Red Star Express

2014

Annual Report & Accounts

CONTENTS

TABLE OF CONTENTS

OUR Vision

To be the logistics company of first choice
known for global best practices

OUR Mission

We will provide value added logistics solutions that
will be secure, prompt and effective through:

- PEOPLE: Employing, developing, and retaining a well-motivated team oriented workforce, sharing common ideals and values.

- SERVICE: Evolving and marketing a range of technology-driven services designed to meet the diverse needs of customers.

- PROFIT: Ensuring that our operations reflect a commitment to quality and are profitable at all times through prudent management.

VALUES

Our values are what we hold dear to our heart in the course of our business operations. The industry and all stakeholders will know us for the following:

Ethical practice: Red Star Express shall play by the rules, doing its business in line with International and local laws. The company will be professional in the discharge of its duties to all stakeholders and it will demand the same from all.

Relationship building: We will strive to establish a direct one to one relationship with every of its customers by satisfying its customers through customisation of service.

Entrepreneurship: We will continue to identify new opportunities and discover new ways to do old processes through its people, its processes and technology.

Excellence: Red Star Express will promote excellence through optimal productivity of all people in the company at all times.

QUALITY POLICY

Red Star Express will meet supply chain management and business support services to her customers at all times by satisfying their changing needs and continually improving on the quality of service.

We will achieve this by using modern technology and employing highly skilled and well-motivated work force to ultimately maximize returns to stakeholders.

NETWORK

- 169 offices within Nigeria
- Deliveries to additional 1,520 communities
- Over 1,500 highly trained staff
- Over 660 vehicle fleet

Red Star Express
Licensee of Federal Express Corporation

* Express delivery of documents and parcels
* International pick up and delivery
* Prompt delivery of bulk mails*

Red Star Logistics
A Subsidiary of Red Star Express Plc

* Nationwide Haulage * Reversed logistics * Warehousing
* Inventory Management *Dedicated truck Service
* Parcel consolidation and bulk deliveries *

Red Star Freight
A Subsidiary of Red Star Express Plc

* Air and Sea Freight* Import and Export* Custom Clearance
* International and Domestic Freight Forwarding
* Packing and removal of personal effects
* Dangerous goods Handling* Regulatory documentation*

Red Star Support Services
A Subsidiary of Red Star Express Plc

* Mail management services * Dedicated despatch service
* Pool Vehicle service * Document archival*

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Red Star Express Plc. will be held at the Welcome Centre Hotels, International Airport Road, Lagos on Thursday August 14, 2014 at 11.00a.m. to transact the following:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31st March 2014 and the Report of the Directors and Auditors thereon.

2. To declare a dividend.

3. To re-elect Mazi Sonny Allison and Mr. Olayemi Peters as Non Executive Directors.

4. To elect Mr. Sulaiman Lawan Koguna and Sir Chris Ike Ogbechie, who were appointed as Non Executive directors by the Board on June 26, 2014.

5. To appoint and authorize the Directors to fix the remuneration of Auditors.

6. To elect members of the Audit Committee.

BY ORDER OF THE BOARD

FRANCES NDIDI AKPOMUKA
COMPANY SECRETARY/LEGAL ADVISER
FRC/2013/ICSAN/00000002640

Registered Office
70 International Airport Road
Mafoluku, Lagos

NOTE:

1. **PROXY**
   A member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. An unstamped form of proxy is attached and if it is to be valid for the purpose of the meeting, it must be completed, duly stamped and signed by the appointing shareholder and deposited at the Registrars office, United Securities Limited 10, Amodu Ojikutu Street, Victoria Island, Lagos not later than 48 hours before the time for holding the meeting. A corporate member being a member of the company is required to execute a proxy under seal.

2. **CLOSURE OF REGISTER AND TRANSFER OF BOOKS**
   The Register of Members and Transfer of Books of the Company will be closed from 28th to 31st July 2014 both dates inclusive to enable the presentation of an up to date Register.

3. DIVIDEND PAYMENT

If the recommendation for dividend is approved, dividend of 35 kobo per 50 kobo share will be posted on August 25th 2014 to all shareholders whose names appear on the Register of the company at the close of business on July 25th 2014. Shareholders who have completed the e-dividend Mandate Form will receive direct credit of dividend into their bank accounts (via e-dividend) on August 25, 2014 while dividend warrants for shareholders who have not completed the e-dividend Mandate Form shall be posted on September 1, 2014.

4. NOMINATION FOR AUDIT COMMITTEE

In accordance with section 359(5) of the Companies and Allied Matters Act, CAP 20 LFN 2004, any member may nominate another shareholder as a member of the Audit Committee, by giving notice in writing to such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

CORPORATE INFORMATION
For the Year ended 31 March 2014

BOARD OF DIRECTORS	Dr. Mohammed Hassan Koguna	*Chairman*
	Sule Umar Bichi	*Managing Director/Chief Executive*
	Muyiwa Olumekun	*Executive Director*
	Mazi Sonny Allison	*Non-Executive Director*
	Olayemi Peters	*Non-Executive Director*
	Isaac Orolugbagbe	*Non-Executive Director*
	Aminu Dangana	*Non-Executive Director*

REGISTERED OFFICE

70, International Airport Road,
Lagos.
Tel: 01-2715670-6
Email: enquiries@redstarplc.com
Http://www.redstarplc.com

REGISTERED NUMBER

RC No. 200303

FRC NUMBER

FRC/2012/0000000000253

SECRETARIES

Frances Ndidi Akpomuka

AUDITORS

Ernst & Young
2A, Bayo Kuku Road,
Ikoyi, Lagos.

REGISTRARS

United Securities Limited
10, Amodu Ojikutu Street,
Victoria Island,
Lagos.

SOLICITORS

Uwensuyi Edosomwan & Co.
195A, Corporation Drive,
Dolphin Estate,
Ikoyi, Lagos.

BANKERS

Guaranty Trust Bank Plc
Diamond Bank Plc
Zenith Bank Plc
Access Bank Plc
Stanbic IBTC Bank Plc
Skye Bank Plc
First Bank of Nigeria Plc
Fidelity Bank Plc
United Bank for Africa Plc
Ecobank Plc
Sterling Bank Plc

