Share premium                                     | -                | -                | -                | -                |
| Term Loan repayment   | (12,711)         | -                | -                | -                |
| Interest Paid   | (9,401)          | -                | -                | -                |
| Dividend paid   | (161,207)        | (149,409)        | (161,207)        | (149,409)        |
| <b>Net cash provided by financing activities</b>              | <b>(183,319)</b> | <b>(149,409)</b> | <b>(161,207)</b> | <b>(149,409)</b> |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   | <b>(143,797)</b> | <b>(152,100)</b> | <b>(205,769)</b> | <b>(91,384)</b>  |
| <b>Cash and cash equivalents at the beginning of the year</b> | <b>609,316</b>   | <b>515,588</b>   | <b>550,262</b>   | <b>349,660</b>   |
| <b>Cash and cash equivalents at the end of the year</b>       | <b>465,519</b>   | <b>363,488</b>   | <b>344,493</b>   | <b>258,276</b>   |

**RED STAR EXPRESS PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|  | The Group                |                          | The Company              |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
|  | SEPT-14<br>2014<br>N'000 | SEPT-13<br>2014<br>N'000 | SEPT-14<br>2014<br>N'000 | SEPT-13<br>2014<br>N'000 |
| <b>SHARE CAPITAL</b>                               |                          |                          |                          |                          |
| <b>Authorised</b>                                  |                          |                          |                          |                          |
| 1,000,000,000 ordinary shares<br>of 50 kobo each   | <u>500,000</u>           | <u>500,000</u>           | <u>500,000</u>           | <u>500,000</u>           |
| <b>Issued and fully paid</b>                       |                          |                          |                          |                          |
| 589,496,760 ordinary shares<br>of 50 kobo each     | <u>294,748</u>           | <u>294,748</u>           | <u>294,748</u>           | <u>294,748</u>           |
| <b>GENERAL RESERVE</b>                             |                          |                          |                          |                          |
| At the beginning of the year                       | 1,311,538                | 1,130,193                | 933,439                  | 823,958                  |
| Profit and loss account                            | 209,402                  | 214,788                  | 109,157                  | 119,402                  |
| Other comprehensive Income                         | -                        | -                        | -                        | -                        |
| Transfer to RSE Foundation                         | -                        | -                        | -                        | -                        |
| Effects of changes in estimated useful Life of PPE | -                        | -                        | -                        | -                        |
| Acturial Loss on defined benefit plan              | -                        | -                        | -                        | -                        |
| Dividend declared (Note 18.2)                      | <u>(206,324)</u>         | <u>(188,639)</u>         | <u>(206,324)</u>         | <u>(188,639)</u>         |
| At the end of the year                             | <u>1,314,616</u>         | <u>1,156,342</u>         | <u>836,272</u>           | <u>754,721</u>           |

Notes to the Accounts (Profit and Loss)

FOR THE PERIOD ENDED 30th SEP, 2014

|                                     | The Group               |                         | The Company             |                         |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                     | SEP'2014                | SEP'2013                | SEP'2014                | SEP'2013                |
|                                     | N'000                   | N'000                   | N'000                   | N'000                   |
| <b>1 TURNOVER</b>                   |                         |                         |                         |                         |
| Turnover                            | 3,308,757               | 3,077,071               | 1,930,572               | 1,956,159               |
|                                     | <u>3,308,757</u>        | <u>3,077,071</u>        | <u>1,930,572</u>        | <u>1,956,159</u>        |
| <b>2 OTHER OPERATING INCOME</b>     |                         |                         |                         |                         |
| <b>a. Other Income</b>              |                         |                         |                         |                         |
| Insurance Claim                     | 3,080                   | 16,351                  | 3,080                   | 2,244                   |
| Profit on Disposals of fixed Assets | 1,450                   | 891                     | 1,450                   | 891                     |
| Exchange gain                       | 2,010                   | -                       | 2,010                   | -                       |
| Other Sundry income                 | 2,040                   | 1,190                   | -                       | -                       |
| Bad debt recovered                  | -                       | 100                     | -                       | -                       |
| Interest received                   | -                       | -                       | -                       | -                       |
|                                     | <u>8,580</u>            | <u>18,532</u>           | <u>6,540</u>            | <u>3,135</u>            |
| <b>b. Investment Income</b>         |                         |                         |                         |                         |
| Related Company Dividend            | -                       | -                       | -                       | -                       |
|                                     | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>                |
| <b>OTHER OPERATING INCOME</b>       | <u><b>8,580</b></u>     | <u><b>18,532</b></u>    | <u><b>6,540</b></u>     | <u><b>3,135</b></u>     |
|                                     |                         |                         |                         |                         |
|                                     | The Group               |                         | The Company             |                         |
|                                     | SEP'2014                | SEP'2013                | SEP'2014                | SEP'2013                |
|                                     | N'000                   | N'000                   | N'000                   | N'000                   |
| <b>3 COST OF SALES</b>              |                         |                         |                         |                         |
| Staff cost                          | 597,093                 | 515,760                 | 290,919                 | 279,004                 |
| Pension                             | 27,404                  | 20,446                  | 11,908                  | 9,876                   |
| Gratuity                            | 27,611                  | 27,251                  | 21,153                  | 21,153                  |
| Medical                             | 76,607                  | 65,346                  | 26,763                  | 27,612                  |
| Training                            | 12,537                  | 11,534                  | 6,798                   | 7,639                   |
| International delivery costs        | 358,746                 | 357,086                 | 279,114                 | 300,112                 |
| Domestic freight                    | 455,081                 | 443,062                 | 255,229                 | 264,902                 |
| Vehicle running costs               | 356,355                 | 290,585                 | 97,124                  | 90,589                  |
| Agent costs                         | 100,850                 | 112,876                 | 100,564                 | 112,380                 |
| Local transport                     | 127,949                 | 127,024                 | 102,819                 | 92,505                  |
| Clearing and documentation charges  | 46,897                  | 51,845                  | 28,933                  | 37,648                  |
| Rents and rates of outlets          | 32,742                  | 41,510                  | 26,702                  | 33,423                  |
| Insurance                           | 20,944                  | 21,811                  | 10,391                  | 11,381                  |
| Depreciation                        | 99,308                  | 60,550                  | 44,700                  | 24,973                  |
| Repairs and maintenance             | 47,617                  | 46,307                  | 36,798                  | 34,516                  |
|                                     | <u><b>2,387,741</b></u> | <u><b>2,192,993</b></u> | <u><b>1,339,913</b></u> | <u><b>1,347,716</b></u> |

|  | The Group      |                | The Company    |                |
|--|----------------|----------------|----------------|----------------|
|  | SEP'2014       | SEP'2013       | SEP'2014       | SEP'2013       |
|  | N'000          | N'000          | N'000          | N'000          |
| <b>Administration Costs</b>                    |                |                |                |                |
| <b>3.1 Administrative &amp; other Expenses</b> |                |                |                |                |
| Repairs and maintenance                        | 48,583         | 44,980         | 43,991         | 41,133         |
| Transportation and travelling costs            | 27,519         | 32,439         | 24,273         | 26,155         |
| Legal and professional charges                 | 24,881         | 26,941         | 22,297         | 24,117         |
| Publicity and promotion                        | 15,111         | 20,002         | 8,983          | 11,597         |
| Communication and telephone                    | 24,560         | 37,667         | 22,198         | 35,631         |
| Printing and stationery                        | 47,119         | 38,762         | 38,908         | 32,152         |
| Subscriptions and donations                    | 14,848         | 13,213         | 11,779         | 10,420         |
| Audit fee                                      | 8,450          | 8,800          | 6,500          | 6,000          |
| Medical  | 19,152         | 16,336         | 6,691          | 6,903          |
| Power and water                                | 39,363         | 41,196         | 38,895         | 40,408         |
| Rent and rates                                 | -              | -              | -              | -              |
| Licence and registration                       | -              | -              | -              | -              |
| Office protection services                     | 18,069         | 18,510         | 11,897         | 12,253         |
| Hotel accommodation and entertainment          | 18,894         | 17,170         | 16,733         | 14,208         |
| Insurance                                      | 5,236          | 5,453          | 2,598          | 2,845          |
| Training                                       | 3,134          | 2,884          | 1,700          | 2,270          |
| Newspaper and periodicals                      | 861            | 1,165          | 717            | 1,069          |
| Provision for doubtful trade debts             | 44,763         | 36,250         | 28,513         | 29,000         |
| Non Current Assets written off                 | -              | -              | -              | -              |
| Exchange loss                                  | -              | -              | -              | -              |
| Loss on disposal of Non Current Assets         | -              | -              | -              | -              |
| Annual general meeting expenses                | 10,582         | 8583           | 5,981          | 5,353          |
|  | <u>371,125</u> | <u>370,351</u> | <u>292,652</u> | <u>301,514</u> |
| <b>3.2 Personnel Expenses</b>                  |                |                |                |                |
| Directors' emoluments                          | 33,459         | 34,890         | 24,658         | 27,401         |
| Staff costs                                    | 174,890        | 151,068        | 85,211         | 81,721         |
|  | <u>208,350</u> | <u>185,958</u> | <u>109,870</u> | <u>109,122</u> |
| <b>3.3 Pension &amp; Gratuity</b>              |                |                |                |                |
| Pension  | 6,851          | 5,112          | 2,977          | 2,469          |
| Gratuity                                       | 6,903          | 6,813          | 5,288          | 5,288          |
|  | <u>13,754</u>  | <u>11,925</u>  | <u>8,265</u>   | <u>7,757</u>   |
| <b>3.4 Finance Income/ Finance Costs</b>       |                |                |                |                |
| Interest Received                              | 8,361          | 9,149          | 8,273          | 8,148          |
| Finance Cost - Bank charges and commission     | 10,388         | 9,867          | 6,405          | 6,991          |
|  | <u>(2,026)</u> | <u>(718)</u>   | <u>1,868</u>   | <u>1,157</u>   |
| <b>3.5 Depreciation &amp; Amortisation</b>     |                |                |                |                |
| Depreciation charge                            | <u>35,195</u>  | <u>26,818</u>  | <u>32,341</u>  | <u>23,770</u>  |