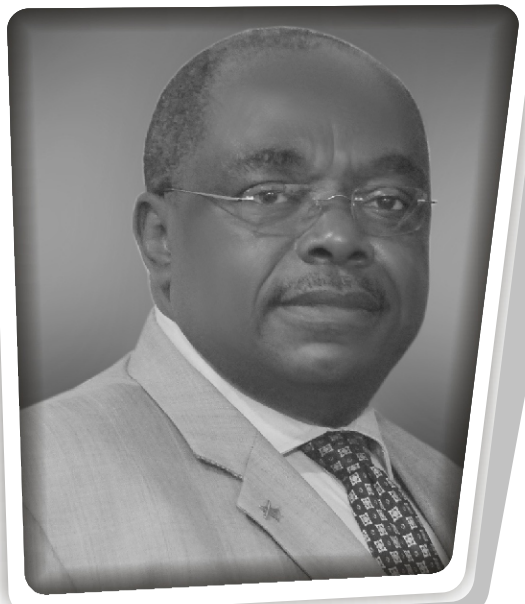
CURRENT BOARD OF DIRECTORS

DR. MOHAMMED H. KOGUNA
Chairman

SULE UMAR BICHI
Managing Director/CEO

MUYIWA OLUMEKUN
Executive Director

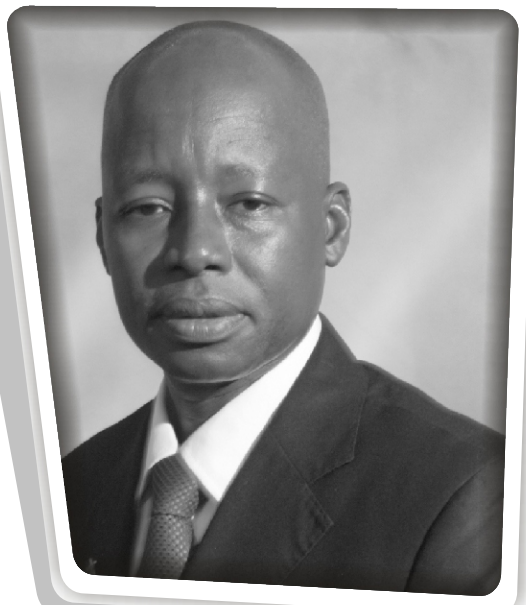
CURRENT BOARD OF DIRECTORS



MAZI SONNY ALLISON
Director

OLAYEMI PETERS
Director

ISAAC OROLUGBAGBE
Director



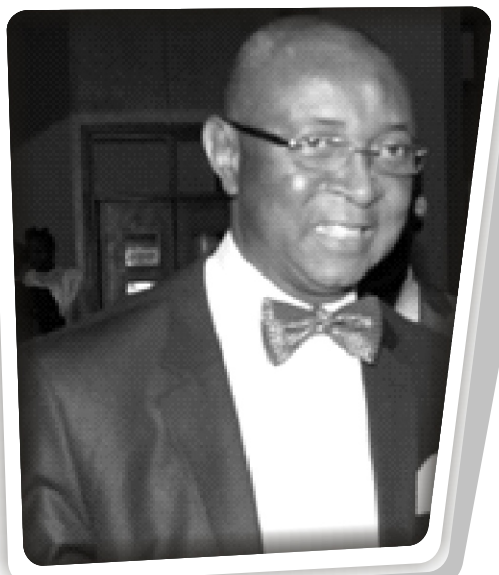
ALHAJI AMINU DANGANA
Director

SULAIMAN LAWAN KOGUNA
Non-Executive Director

Mr. Koguna is a graduate of Economics from the Eastern Mediterranean University Cyprus and holds a Post Graduate Diploma in Finance and Management from Loughborough University, Leicestershire, UK.

He is an experienced Insurance professional and a member of the Chartered Insurance Institute UK.

He is a Council member of the Standards Organization of Nigeria (SON) and Executive Director Marketing, Koguna Babura Insurance Brokers Limited. He is also Founder/Director e-Insurance Solutions Centre Limited, e-Training Institute and e-Island Solutions Limited.



CHRIS IKE OGBECHIE
Non-Executive Director

Sir Ogbechie holds a B.Sc (1st Class Hon) Mechanical Engineering from University of Manchester England, MBA from Manchester Business School, England and PhD from Brunnel University, Middlesex England.

His professional experience spans various disciplines including Marketing, Sales, Management, Entrepreneurship, Consulting and Academics.

He is a Faculty member, Lagos Business School, Lagos, Nigeria and Strathmore Business School, Nairobi Kenya with special bias in Strategic Management, Corporate Governance, Corporate Social Responsibility and Sustainability. He has published several books and sits on the board of various companies including Diamond Bank Plc.

He is married with children.

RESULT AT GLANCE

	2014 ₦'000	2013 ₦'000	Increase/(Decrease) %
Turnover	6,416,430	5,293,813	21
Profit before Tax	603,891	544,961	11
Profit after Tax	403,634	304,525	33
Proposed Dividend	206,324	188,639	9
Share Capital	294,748	294,748	-
Shareholders' Fund	1,902,719	1,721,374	11

PER SHARE DATA

Number of 50kobo Ordinary Shares	589,496,760 =========	589,496,760 =========	-
Earnings per share (Naira)	0.68	0.52	31
Proposed Dividend per share (Naira)	0.35	0.32	9
Dividend Cover (times)	1.96	1.61	22
Net Assets per share (Naira)	3.26	2.92	12
Number of employees	1,840	1,541	19

CHAIRMAN'S STATEMENT

Distinguished Ladies and Gentlemen, fellow Board members, representatives of regulatory bodies present, and our esteemed Shareholders.

It is with great pleasure that I welcome you to the 21st Annual General Meeting of our Great Company, Red Star Express Plc., and to present to you our performance for the financial year ended March 31, 2014.

OPERATING ENVIRONMENT:
The economic and business environment continues to be quite challenging for most companies including Red Star Express Plc. The increasing rate of insecurity in various parts of the country, particularly the North East including Abuja, which happens to be one of the company's high revenue generating territory, slightly impacted our business. Inability of the privatized power sector to increase output as envisaged, as a result of issues with gas supply and power distribution, rising inflation cost and decaying infrastructure continue to pose great challenges to businesses in the country, resulting in higher maintenance and operations cost.

Join me therefore to commend the efforts of our brave and indefatigable Management and staff (of Red Star Express), who despite these challenges ensures that we not only remain in business but that we make profit.

Despite all these challenges, the Nigerian economy remains one of the fastest growing economies in the world with comparable high indices in foreign direct investment. Little wonder therefore that the Federal Government earlier this year, rebased our GDP. And so, we at Red Star Express are positioning our company to key into the increasing potentials. To this end, the company is embarking on various expansion projects that will spur phenomenal growth in the company. The process for the actualization of the strategic investment projects are being put in place.

Embarking on these projects we are certain would improve the quality of services offered to customers, increase our market share and ultimately improve margins.

We are hopeful that by next financial year, Government would have, to a large extent, found a lasting solution to the security challenge in the country and fast track the process of improving physical infrastructure like roads, railways, power and aviation, that are critical to our operations.

FINANCIAL PERFORMANCE REVIEW:
Despite the challenges earlier mentioned, our company posted a turnover of ₦6.4 billion in the year under review achieving 21% increase in revenue compared with ₦5.3billion achieved last year. The profit before tax increased from ₦544.9million to ₦603.9million, showing an increase of 11%, while profit after tax grew by 33%, moving from ₦331.77million to ₦403.63million

DIVIDEND:
Our company has maintained its commitment in the creation of wealth for shareholders, in appreciation of their support at all times. To this end the Board of Directors is recommending a gross cash dividend of 35 kobo for every 50kobo share translating to ₦206m, representing a growth of 9% compared to ₦189million paid last year.