RED STAR EXPRESS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30th SEPT, 2014

|   | The Group         |                   | The Company       |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | Sep'2014<br>N'000 | Sep'2013<br>N'000 | Sep'2014<br>N'000 | Sep'2013<br>N'000 |
| <b>6. TAXATION</b>                          |                   |                   |                   |                   |
| <b>.1 Statement of Comprehensive Income</b> |                   |                   |                   |                   |
| Income tax                                  | 89,744            | 92,052            | 46,782            | 51,172            |
| Education tax                               | -                 | -                 | -                 | -                 |
| Irrecoverable WHT                           | -                 | -                 | -                 | -                 |
|   | 89,744            | 92,052            | 46,782            | 51,172            |
| <b>Deferred taxation (Note 15)</b>          |                   |                   |                   | -                 |
|   | <b>89,744</b>     | <b>92,052</b>     | <b>46,782</b>     | <b>51,172</b>     |

|   | The Group         |                   | The Company       |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | Sep'2014<br>N'000 | Mar'2014<br>N'000 | Sep'2014<br>N'000 | Mar'2014<br>N'000 |
| <b>.2 Statement of Financial Position</b>   |                   |                   |                   |                   |
| At the beginning of the year                | 195,852           | 233,220           | 126,685           | 119,810           |
| Charge for the year                         | 89,744            | 181,012           | 46,782            | 108,182           |
| Payments during the year                    | -                 | (61,320)          | -                 | (12,362)          |
| Withholding tax credit utilised (Note 12.1) | -                 | (157,060)         | -                 | (88,945)          |
| At the end of the year                      | <b>285,596</b>    | <b>195,852</b>    | <b>173,467</b>    | <b>126,685</b>    |

- .3 The charge for income tax in these consolidated financial statements is based on the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 as amended to date. Education tax is based on the provisions of the Education Tax Act, CAP E4, LFN 2004.

| # SCHEDULE OF PROPERTY PLANT AND EQUIPMENT.      |         |           |                   |                     |                |              |                            |                             |                  |           |             |
|--|---------|-----------|-------------------|---------------------|----------------|--------------|----------------------------|-----------------------------|------------------|-----------|-------------|
| 30th SEPT, 2014                                  |         |           |                   |                     |                |              |                            |                             |                  |           |             |
| <b>Company</b>                                   |         |           |                   |                     |                |              |                            |                             |                  |           |             |
| Cost   | Land    | Buildings | Plant & Machinery | TRUCKS AND TRAILERS | Motor Vehicles | MOTOR CYCLES | COMPUTER EQUIPMENT         | Furniture, Fittings & Equip | WORK IN PROGRESS | Total     | INTANGIBLES |
|  | N'000   | N'000     | N'000             | N'000               | N'000          | N'000        | N'000                      | N'000                       | N'000            | N'000     | N'000       |
| At 1 April 2014                                  | 74,647  | 230,703   | 57,802            | 7,825               | 186,852        | 63,895       | 180,500                    | 27,434                      | 1,120            | 830,778   | 34,566      |
| Addition   | -       | 405       | 66                | -                   | 14,934         | 10,191       | 16,681                     | 10,735                      | 25,172           | 78,184    | 4,900       |
| Reclassifications                                | -       | -         | -                 | -                   | -              | -            | -                          | -                           | -                | -         | -           |
| Disposals  | -       | -         | (0)               | (0)                 | (3,409)        | (817)        | (0)                        | (20)                        | -                | (4,246)   | -           |
| Adjustment                                       | -       | -         | -                 | -                   | -              | -            | -                          | -                           | -                | -         | -           |
| At 30th Sept, 2014                               | 74,647  | 231,108   | 57,868            | 7,825               | 198,377        | 73,268       | 197,181                    | 38,149                      | 26,292           | 904,716   | 39,466      |
| <b>Depreciation and impairment</b>               |         |           |                   |                     |                |              |                            |                             |                  |           |             |
| At 1 April 2014                                  | -       | 18,790    | 18,412            | 6,579               | 93,472         | 38,144       | 94,319                     | 17,427                      | -                | 287,143   | 24,215      |
| Depreciation charge for the year                 | -       | 4,683     | 5,436             | -                   | 23,089         | 13,742       | 15,493                     | 7,212                       | -                | 69,656    | 4,386       |
| Disposals  | -       | -         | -                 | -                   | (3,315)        | (817)        | -                          | (19)                        | -                | (4,152)   | -           |
| Adjustment                                       | -       | -         | -                 | -                   | -              | -            | -                          | -                           | -                | -         | -           |
| At 30th Sept, 2014                               | -       | 23,473    | 23,848            | 6,579               | 113,246        | 51,069       | 109,812                    | 24,620                      | -                | 352,647   | 28,601      |
| Net book value                                   | -       | -         | -                 | -                   | -              | -            | -                          | -                           | -                | -         | -           |
| At 30th Sept, 2014                               | 74,647  | 207,635   | 34,020            | 1,246               | 85,131         | 22,199       | 87,368                     | 13,529                      | 26,292           | 552,071   | 10,866      |
| At 31 March 2014                                 | 74,647  | 211,913   | 39,390            | 1,246               | 93,380         | 25,751       | 86,180                     | 10,007                      | 1,120            | 543,635   | 10,351      |
| <b>SCHEDULE OF PROPERTY PLANT AND EQUIPMENT.</b> |         |           |                   |                     |                |              |                            |                             |                  |           |             |
| 30th SEPT, 2014                                  |         |           |                   |                     |                |              |                            |                             |                  |           |             |
| <b>Group</b>                                     |         |           |                   |                     |                |              |                            |                             |                  |           |             |
| Cost   | Land    | Buildings | Plant & Machinery | TRUCKS AND TRAILERS | Motor Vehicles | MOTOR CYCLES | COMPUTER & OTHER EQUIPMENT | Furniture, Fittings & Equip | WORK IN PROGRESS | Total     | INTANGIBLES |
|  | N'000   | N'000     | N'000             | N'000               | N'000          | N'000        | N'000                      | N'000                       | N'000            | N'000     | N'000       |
| At 1 April 2014                                  | 141,208 | 344,107   | 66,176            | 365,095             | 283,850        | 204,039      | 188,025                    | 46,066                      | 1,492            | 1,640,058 | 35,066      |
| Addition   | 1,868   | 13,630    | 66                | 500                 | 15,284         | 23,731       | 16,829                     | 10,898                      | 25,172           | 107,978   | 5,425       |
| Reclassifications                                | -       | -         | -                 | -                   | -              | -            | -                          | -                           | -                | -         | -           |
| Disposals  | -       | -         | (0)               | (0)                 | (3,409)        | (817)        | (0)                        | (20)                        | -                | (4,246)   | -           |
| Adjustments                                      | -       | -         | -                 | -                   | -              | -            | -                          | -                           | -                | -         | -           |
| At 30th Sept, 2014                               | 143,076 | 357,737   | 66,242            | 365,595             | 295,725        | 226,953      | 204,854                    | 56,944                      | 26,664           | 1,743,790 | 40,491      |
| <b>Depreciation and impairment</b>               |         |           |                   |                     |                |              |                            |                             |                  |           |             |
| At 1 April 2014                                  | -       | 27,298    | 21,665            | 98,331              | 105,893        | 195,306      | 99,328                     | 27,638                      | -                | 575,459   | 24,368      |
| Depreciation charge for the year                 | -       | 6,171     | 5,968             | 19,834              | 29,281         | 44,022       | 15,803                     | 8,956                       | -                | 130,039   | 4,469       |
| Disposals  | -       | -         | -                 | -                   | (3,315)        | (817)        | -                          | (19)                        | -                | (4,152)   | -           |
| Adjustment                                       | -       | -         | -                 | -                   | -              | -            | -                          | -                           | -                | -         | -           |
| At 30th Sept, 2014                               | -       | 33,469    | 27,633            | 118,165             | 131,859        | 238,511      | 115,131                    | 36,574                      | -                | 701,347   | 28,837      |
| Net book value                                   | -       | -         | -                 | -                   | -              | -            | -                          | -                           | -                | -         | -           |
| At 30th Sept, 2014                               | 143,076 | 324,268   | 38,609            | 247,430             | 163,866        | (11,558)     | 89,723                     | 20,370                      | 26,664           | 1,042,443 | 11,654      |
| At 31 March 2014                                 | 141,208 | 316,809   | 44,511            | 266,764             | 177,957        | 8,733        | 88,697                     | 18,428                      | 1,492            | 1,064,599 | 10,698      |