The dividend will be paid subject to the deduction of the appropriate withholding tax upon approval at this meeting.

CORPORATE SOCIAL RESPONSIBILITY:
Red Star Express considers the community as a social partner and thereby established the Red Star Foundation ten (10) years ago as part of its corporate social responsibility. The objective of the Red Star Foundation is to partner with our host community through addressing support for education, poverty alleviation, skill development, and environmental responsiveness.

In the area of education, twenty (20) scholarship awards were given out to students from different schools in the Western and Northern regions of the country. While in the area of poverty alleviation, (4) homes (old peoples' homes & orphanage homes) were beneficiaries of the "I Care Project".

A sum of N2,018,170 representing 0.5% of our profit after tax was appropriated to the foundation.

FUTURE OUTLOOK:
As an Organization, our drive for growth and the actualization of our vision to be a logistics company of first choice known for global best practice is unrelenting. We are therefore confident that our efforts will be translated to value added for all stakeholders.

Once again, thank you and welcome to the 2014 Annual General Meeting.

Dr. Mohammed H. Koguna
Durbin Kano

The directors have the pleasure in presenting their annual report on the affairs of Red Star Express Plc (the Company) and its subsidiaries (the Group) together with the consolidated audited financial statements for the year ended 31 March 2014.

Legal Status

Red Star Express was incorporated in Nigeria under the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004 as a private limited liability company on 10 July 1992 and it commenced business on 12 October 1992.

The company became a public company on 9 July 2007 and subsequently listed its shares on the Nigerian Stock Exchange (NSE) on 14 November 2007.

The company has three (3) subsidiaries; Red Star Freight Limited, Red Star Logistics Limited and Red Star Support Services Limited. The results of the Company's subsidiaries have been consolidated in these financial statements.

Principal activities

The company is principally engaged in the provision of courier services, mail room management services, freight services, logistics, ware housing and general haulage.

There was no change in the principal activities of the company.

Results for the year

	The Group		The Company	
	2014	2013	2014	2013
	₦'000	₦'000	₦'000	₦'000
Revenue	6,416,430	5,293,813	3,922,697	3,488,531
Profit before taxation	**603,891**	**544,961**	**432,599**	**397,537**
Taxation	(200,257)	(240,436)	(100,829)	(150,817)
Profit after taxation	**403,634**	**304,525**	**331,770**	**246,720**

Dividend

The directors are pleased to recommend to the shareholders the payment of a dividend in respect of the year of N206 million that is 35 kobo gross per share which is payable on 25 August 2014, this is subject to approval by shareholders at the Annual General Meeting. Payment of dividend is subject to withholding tax at 10%. (2013: N189 million).

Directors

The Directors who served during the year to the date of this report are:

1. Dr. Mohammed Hassan Koguna - *Chairman*
2. Mr. Sule Umar Bichi - *Managing Director/Chief Executive Officer*
3. Mr. Muyiwa Olumekun - *Executive Director*
4. Mazi Sonny Allison - *Non-Executive Director*
5. Mr. Olayemi Peters - *Non-Executive Director*
6. Mr. Isaac Orolugbagbe - *Non-Executive Director*
7. Alh. Aminu Dangana - *Non-Executive Director*

In accordance with Section 256 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and in accordance with the Company's Articles of Association, Mazi Sonny Allison and Mr. Olayemi Peters are retiring by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Appointment of Non-Executive Directors
The Board appointed two new Non-Executive Directors, Mr. Koguna Sulaiman and Sir Ogbechie Chris Ike, effective 26 June 2014. They will be presented to the shareholders at the Annual General Meeting.

Records of Directors' Attendance at Board Meetings
In accordance with the provisions of Section 258(2) of the Companies and Allied Matters Act, (CAPC20) Laws of the Federation of Nigeria, 2004, the record of the Directors' attendance at Directors' meeting during the year under review are hereby disclosed.

The directors have a formal schedule of meetings and met four times in the year under review. The table below shows the number of meetings (board and committee) attended by each director;

Directors	Board	Strategy & Business Development	Risk Management	Governance, Nomination & Remuneration
Frequency of meetings	**4** 25 April 2013 30 July 2013 28 October 2013 20 February 2014	**2** 2 December 2014 13 February 2014	**1** 19 February 2014	**2** 25 April 2013 20 February 2014
Dr. M.H. Koguna	4	N/A	N/A	2
Sule Umar Bichi	4	2	1	N/A
Muyiwa Olumekun	4	2	1	N/A
Mazi Sonny Allison	4	2	1	N/A
Mr. Olayemi Peters	4	N/A	N/A	2
Mr. Isaac Orolugbagbe	4	2	N/A	N/A
Alh. Aminu Dangana	3	N/A	1	2

Audit Committee

Number of meetings	3	29 July 2013, 12 November 2013 and 28 January 2014
Mr. Fadenipo	1	Was replaced by Chief Cyril Ugwumadu at AGM of 19 Sept. 2013
Hon. Tajudeen Jimoh	3	
Mr. Isaac Orolugbagbe	3	
Mr. Olayemi Peters	2	
Chief Cyril Ugwumadu	2	Elected at AGM of 29 September 2013

DIRECTORS' SHAREHOLDING
The direct and indirect interests of Directors in the issued share capital of the Company as recorded in the Register of Directors' shareholdings and/or as notified by them for the purposes of sections 275 and 276 of the Companies and Allied Matters Act (CAP 20) Laws of the Federation 2004 and the listing requirements of the Nigerian Stock Exchange are as follows;

S/NO	NAME	NUMBER OF SHARES HELD AS AT 31 MARCH 2014	NUMBER OF SHARES HELD AS AT 31 MARCH 2013
1.	Alhaji Mohammed H. Koguna	109,219,912– direct 86,756,059– indirect Representing Koguna Babura Insurance Brokers Limited	109,219,912– direct 86,756,059– indirect
2.	Sule Umar Bichi	5,416,680	5,416,680
3.	Olumuyiwa Olumekun	1,600,990	1,600,990
4.	Sonny Allison	569,810	569,810
5.	Olayemi Peters	7,032,065	7,032,065
7.	Isaac Orolugbagbe	12,552,959	12,552,959
8.	Aminu Dangana	20,000	20,000

SHARE CAPITAL HISTORY

The company's initial authorized share capital was ₦7million comprising 7 million ordinary shares of ₦1.00 each. The shares were subdivided into ordinary shares of 50 kobo each in 2006. The company's authorized share capital is currently ₦500 million, comprising 1 billion ordinary shares of 50 Kobo each with an issued share capital of ₦294,748,155 representing 589,496,760 ordinary shares of 50 Kobo each.