# RED STAR EXPRESS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30th SEPT, 2014

|  | The Group         |                   | The Company       |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | Sep'2014<br>N'000 | Mar'2014<br>N'000 | Sep'2014<br>N'000 | Mar'2014<br>N'000 |
| <b>8. FINANCIAL ASSETS AVAILABLE FOR SALE</b>    |                   |                   |                   |                   |
| <b>a. Quoted Equities</b>                        |                   |                   |                   |                   |
| <b>Nemeith International Pharmaceuticals Plc</b> |                   |                   |                   |                   |
| 822,743 ordinary shares of 50 Kobo each          |                   |                   |                   |                   |
| Market value - N929,700 (2012: N1,522,075).      | 2,057             | 2,057             | 2,057             | 2,057             |
|  | <u>2,057</u>      | <u>2,057</u>      | <u>2,057</u>      | <u>2,057</u>      |
| Provision for diminution in investment           | (864)             | (864)             | (864)             | (864)             |
|  | <u>1,193</u>      | <u>1,193</u>      | <u>1,193</u>      | <u>1,193</u>      |
|  | -                 | -                 | -                 | -                 |
| <b>9 Investment in subsidiaries:</b>             |                   |                   |                   |                   |
|  | <b>% Holding</b>  |                   |                   |                   |
| Investment in Red Star Freight Limited           | 100               |                   | 10,000            | 10,000            |
| Investment in Red Star Supports Services Lin     | 100               |                   | 49,065            | 49,065            |
| Investment in Red Star Logistics Limited         | 100               |                   | 225,000           | 225,000           |
|  |                   |                   | <u>284,065</u>    | <u>284,065</u>    |
|  |                   |                   | <b>1,193</b>      | <b>1,193</b>      |
|  |                   |                   | <b>285,258</b>    | <b>285,258</b>    |
| <b>10. STOCKS</b>                                |                   |                   |                   |                   |
| Stationeries and packaging materials             | 50,295            | 53,597            | 47,261            | 51,158            |
| Fuel and oil                                     | 8,749             | 6,045             | 8,749             | 6,045             |
| Spare parts                                      | -                 | -                 | -                 | -                 |
| Provision for obsolete stock                     | -                 | -                 | -                 | -                 |
|  | <u>59,043</u>     | <u>59,642</u>     | <u>56,010</u>     | <u>57,203</u>     |
| <b>11. TRADE DEBTORS</b>                         |                   |                   |                   |                   |
| Trade debtors                                    | 1,620,118         | 1,430,005         | 1,064,479         | 952,648           |
| Provision for doubtful debts                     | (140,320)         | (140,318)         | (98,064)          | (98,064)          |
|  | <u>1,479,798</u>  | <u>1,289,687</u>  | <u>966,414</u>    | <u>854,584</u>    |

# RED STAR EXPRESS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30th SEPT, 2014

|  | The Group         |                   | The Company       |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | Sep'2014<br>N'000 | Mar'2014<br>N'000 | Sep'2014<br>N'000 | Mar'2014<br>N'000 |
| <b>12. OTHER DEBTORS AND PREPAYMENTS</b>             |                   |                   |                   |                   |
| Prepayments  | 80,402.25         | 41,405            | 53,308            | 32,684            |
| Unutilised withholding tax receipts                  | 242,166           | 150,410           | 200,006           | 140,545           |
| Other debtors  | 18,255            | 87,099            | 26,440            | 70,934            |
| Advances to Staff                                    | 179,926           | 119,458           | 102,581           | 66,993            |
|  |                   |                   |                   | -                 |
|  | <b>520,750</b>    | <b>398,372</b>    | <b>382,335</b>    | <b>311,156</b>    |
| <b>12.1 Long Term Prepayments</b>                    |                   |                   |                   |                   |
| Prepayments  | 6,153             | 11,938            | 6,153             | 11,938            |
|  | <b>6,153</b>      | <b>11,938</b>     | <b>6,153</b>      | <b>11,938</b>     |
| <b>12.2 Unutilised withholding tax receipts</b>      |                   |                   |                   |                   |
| At the beginning of the year                         | 101,137           | 36,245            | 93,008            | 31,604            |
| Withholding tax receipts during the year             | 141,029           | 199,897           | 106,998           | 155,778           |
| Withholding tax credit utilised (Note 7.2)           | -                 | (135,005)         | -                 | (94,374)          |
| At the end of the year                               | <b>242,166</b>    | <b>101,137</b>    | <b>200,006</b>    | <b>93,008</b>     |
| <b>13. Cash, Bank balances and other equivalents</b> |                   |                   |                   |                   |
| Cash balances  | 5,875             | 1,930             | 5,860             | 1,915             |
| Cash-in-transit                                      | 44,032            | 29,941            | 41,892            | 28,990            |
| Bank balances  | 217,084           | 231,957           | 98,212            | 173,869           |
| Business Deposits                                    | 198,528           | 345,488           | 198,528           | 345,488           |
|  | 465,519           | 609,316           | 344,492           | 550,262           |
|  | <b>465,519</b>    | <b>609,316</b>    | <b>344,492</b>    | <b>550,262</b>    |
| <b>14. OTHER CREDITORS AND ACCRUALS</b>              |                   |                   |                   |                   |
| Accruals   | 452,702           | 333,321           | 195,076           | 215,362           |
| Customers deposit                                    |                   | 98,739            |                   | 98,739            |
| Agents clearing charges                              | 15,823            | 38,566            | 15,823            | 38,566            |
| Withholding Taxes                                    | 55,752            | 44,339            | 47,226            | 35,816            |
| Value added tax                                      | 164,973           | 108,223           | 108,358           | 64,891            |
| Staff pension accruals (Note 14.1)                   | 52,464            | 42,206            | 6,968             | 699               |
| Un-claimed Dividend                                  | 50,051            | 114,570           | 50,051            | 114,570           |
| Other creditors                                      | 114,779           | 69,971            | 145,062           | 50,210            |
|  | <b>906,543</b>    | <b>849,935</b>    | <b>568,563</b>    | <b>618,853</b>    |
| <b>14.1 Staff pension accruals</b>                   |                   |                   |                   |                   |
| At the beginning of the year                         | 42,206            | 40,033            | 699               | 9,563             |
| Provision for the year                               | 67,048            | 112,660           | 28,759            | 51,287            |
| Payments and remittances                             | (56,790)          | (110,487)         | (22,490)          | (60,151)          |
| At the end of the year                               | <b>52,464</b>     | <b>42,206</b>     | <b>6,968</b>      | <b>699</b>        |
| <b>15. DEFERRED TAXATION</b>                         |                   |                   |                   |                   |
| At the beginning of the year                         | 131,456           | 112,211           | 33,190            | 40,543            |
| Charge for the year                                  |                   | 26,598            |                   | -                 |
| Write-back   | -                 | (7,353)           | -                 | (7,353)           |
| At the end of the year                               | <b>131,456</b>    | <b>131,456</b>    | <b>33,190</b>     | <b>33,190</b>     |