The following changes have taken place in the authorized and issued share capital of the Company since incorporation.

Year	Authorized ₦'000		Issued & Fully paid up ₦'000		Consideration
	Increase	Cumulative	Increase	Cumulative	
1992	7,000,000	7,000,000	3,570,186	3,570,186	Cash
1993	14,000,000	21,000,000	-	3,570,186	-
1994	7,000,000	28,000,000	-	3,570,186	-
1995	17,000,000	45,000,000	-	3,570,186	-
1996	-	45,000,000	38,358,445	41,928,631	Cash
1998	-	45,000,000	1,238,534	43,167,165	Cash
1999	-	45,000,000	298,947	43,466,112	Cash
2000	-	45,000,000	593,550	44,059,662	Cash
2001	-	45,000,000	102,501	44,162,163	Cash
2002	-	45,000,000	5,000	44,167,163	Cash
2003	10,000,000	55,000,000	7,282,468	51,449,631	Cash
2007	245,000,000	300,000,000	205,798,524	257,248,155	Bonus issue
2008	-	300,000,000	37,500,000	294,748,155	Cash
2014	200,000,000	500,000,000	-	294,748,155	-

Analysis of Shareholdings

According to the register of members as at 31 March 2014, the spread of Shareholdings in the Company was as follows:

Range		Number of Shareholders	%	Number of Holdings	% shareholding
1	1,000	700	16.4	392,889	0.07
1,001	5,000	1,042	24.3	3,423,116	0.58
5,001	10,000	689	16.1	5,806,258	0.98
10,001	50,000	1,288	30.1	33,927,458	5.76
50,001	100,000	253	5.9	19,659,221	3.33
100,001	500,000	226	5.3	50,079,011	8.50
500,001	1,000,000	33	0.8	26,059,118	4.42
1,000,001	5,000,000	31	0.7	61,647,517	10.46
5,000,001	10,000,000	8	0.2	58,021,669	9.84
10,000,001	100,000,000,000	10	0.2	330,480,503	56.06
Total		4,280	100.0	589,496,760	100.00

g) The shareholders who have more than 5% holding are as follows:

Names	Number of Shares	%
Alh. Mohammed H. Koguna	109,219,912	18.53
Koguna Babura & Co. Limited	86,756,059	14.72
Stanbic Nominees Nigeria Limited	72,272,773	12.26

UNCLAIMED DIVIDEND

Several dividend warrants remain unclaimed and are yet to be presented for payment or returned to the Company for revalidation. List of unclaimed dividends can be viewed on the company's website. We implore shareholders who are yet to update their contact details to kindly contact the Company's Registrars or the Company Secretary.

Also shareholders are encouraged to fill the E-Dividend Mandate Form and Shareholders Update Form attached at the back of the annual accounts for direct credit of their dividend to their designated bank accounts and update their personal data.

DIRECTORS INTEREST IN CONTRACTS

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20 Laws of Federation of Nigeria, 2004, of their direct or indirect interest in contracts or proposed contracts with the company during the year under review.

SERVICE CONTRACT AGREEMENT

The company has a contract agreement with Federal Express Corporation (FedEx), Belgium under the Global Service Participant Scheme of FedEx. The agreement provides for the movement of sensitive documents and parcels worldwide and supported with training and Information Technology.

There is no service fees payable. All transactions are done at arm's length basis.

COMPLIANCE WITH THE LAW

During the year, the Company complied substantially with existing laws including the under listed laws/corporate governance guidelines and cooperated with regulatory agencies in the course of carrying out its activities.

- The Nigerian Stock Exchange Post-listing Rules
- The Securities and Exchange Commission's Code of Corporate Governance for Public Companies 2011
- Companies and Allied Matters Act (Cap C20) LFN 2004
- Financial Reporting Council of Nigeria Act, No 6, 2011
- International Corporate Governance Best Practices
- Red Star Express Code of Business Conduct

Donations/Charitable Gifts

The Company made donations amounting to N868,700 during the year ended 31 March 2014 (2013: N801,510)

Beneficiaries	**₦**
2013 Independence Day Celebration – US Embassy	150,000
Contribution towards NJIC Negotiation	68,700
Sponsorship of Role Award	100,000
Home Get Mobile 4 Charity	500,000
Partnership with Schools Inter-House Sports	50,000

	868,700
	=======

Taxation

Adequate provision has been made for all forms of taxes relevant to the activities carried out by the Company during the year.

Property, plant and equipment

Information relating to changes in property, plant and equipment is given in Note 11 to the financial statements. In the opinion of the Directors, the Market Value of the Company's properties is not less than the value shown in the financial statements.

Employment of Disabled Persons

It is the policy of Red Star Express Plc that there is no discrimination in the consideration of applications for employment including those of physically challenged persons. All are given equal opportunities to develop their expertise and knowledge and qualify for promotion in furtherance of their careers. In the event of members of staff becoming disabled, efforts are geared towards ensuring that their employment continues. As at 31 March 2014, no disabled person was employed by the Company.

Employee Involvement and Training

Red Star Express Plc is committed to providing its employees with the best opportunities for learning and development. Our training and development programmes are designed to challenge our people and empower them to be more professional in their careers and personal lives. With a combination of external and overseas training, supported by our seasoned in-house Training Faculty, job rotations and mentoring, our employees are equipped with the requisite skills to take ownership of their professional and personal development. Formal and informal channels are also employed in communication with employees with an appropriate two-way feedback mechanism.

Health, Safety and Welfare of Employees

Safety of our employees has remained an integral part of our daily activity, by the nature of our business and large number of our staff plying the roads of Nigeria throughout the year. Safety culture, balancing proactive and reactive measures and compliance to legislation both on the road and at the work place assist with ensuring occupational risks are reduced to the minimum. We ensure our trucks, vans and motorcycles are well maintained and no compromises are permitted on use of protective gear. The company continues to provide free medical packages schemes for staff and their immediate families under the Health Management Organizations (HMOs).

The company also maintains a safe and healthy workplace with fire prevention and fire fighting equipment installed at strategic locations in the company's offices.

Furthermore, the company maintains Group Personal Accident, NSITF Insurance and Workmen's compensation insurance, contributory pension scheme and non contributory welfare scheme, all for the benefit and comfort of employees.

Events after the reporting date

There have been no material post balance sheet events to date, which could have had a material effect on the financial statements of the Company as at 31 March 2014 and the profit for the year ended on that date which have not been adequately provided for or recognized.

Auditors

Ernst & Young, having indicated their willingness, will continue in office pursuant to Section 357 (2) of the Companies and Allied Matter Act, CAP C20 Laws of the Federation of Nigeria, 2004.

BY ORDER OF THE BOARD

FRANCES NDIDI AKPOMUKA
COMPANY SECRETARIES
FRC/2013/ICSAN/00000002640
Lagos, Nigeria.