# RED STAR EXPRESS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30th SEPT, 2014

|   | <u>The Group</u>        |                            | <u>The Company</u>      |                            |
|---|-------------------------|----------------------------|-------------------------|----------------------------|
|   | 2014<br>Sep-14<br>N'000 | 2014<br>Mar' 2014<br>N'000 | 2014<br>Sep-14<br>N'000 | 2014<br>Mar' 2014<br>N'000 |
| <b>19. RECONCILIATION OF NET PROFIT AFTER TAXATION TO CASH PROVIDED BY OPERATING ACTIVITIES</b> |                         |                            |                         |                            |
| Net profit after taxation   | <u>209,402</u>          | <u>403,634</u>             | <u>109,157</u>          | <u>331,770</u>             |
| <b>Adjustment to reconcile net income to net cash provided by operating:</b>                    |                         |                            |                         |                            |
| Depreciation  | 134,508                 | 211,391                    | 74,041                  | 114,044                    |
| Interest income   | (8,361)                 | (18,014)                   | (8,273)                 | (17,195)                   |
| Interest paid   | 9,401                   | 20,767                     | -                       | -                          |
| Provision for diminution in investments   | 864                     | -                          | 864                     | -                          |
| Profit on disposal of fixed assets  | (1,450)                 | (2,951)                    | (1,450)                 | (2,901)                    |
| Loss on disposal of investment  | -                       | -                          | -                       | -                          |
| Adjustment to investment  | -                       | -                          | -                       | -                          |
| Adjustment to fixed assets  | -                       | -                          | -                       | -                          |
| Gain - Acturial valuation   | -                       | -                          | -                       | -                          |
| Dividend received   | -                       | -                          | -                       | (82,513)                   |
| <b>Changes in assets and liabilities:</b>   |                         |                            |                         |                            |
| (Increase)/decrease in stocks   | 599                     | (7,259)                    | 1,193                   | (6,481)                    |
| (Increase)/decrease in trade debtors  | (190,111)               | (8,838)                    | (111,830)               | 70,521                     |
| (Increase)/Decrease in other debtors and prepayments  | (175,433)               | (103,354)                  | (71,179)                | (90,652)                   |
| Decrease/(increase) in due from related companies   |                         | -                          | (50,638)                | 64,509                     |
| Decrease/(increase) in Long term Loans  | 12,711                  | -                          |                         |                            |
| (Decrease)/increase in trade creditors  | (11,880)                | 56,277                     | (11,922)                | 56,277                     |
| Increase/(decrease) in other creditors  | 56,608                  | 163,083                    | (83,189)                | 95,049                     |
| Increase/(decrease) in due to related companies   |                         | -                          | 135,558                 | (40,671)                   |
| (Decrease)/increase in taxation   | 89,744                  | (37,368)                   | 46,782                  | 6,875                      |
| (Decrease)/increase in deferred taxation  | -                       | 19,245                     | -                       | (7,353)                    |
| Increase/(decrease) in employee benefits  | <u>16,271</u>           | <u>9,425</u>               | <u>6,889</u>            | <u>9,425</u>               |
|   | <b><u>(66,530)</u></b>  | <b><u>302,404</u></b>      | <b><u>(73,154)</u></b>  | <b><u>168,934</u></b>      |
| Net cash provided by operating activities   | <b><u>142,871</u></b>   | <b><u>706,038</u></b>      | <b><u>36,003</u></b>    | <b><u>500,704</u></b>      |

# RED STAR EXPRESS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30th SEPT, 2014

|  | The Group         |                    | The Company       |                    |
|--|-------------------|--------------------|-------------------|--------------------|
|  | Sep'2014<br>N'000 | March '14<br>N'000 | Sep'2014<br>N'000 | March '14<br>N'000 |
| <b>20. RECONCILIATION OF CASH AND CASH EQUIVALENTS</b> |                   |                    |                   |                    |
| Cash balances  | 5,875             | 5,276              | 5,860             | 5,240              |
| Cash-in-transit  | 44,032            | 36,780             | 41,892            | 36,326             |
| Bank balances  | 217,084           | 202,045            | 98,212            | 82,459             |
| Short term deposits                                    | 198,528           | 271,487            | 198,528           | 225,635            |
|  | <b>465,519</b>    | <b>515,588</b>     | <b>344,492</b>    | <b>349,660</b>     |

### 21. EMPLOYMENT AND EMPLOYEES

#### .1 Staff

Average number of persons employed in the financial year under review and the staff costs were as follows:

|              | Number       | Number       | Number     | Number     |
|--------------|--------------|--------------|------------|------------|
| Managerial   | 13           | 6            | 10         | 5          |
| Senior staff | 47           | 46           | 37         | 36         |
| Supervisors  | 343          | 196          | 71         | 67         |
| Junior staff | 1,466        | 1,293        | 172        | 189        |
|              | <b>1,869</b> | <b>1,541</b> | <b>290</b> | <b>297</b> |

#### Staff costs:

|                                    |                |                  |                |                |
|------------------------------------|----------------|------------------|----------------|----------------|
| Salaries, wages and other benefits | 867,742        | 1,571,670        | 390,619        | 792,380        |
| Staff pension and gratuity         | 68,769         | 123,254          | 41,326         | 77,681         |
|                                    | <b>936,511</b> | <b>1,694,924</b> | <b>431,945</b> | <b>870,061</b> |

#### .2 Employees remunerated at higher rates, excluding allowances:

| N         |   | N         | Number | Number | Number | Number |
|-----------|---|-----------|--------|--------|--------|--------|
| 140,001   | - | 210,000   | 1,466  | 1,291  | 172    | 187    |
| 210,001   | - | 360,000   | 343    | 196    | 71     | 67     |
| 360,000   | - | 900,000   | 47     | 46     | 37     | 36     |
| 900,001   | - | 1,700,000 | 13     | 6      | 10     | 5      |
| 1,700,001 | - | 2,011,000 | 2      | 2      | 2      | 2      |

# RED STAR EXPRESS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30th SEPT, 2014

### 22. Compensation of key management personnel of Red Star Express

|                                | The Group     |               | The Company   |               |
|--------------------------------|---------------|---------------|---------------|---------------|
|                                | 2014<br>N'000 | 2013<br>N'000 | 2014<br>N'000 | 2013<br>N'000 |
| .1 Fees and sitting Allowances | 4,318         | 8,635         | 4,318         | 8,635         |
| Executive compensation         | 1,861         | 7,088         | 3,721         | 7,088         |
| Other Directors and benefits   | 6,838         | 13,025        | 6,838         | 13,025        |
|                                | <u>13,016</u> | <u>28,748</u> | <u>14,877</u> | <u>28,748</u> |

Fees and emoluments disclosed above include amount paid to:

|                                  | N'000        | N'000         | N'000        | N'000         |
|----------------------------------|--------------|---------------|--------------|---------------|
| Chairman                         | 818          | 1,635         | 818          | 1,635         |
| The highest paid Director earned | <u>5,816</u> | <u>11,632</u> | <u>5,816</u> | <u>11,632</u> |

- .2 The number of Directors excluding the Chairman whose emoluments were within the following ranges were:

| N             | N       | Number | Number | Number | Number |
|---------------|---------|--------|--------|--------|--------|
| 390,001 -     | 400,000 | -      | -      | -      | -      |
| 530,001       | 540,000 | 5      | 5      | 5      | 5      |
| 4,600,001 and | above   | 2      | 2      | 2      | 2      |

### 23. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

#### .1 Contingent liabilities

As at 30th September 2014, there were no contingent liabilities. The Directors are of the opinion that, based on the Solicitors' advice, no material loss will arise from them. Consequently, no provision has been made in these consolidated financial statements for the amount.

#### .2 Financial commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the Company's state of affairs have been taken into account in the preparation of these consolidated financial statements under review.

#### .3 Performance Bond

The Company accepted a performance bond of N50 million (2012- N50 million) in favour of Nigeria Customs Service.

# RED STAR EXPRESS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30th SEPT, 2014

### 24. SUPPLIERS

The Company's significant suppliers are mainly local. Some of the major suppliers are:

Kungo-Rock Investments Limited  
Chita Express Limited  
Aegis Core Limited  
Knight Pride Int'l Limited  
Air France  
British Airways

The Company is not associated with the suppliers.

### 25. POST BALANCE SHEET EVENTS

The Directors are of the opinion that there were no significant post balance sheet events which would have had any material effect on the balance sheet and the profit for the year ended on that date, which have not been adequately provided for or disclosed in the consolidated financial statements.

### 26. RELATED PARTY TRANSACTIONS

#### a. Parent and ultimate controlling party

The consolidated financial statements include the financial statements of Red Star Express Plc and the subsidiaries listed below

|                                    | %   |
|------------------------------------|-----|
| Red Star Retirement Benefit Scheme | 100 |
| Red Star Freight Limited           | 100 |
| Red Star Logistics Limited         | 100 |
| Red Star Supports Services Limited | 100 |

#### b. The company had significant transactions with its related companies in the form of transfer of funds and payments for goods and services on behalf of each other. The balances due from/to the related companies which are disclosed in the balance sheet are as follows:

|                                    | <u>The Group</u>  |                   | <u>The Company</u> |                   |
|------------------------------------|-------------------|-------------------|--------------------|-------------------|
|                                    | Jun'2014<br>N'000 | March 14<br>N'000 | Jun'2014<br>N'000  | March 14<br>N'000 |
| <b>Due from related company</b>    |                   |                   |                    |                   |
| Red Star Freight Limited           |                   |                   | 36,770             | 1,787             |
| Red Star Logistics Limited         |                   |                   | 37,623             | 21,968            |
|                                    |                   |                   | <u>74,393</u>      | <u>23,755</u>     |
| <b>Due to related companies</b>    |                   |                   |                    |                   |
| Red Star Freight Limited           |                   |                   |                    |                   |
| Red Star Supports Services Limited |                   |                   | 205,513            | 69,955            |
|                                    |                   |                   | <u>205,513</u>     | <u>69,955</u>     |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30th SEPT, 2014

## 27 EARNINGS PER SHARE

## Basic Earnings Per Share

The calculation of basic earnings per share at 30 June 2014 for the company was based on the profit attributable to ordinary shareholders of N87.5 million and a weighted average number of ordinary shares outstanding of 589.5 million for the company. While the group EPS calculation was based on the profit attributable to the group shareholders of N96.3 million and a weighted average number of ordinary shares outstanding of 589.5 million shares

|  | The Group         |                  | The Company       |                  |
|--|-------------------|------------------|-------------------|------------------|
|  | Sep'2014<br>N'000 | SEPT-13<br>N'000 | Sep'2014<br>N'000 | SEPT-13<br>N'000 |
| Profit for the year attributable to shareholders       | 209,402           | 214,788          | 109,157           | 119,402          |
|  | Number            | Number           | Number            | Number           |
| Weighted Average number of ordinary shares outstanding | 589,497           | 589,497          | 589,497           | 589,497          |
| Earnings per share (Kobo)                              | 36                | 36               | 19                | 20               |

## 28 COMPARATIVE FIGURES

Certain prior year's figures have been reclassified in line with current year's presentation for more meaningful comparison.