Date: 27th June, 2014

INTRODUCTION

The bedrock of our corporate success and efficiency is our commitment and adherence to best corporate governance principles and practices. The company has policies and practices that guide our activities and ensure the expectations of various stakeholders are achieved.

GOVERNANCE STRUCTURE

THE BOARD

The Board is composed of seven (7) Directors, five (5) Non-Executive including the Chairman and two (2) Executive Directors. The position of the Chairman and Chief Executive are held by two different persons. The Non-Executive Directors are independent of the Management and as such are able to carry out their oversight functions in an objective and effective manner. The board meets quarterly and exercises oversight functions through its committees. While performing its oversight functions, the board may obtain professional assistance from external sources. The board met 4 times during the year.

BOARD COMMITTEES

The board has three committees namely Strategy and Business Development Committee, Risk Management Committee and the Governance, Nomination and Remuneration committee. The committees are guided by clearly defined Terms of Reference. The committees make recommendations to the board which retains responsibility for final decision making. The committees render reports to the board at the board meeting.

The composition of the membership of each committee and attendance of directors to meetings of these committees are as contained in the Directors report.

The Audit committee (Statutory) comprising equal number of shareholders representatives and Non-Executive Directors also met at various times during the year and performed their designated functions. Details of members' attendance at the meetings are as contained in the Directors report.

Other committee

Management Committee – this consists of Executive Management and Heads of Department. They have scheduled weekly meetings to deliberate on matters ranging from sales and revenue, operations and services, risk management, quality, brand and other corporate issues. Emergency meetings may be called as need arise.

RELATIONSHIP WITH SHAREHOLDERS

The company maintains a cordial relationship with shareholders and all shareholders are treated equally regardless of number of shares or social status. Financial and other mandatory information are promptly communicated to shareholders through appropriate media.

The Company Secretary

The company secretary provides a point of reference and support for all directors, Management and shareholders. The company secretary also consults with the directors to ensure that they receive required information promptly.

Insider Trading and price sensitive information

Directors, insiders and their related persons in possession of confidential price sensitive information ("insider information") are prohibited from dealing with the securities of the company where such would amount to insider trading. Directors, insiders and related parties are prohibited from disposing, selling, buying or transferring their shares in the company for a period commencing from the date of receipt of such insider information until such a period when the information is released to the public or any other period as defined by the company from time to time.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the Year ended 31 March 2014

The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its financial performance during the year. The responsibilities include ensuring that the Company:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004;

b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS), the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and Financial Reporting Council of Nigeria Act, No 6, 2011.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE DIRECTORS BY

DR. MOHAMMED HASSAN KOGUNA
CHAIRMAN
FRC/2013/CIIN/00000003090

SULE UMAR BICHI
MANAGING DIRECTOR/CEO
FRC/2013/ICAN/00000003079

27th June, 2014

REPORT OF THE AUDIT COMMITTEE

TO THE SHAREHOLDERS OF RED STAR EXPRESS PLC

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004, we have reviewed the audited financial statements of the Company for the year ended 31 March 2014 and report as follows:

(a) The accounting and reporting policies of the Company are consistent with legal requirements and agreed ethical practices.

(b) The scope and planning of the external audit was adequate.

(c) The Company maintained effective systems of accounting and internal controls during the year.

(d) The Company's Management has adequately responded to matters covered in the Management report issued by the external auditors.

ISAAC OROLUGBAGBE
Chairman – Audit Committee
FRC/2013/ICAN/00000003809

June 19th, 2014

Members of the Audit Committee

Hon. Tajudeen Jimoh	Independent shareholder
Chief Cyril Ugwumadu	Independent shareholder
Mr. Isaac Orolugbagbe	Non-Executive Director
Barr. Yemi Peters	Non-Executive Director

Secretary
Frances N. Akpomuka

EY
Building a better working world

Ernst & Young
2A, Bayo Kuku Road,
Ikoyi, Lagos.

Tel: +234 (01) 46 30479-80
Fax: +234 (01) 46 30481
Email: services@ng.ey.com
www.ey.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RED STAR EXPRESS PLC

We have audited the accompanying consolidated financial statements of Red Star Express Plc, which comprise the consolidated statement of financial position as at 31 March 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements
The Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors' consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Red Star Express Plc as at 31 March 2014, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards, provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council Act, No 6, 2011.

Report on Other Legal and Regulatory Requirements
In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, we confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books;

iii) the Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

Yusuf Aliu, FCA, FRC/2012/ICAN/00000000138
For: Ernst & Young Chartered Accountants
Lagos, Nigeria
27th June, 2014

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year ended 31 March 2014

	Note	The Group 2014	The Group 2013	The Company 2014	The Company 2013
		₦'000	₦'000	₦'000	₦'000
Revenue	4	6,416,430	5,293,813	3,922,697	3,488,531
Cost of Sales		(4,608,461)	(3,657,378)	(2,677,494)	(2,321,079)
GROSS PROFIT		1,807,969	1,636,435	1,245,203	1,167,452
Other operating income	5	20,567	41,729	97,718	88,202
Administrative expenses	6	(1,221,892)	(1,149,830)	(927,517)	(873,746)
Operating profit		606,644	528,334	415,404	381,908
Finance income	7	18,014	16,627	17,195	15,629
Finance cost		(20,767)	-	-	-
PROFIT BEFORE TAXATION	8	603,891	544,961	432,599	397,537
TAXATION	9.1	(200,257)	(240,436)	(100,829)	(150,817)
PROFIT AFTER TAXATION		403,634	304,525	331,770	246,720
Other comprehensive income that will not recycle to profit or loss					
Actuarial loss on defined benefit plan		(43,718)	(78,214)	(43,718)	(78,214)
Income tax effect		13,115	23,464	13,115	23,464
Other comprehensive income for the year, net of tax		(30,603)	(54,750)	(30,603)	(54,750)
Total comprehensive income for the year, net of tax		373,031	249,775	301,167	191,970
Profit attributable to ordinary equity holders		403,634	304,525	331,770	246,720
Total comprehensive income for the year attributable to ordinary equity holders		373,031	249,775	301,167	191,970
Earnings per share (kobo)	10				
Basic		0.68	0.52	0.56	0.42