## 29 Segment Information

## The Group

Segment Statement of  
Comprehensive

|                             | Courier          |                  | Freight          |                  | Logistics        |                  | Support services |                  | Total            |                  |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                             | SEPT-14<br>N'000 | SEPT-13<br>N'000 | SEPT-14<br>N'000 | SEPT-13<br>N'000 | SEPT-14<br>N'000 | SEPT-13<br>N'000 | SEPT-14<br>N'000 | SEPT-13<br>N'000 | SEPT-14<br>N'000 | SEPT-13<br>N'000 |
| Profit and Loss             |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Revenue                     | 1,930,572        | 1,956,159        | 133,248          | 91,907           | 517,562          | 531,444          | 727,375          | 511,669          | 3,308,757        | 3,077,071        |
| Total Revenue               | 1,930,572        | 1,956,159        | 133,248          | 91,907           | 517,562          | 531,444          | 727,375          | 511,669          | 3,308,757        | 3,077,071        |
| Finance Income              | 8,273            | 8,148            | -                | 819              | -                | 182              | 89               | -                | 8,361            | 9,149            |
| Finance Charges             | (6,405)          | (6,991)          | (1,190)          | (857)            | (9,963)          | (9,798)          | (2,230)          | (1,228)          | (10,388)         | (9,867)          |
| Other Income                | 6,540            | 3,135            | -                | -                | 2,040            | 1,373            | -                | -                | 8,580            | 18,532           |
| Cost of Sales               | (1,339,913)      | (1,347,716)      | (105,042)        | (66,040)         | (392,752)        | (372,444)        | (580,246)        | (426,141)        | (2,387,741)      | (2,192,993)      |
| Depreciation & Amortisation | (32,341)         | (23,770)         | (83)             | (160)            | (2,600)          | (2,647)          | (171)            | (112)            | (35,195)         | (26,818)         |
| Other Operating Expenses    | (410,787)        | (418,393)        | (14,647)         | (14,083)         | (58,198)         | (51,503)         | (69,983)         | (56,113)         | (593,229)        | (568,234)        |
| Profit before income tax    | 155,939          | 170,573          | 12,286           | 11,586           | 56,089           | 96,607           | 74,833           | 28,075           | 299,145          | 306,840          |
| Income tax expense          | (46,782)         | (51,172)         | (3,686)          | (3,476)          | (16,827)         | (28,982)         | (22,450)         | (8,423)          | (89,744)         | (92,052)         |
| Profit after tax            | 109,157          | 119,401          | 8,600            | 8,110            | 39,262           | 67,625           | 52,383           | 19,653           | 209,402          | 214,788          |

|  | SEPT-14          | Mar'14           | SEPT-14        | Mar'14        | SEPT-14        | Mar'14         | SEPT-14        | Mar'14         | SEPT-14          | Mar'14           |
|--|------------------|------------------|----------------|---------------|----------------|----------------|----------------|----------------|------------------|------------------|
|  | N'000            | N'000            | N'000          | N'000         | N'000          | N'000          | N'000          | N'000          | N'000            | N'000            |
| <u>Segment Statement of<br/>Financial Position</u> |                  |                  |                |               |                |                |                |                |                  |                  |
| Non Current Assets                                 | 855,847          | 852,682          | 499            | 581           | 293,838        | 372,093        | 130,539        | 148,637        | 1,103,684        | 1,089,928        |
| Current assets                                     | 1,823,645        | 1,796,960        | 112,888        | 91,372        | 476,994        | 383,299        | 332,669        | 179,080        | 2,488,201        | 2,357,017        |
| <b>Total Assets</b>                                | <b>2,679,492</b> | <b>2,649,642</b> | <b>113,387</b> | <b>91,953</b> | <b>770,832</b> | <b>755,393</b> | <b>463,208</b> | <b>327,717</b> | <b>3,591,885</b> | <b>3,446,945</b> |
| Ordinary Share Capital                             | 294,748          | 294,748          | 10,000         | 10,000        | 225,000        | 225,000        | 49,065         | 49,065         | 294,748          | 294,748          |
| Share Premium                                      | 296,433          | 296,433          | -              | -             | -              | -              | -              | -              | 296,433          | 296,433          |
| Retained Earnings                                  | 836,272          | 933,439          | 57,029         | 48,428        | 268,944        | 229,682        | 137,841        | 85,458         | 1,399,059        | 1,301,745        |
| Non Current Liabilities                            | 50,508           | 43,619           | 296            | 98            | 140,013        | 152,749        | 39,968         | 36,133         | 215,918          | 232,529          |
| Current liabilities                                | 1,201,530        | 1,081,403        | 46,062         | 33,426        | 136,875        | 147,962        | 236,334        | 157,061        | 1,385,727        | 1,321,490        |
| <b>Total Equity &amp; Liabilities</b>              | <b>2,679,492</b> | <b>2,649,642</b> | <b>113,387</b> | <b>91,953</b> | <b>770,832</b> | <b>755,393</b> | <b>463,208</b> | <b>327,717</b> | <b>3,591,885</b> | <b>3,446,945</b> |

# *Group Financials*

## RED STAR EXPRESS PLC

GROUP FINANCIAL REPORTS FOR THE PERIOD ENDED

31st MARCH 2014

*Red Star Express*



*Red Star Freight Ltd*

*Subsidiary of Red Star Express Plc*



*Red Star Logistics Ltd*

*Subsidiary of Red Star Express Plc*



*Red Star Support Services Ltd*

*Subsidiary of Red Star Express Plc*