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 31 March 2014

	Note	The Group 2014 ₦'000	The Group 2013 ₦'000	The Company 2014 ₦'000	The Company 2013 ₦'000
ASSETS					
Non-current assets					
Property, plant & equipment	11	1,064,599	826,603	543,635	470,932
Intangible assets	12	10,698	18,828	10,351	18,828
Long term prepayment	13	11,938	4,838	11,938	4,838
Available for sales Financial Assets	14	1,193	633	285,258	207,637
Deposit for shares	23	1,500	1,500	1,500	1,500
Total non-current assets		1,089,928	852,402	852,682	703,735
Current assets					
Inventories	16	59,642	52,383	57,203	50,722
Trade receivables	17	1,289,687	1,280,849	854,584	925,105
Other receivables and prepayment	18	398,372	336,327	311,156	261,814
Due from related companies	26	-	-	23,755	88,264
Cash and cash equivalents	19	609,316	515,588	550,262	349,660
Total current assets		2,357,017	2,185,147	1,796,960	1,675,565
TOTAL ASSETS		3,446,945	3,037,549	2,649,642	2,379,300
EQUITY AND LIABILITIES					
Equity					
Share capital	20	294,748	294,748	294,748	294,748
Share premium	21	296,433	296,433	296,433	296,433
Retained earnings		1,311,538	1,130,193	933,439	823,958
Total equity		1,902,719	1,721,374	1,524,620	1,415,139
Liabilities					
Non-current liabilities					
Deferred taxation	15.2	131,456	112,211	33,190	40,543
Term loan	22	90,644	114,512	-	-
Employee benefit liabilities	24	10,429	1,004	10,429	1,004
Total non-current liabilities		232,529	227,727	43,619	41,547

	Note	The Group 2014 ₦'000	The Group 2013 ₦'000	The Company 2014 ₦'000	The Company 2013 ₦'000
Trade creditors		265,910	209,633	265,910	209,633
Other creditors and accruals	25	849,935	645,595	618,853	482,545
Due to related companies	26	-	-	69,955	110,626
Taxation	9.2	195,852	233,220	126,685	119,810
Total current liabilities		1,311,697	1,088,448	1,081,403	922,614
Total liabilities		1,544,226	1,316,175	1,125,022	964,161
TOTAL EQUITY AND LIABILITIES		**3,446,945**	**3,037,549**	**2,649,642**	**2,379,300**

Dr. Mohammed Hassan Koguna
Chairman
27th June, 2014
FRC/2013/CIIN/00000003090

Sule Umar Bichi
Managing Director
27th June, 2014
FRC/2013/ICAN/00000003079

Vincent Ihemenwa
Chief Financial Officer
27th June, 2014
FRC/2013/ICAN/00000003087

The Group

	Issued Capital ₦'000	Share Premium ₦'000	Retained Earnings ₦'000	Total ₦'000
As at 1 April 2013	294,748	296,433	1,130,193	1,721,374
Profit for the year	-	-	403,634	403,634
Other comprehensive income	-	-	(30,603)	(30,603)
Dividend			(188,639)	(188,639)
Red Star Foundation Trust Fund			(3,047)	(3,047)
As at 31 March 2014	294,748	296,433	1,311,538	1,902,719

Consolidated statement of changes in equity
for the year ended 31 March 2013

	Issued Capital ₦'000	Share Premium ₦'000	Retained Earnings ₦'000	Total ₦'000
As at 1 April 2012	294,748	296,433	1,080,731	1,671,912
Profit for the year	-	-	304,525	304,525
Other comprehensive income			(78,214)	(78,214)
Dividend	-	-	(176,849)	(176,849)
As at 31 March 2013	294,748	296,433	1,130,193	1,721,374

The Company

	Issued Capital ₦'000	Share Premium ₦'000	Retained Earnings ₦'000	Total ₦'000
As at 1 April 2013	294,748	296,433	823,958	1,415,139
Profit for the year	-	-	331,770	331,770
Other comprehensive income	-	-	(30,603)	(30,603)
Dividend	-	-	(188,639)	(188,639)
Red Star Foundation Trust Fund			(3,047)	(3,047)
As at 31 March 2014	294,748	296,433	933,439	1,524,620

Consolidated statement of changes in equity
for the year ended 31 March 2013

	Issued Capital ₦'000	Share Premium ₦'000	Retained Earnings ₦'000	Total ₦'000
As at 1 April 2012	294,748	296,433	832,301	1,423,482
Profit for the year	-	-	246,720	246,720
Other comprehensive income	-	-	(78,214)	(78,214)
Dividend	-	-	(176,849)	(176,849)
As at 31 March 2013	294,748	296,433	823,958	1,415,139

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year ended 31 March 2014

	Note	The Group 2014 ₦'000	The Group 2013 ₦'000	The Company 2014 ₦'000	The Company 2013 ₦'000
CASHFLOW FROM OPERATING ACTIVITIES					
Cash received from customers		6,268,148	5,266,859	3,916,577	3,590,303
Cash paid to suppliers and employees		(5,352,450)	(4,692,442)	(3,276,789)	(3,243,762)
Input/(output) VAT		(148,340)	(143,638)	(126,722)	(117,812)
Tax paid	9.2	(61,320)	(97,506)	(12,362)	(55,190)
Net cash provided by operating activities	27	706,038	333,273	500,704	79,165
CASHFLOW FROM INVESTING ACTIVITIES					
Purchase of fixed assets	11	(438,982)	(303,924)	(176,246)	(109,474)
Purchase of intangible assets	12	(2,524)	(13,500)	(2,024)	(13,500)
Proceeds from sale of fixed assets		3,197	6,602	2,901	6,602
Interest received	7	18,014	16,627	17,195	15,629
Dividend received		-	-	82,513	75,277
Increase in investment		-	-	(77,061)	-
Net cash outflow from investing activities		(420,295)	(294,195)	(152,722)	(25,466)
CASHFLOW FROM FINANCING ACTIVITIES					
Dividend paid		(147,380)	(142,090)	(147,380)	(142,090)
Term loan		-	114,512	-	-
Loan paid		(23,868)	-	-	-
Interest paid		(20,767)	-	-	-
Net cash outflow from financing activities		(192,015)	(27,578)	(147,380)	(142,090)
Net increase/ (decrease) in cash and cash equivalents		93,728	11,500	200,602	(88,391)
Cash and cash equivalents at the beginning of the year		515,588	504,088	349,660	438,051
Cash and cash equivalents at the end of the year		609,316	515,588	550,262	349,660

1 Corporate information

Red Star Express Plc (The Company) was incorporated as a Private Limited Liability Company on 10 July 1992 and commenced business on 12 October 1992. Its shareswere admitted to the official list of the Nigerian Stock Exchange on 14 November 2007. 14% of the issued share capital of the Company is held by Koguna Barbura Insurance Brokers Limited and 86% by Nigerians.

The registered office is located at 70 International Airport Road, Lagos in Nigeria.

The company has three (3) subsidiaries; Red Star Freight Limited, Red Star Logistics Limited and Red Star Support Services Limited. The results of the Company's subsidiaries have been consolidated in these financial statements.

The company is principally engaged in the provision of courier services, mail management services, freight services, logistics, ware housing and general haulage.

2.1 Basis of preparation and adoption of IFRS

The financial statements of Red Star Express Plc have been prepared in accordance with International Financial Reporting Standards (IFRS), the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and Financial Reporting Council of Nigeria Act, No 6, 2011. These financial statements include the application of IAS 27 to the company's investment in its subsidiaries. Separate financial statements, as envisaged by IAS 27, are therefore presented as required under IFRS. These financial statements are presented in Nigerian Naira, which is the Company's functional currency. All financial information presented in naira has been rounded to nearest thousand.

The financial statements are presented in Naira (₦) rounded to the nearest thousand (₦'000) , unless otherwise indicated. The Naira is also the functional currency of the company.

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Red Star Express Plc and its subsidiaries as at 31 March 2014.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intragroup balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends (if any) are eliminated in full. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises both assets and liabilities of the subsidiary and the related non-controlling interest.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

2.3 Significant accounting judgments, estimates and assumptions - continued

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Material estimates in the financial statements include the following:

2.3.1 Accounts receivable

The allowance for doubtful accounts involves management judgment and review of individual receivable balances based on an individual customer's prior payment record, current economic trends and analysis of historical bad debts of a similar type.

2.3.2 Property, plant and equipment

Land and Building held for use in the rendering of services or for administration purposes are stated in the Statement of Financial Position at their deemed costs being the fair value at the date of transition less any subsequent accumulated depreciation and subsequent accumulated impairment loss.

2.3.3 Intangible assets

Externally acquired intangible assets that have indefinite useful lives are initially recognized at cost and are subsequently tested for impairment at each financial year end and stated at their recoverable amount. The impairment loss where the carrying amount is greater than the recoverable amount is charged to profit or loss.

Intangible asset with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight line basis over the estimated useful life. The estimated useful life and amortization are reviewed at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis.

2.3.4 Going concern assumption

Red Star Express Plc is a going concern, which assumes that it will be able to continue operation into the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of business. The financial statements have been prepared in Nigerian Naira and under the historical cost convention and the use of estimates and approximations, which have been made using careful judgment. Actual results could differ materially from those estimates.

3 Summary of significant accounting policies

The following are the significant accounting policies applied by Red Star Express Plc in preparing its financial statements:

3.1 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

3 Summary of significant accounting policies - continued

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on tangible assets with finite lives is recognised in profit or loss as the expense category that is consistent with the function of the intangible assets. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised. Intangible assets include computer software and software licences. Purchased software and software licences with finite useful lives are recognised as assets if there is sufficient certainty that future economic benefits associated with the item will flow to the entity. Amortisation is calculated using the straight-line method over 3 years.

Computer software primarily comprises external costs and other directly attributable costs.

3.2 Property, Plant and Equipment

Property, plant and equipment are initially recognized at cost but subsequently recognized at cost less accumulated depreciation and accumulated impairment loss. Cost comprises the cost of acquisition and costs directly related to the acquisition up until the time when the asset is available for use. In the case of assets of own construction, cost comprises direct and indirect costs attributable to the construction work, including salaries and wages, materials, components and work performed by subcontractors. Replacement or major inspection costs are capitalised when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

The depreciation base is determined as cost less any residual value. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets and begins when the assets are available for use. Impairment reviews are performed when there are indicators that the carrying value may not be recoverable. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, Impairment losses on non-revalued assets are recognised in profit or loss as an expense, while reversals of impairment losses are also stated in profit or loss. Impairment losses for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

Assets on lease
Finance leases are recognized at amount equal to the fair value of the leased property or if lower the present value of the minimum lease property, each determined at the inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease terms so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3 Summary of significant accounting policies - continued

Asset category	**Useful lives**
Building	40 years
Improvement on building	Remaining depreciable life
Plants and Machinery	3 – 10years
Trucks and Trailers	3 – 6years
Trailers	4 – 8years
Motor Vehicles	2 –4years
Motor cycles	3 years
Furniture, Fittings and Equipment	3 – 5years

We agree the following groups to form part of the new asset categories:

Plants & Machinery

Category	**Policy**
1-5 KVA	3 years
6-50 KVA	5 years
Above 50 KVA	8 years
Others	10 years

Building
Freehold Buildings to be depreciated for a period of 40 years (2.5%)

Long leased buildings/properties (RSL warehouse) to be depreciated over the life of the lease

MV4, Trucks and Trailers
Trucks should be depreciated in 3 –6 years i.e. 3 years for fairly used trucks and 6 years for brand new ones.

Trailers to be depreciated in 4-8years i.e. 4 years for fairly used Trailers and 8 years for brand new ones.

MV4 to be depreciated in 2-4years i.e. 2years for used MV4 (fairly used) and 4years for brand new

Trucks are defined as Above 5 Tonnes – 19.99 Tonnes while Trailers are 20 Tones and above. Below 3 Tonnes will remain Mv4.

4 wheels (5 Tonnes & below) - This consists of vans, buses, cars and major repairs.

2 Wheels Motor Cycles (MV2) - This consists of motorcycles

Furniture, Fittings & Equipment (FFE)
These were further broken down individually and analyzed as follows:

Furniture - This consists of tables, chairs, workstations:

Office Equipment - This consists of cabinets, weighing scales, racks, air conditioner, protector, stabilizers, AVS battery, trolley, freezers, counting machines, fridge, safes, water dispensing machine, inverter, Shredding machine, photocopiers, printers, fax machines, and fans.

Computer Equipment - This consists of Computers, Ups, scanners and modems.
An item of property and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

3 Summary of significant accounting policies - continued

3.3 Earnings per share

Basic earnings per share
Basic earnings are determined by dividing the profit attributable to share holders by the weighted average number of shares on issue during the year.

3.4 Impairment of non-financial assets

Property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, or in the case of indefinite life intangibles, then the asset's (CGU's) recoverable amount is estimated. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash-generating units (CGUs). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGUs). An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

3.5 Inventories

Inventories are valued at the lower of cost and net realizable value after making adequate provisions for obsolete and damaged items. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

The cost of finished goods comprises suppliers' invoice prices and, where appropriate, freight, printing costs and other charges incurred to bring the materials to their location and condition. First-In-First-Out (FIFO) is the stock valuation method being used.

Net Realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

- **Financial Asset**

Initial recognition and measurement

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available for-sale financial assets.

Red Star Express Plc determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus directly attributable transaction costs, except in the case of financial assets measured at fair value through profit or loss where transaction costs are recognised as an expense when incurred.

The company's financial assets include cash, trade and other receivables.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification Loans and receivables Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

3 Summary of significant accounting policies - continued

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method.

Derecognition of financial assets
A financial asset (or, when applicable, a part of a financial asset or part of a company of similar financial assets) is derecognised when:

a) The rights to receive cash flows from the asset have expired or
b) The Company retains the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
c) The Company has transferred substantially all the risks and rewards of the asset or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Impairment of financial assets
The Company assesses at each reporting date whether there is any objective evidence that a financial asset or company of financial assets is impaired. A financial asset or a company of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the company of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a company of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

- Financial Assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a company of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

- Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, or at amortised cost.

The company determines the classification of its financial liabilities at initial recognition.

3 Summary of significant accounting policies - continued

All financial liabilities are recognised initially at fair value, including directly attributable transaction costs, except in the case of financial liabilities classified as fair value through profit or loss where transaction costs are expensed immediately.

Red Star Express Plc's financial liabilities are trade and other payables.

Financial liabilities at amortised cost:

Financial liabilities at amortised cost are measured at amortised cost using the effective interest rate method.

Financial liabilities are classified as current liabilities if payment is due within 12 months. Otherwise, they are presented as non-current liabilities.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less in the statement of financial position.

3.8 Taxes

Current income tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in Nigeria. Current income tax assets and liabilities also include adjustments for tax expected to be payable or recoverable in respect of previous periods.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss.

Deferred tax
Deferred tax is provided using the liability method in respect of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits.

No deferred tax is recognised when relating to temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

3 Summary of significant accounting policies - continued

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in profit or loss, other comprehensive income or directly in equity.

Value Added Tax (VAT)
Revenues, expenses and assets are recognised net of the amount of VAT, except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- Receivables and payables are stated with the amount of VAT included

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.9 Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it 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. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in profit or loss. If the effect of the time value of money is material, provisions are discounted using a current pre-tax ratethat reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.10 Borrowing Costs

Specific borrowing costs on qualifying assets are capitalized from the date the actual costs on the qualifying assets are incurred. Where such borrowed amount, or part thereof, is invested, the income earned is netted off the borrowing costs capitalized.

Where the entity does not specifically borrow funds to construct a qualifying assets, general borrowing costs are capitalized by applying the weighted average cost of the borrowing cost proportionate to the expenditure on the asset.

3.11 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue. The following specific recognition criteria must also be met before revenue is recognised:

3 Summary of significant accounting policies - continued

Rendering of services
Revenue from services rendered such as courier services, mail management services, freight services, logistics, ware housing and general haulage to customers is recognised as soon as the recipient of the services has signed off that such services has been rendered.

Interest income
For all financial instruments measured at amortised cost and interest bearing financial assets classified as available-for-sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in profit or loss.

Dividends
Revenue is recognised when the Company's right to receive the payment of dividend is established, which is generally when shareholders approve the dividend.

3.12 Foreign currency

The company's financial statements are presented in naira, which is also the company's functional currency. Transactions in the foreign currency are recognized in Naira at the official spot rate at the date of transaction.
Monetary assets and liabilities denominated in a foreign currency are translated into Naira at the spot rate of exchange ruling at reporting date. Differences arising on settlement or translation of monetary items are recognised in income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Thegain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item (i.e., the translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3.13 Segment Reporting

The reportable segments are identified on the basis of Strategic Business Units (SBU) and the threshold of recognition is a contribution of not less than 10% of the revenue, assets, profits or losses of all the operating segments. Where the board and management is of the opinion that a strategic business unit is important to the growth initiative of the company such SBU may be reported as a reportable segment even though it is not meeting the threshold of a reportable segment.

3.14 Employees' benefits

All employees' benefits both legal and constructive in the short and long term (including termination, gratuity and pensions) are adequately recognized in profit or loss.

The company operates a defined contribution pension scheme in line with the Pension Reform Act 2004. The employees and the company each contribute 7.5% of basic salary, housing and transport allowances. The company's contributions are accrued and charged to profit or loss as and when the relevant service is provided by employees. The company has no further payment obligations once the contributions have been paid.

3 Summary of significant accounting policies - continued

The company also contributes to a duly registered gratuity scheme operated by Red Star Retirement Benefit Scheme; employees are eligible to join the scheme after 5 years of continuous service to the company.

The amount for every month are remitted or accrued for and charged to profit or loss.

Executive directors are entitled to a defined contribution plan (pension) in accordance with pension reform act 2004 and employee's gratuity benefits in accordance with the company's policy. But non-executive directors are not entitled to any form of pension or post-employment benefits.

The benefits payable to employees on retirement or resignation are accrued over the service life of the employee concerned based on their salary and the cost charged to profit or loss.

The liability recognised in the statement of financial position in respect of defined gratuity scheme is the present value of the gratuity obligation at the date of the statement of financial position less the fair value of any plan asset, together with adjustments for unrecognised actuarial gains or losses and past service costs. The gratuity obligation is calculated annually by independent actuaries using the projected unit credit method. The gratuity is derecognize upon the discharge of the obligation by the Company to a qualifying staff.

3.15 Share capital and reserves

Share issue costs
Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

Dividend on ordinary shares
Dividends on the Company's ordinary shares are recognized in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders.

Retained earning
This comprises the undistributed profit from previous years which have not been reclassified to other reserves.

Share Premium
This is the excess paid by shareholders over the normal value for their shares. Premium from the issue of shares are reported in the share premium.

3.16 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments
IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB is addressing hedge accounting and impairment of financial assets and the 1 January 2015 effective date of IFRS 9 was removed. The adoption of the first phase of IFRS 9 will not have an effect on the classification and measurement of the Company's financial assets and financial liabilities. The Company will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

3 **Summary of significant accounting policies - continued**

IAS 36 Impairment of assets - Amendments to IAS 36
The amendments relate to the disclosure in respect of fair value less costs of disposal. The amendments are intended to clarify the IASB's original intentions when amendments were made to IAS 36 as a result of the issuance of IFRS 13 Fair Value Measurement. The amendments also require additional information about the fair value measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal and the discount rates that have been used when the recoverable amount. The Company does not expect this amendment to have an impact.

IFRS 2 Share-based Payment: Definitions of vesting conditions
Performance condition and service condition are defined in order to clarify various issues, including the following:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition

If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied. The amendment is applied prospectively.

This improvement is effective for the annual periods beginning on or after 1 July 2014. It is not expected that this improvement would be relevant to the Company.

IFRS 3 Business Combinations: Accounting for contingent consideration in a business combination
The amendment clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). The amendment is applied prospectively.

This improvement is effective for the annual periods beginning on or after 1 July 2014. It is not expected that this improvement would be relevant to the Company.

IFRS 8 Operating Segments: Aggregation of operating segments
The amendment clarifies that an entity must disclose the judgments made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'. The amendment is applied retrospectively

This improvement is effective for the annual periods beginning on or after 1 July 2014. It is not expected that this improvement would be relevant to the Company.

IFRS 8 Operating Segments: Reconciliation of the total of the reportable segments' assets to the entity's assets

The amendment clarifies that the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. The amendment is applied retrospectively.

This improvement is effective for the annual periods beginning on or after 1 July 2014. It is not expected that this improvement would be relevant to the Company.

3 **Summary of significant accounting policies - continued**

IFRS 13 –Fair Value Measurement: Scope of paragraph 52 (portfolio exception)
The amendment clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The amendment is applied prospectively.

This improvement is effective for the annual periods beginning on or after 1 July 2014. It is not expected that this improvement would be relevant to the Company.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets: Revaluation method – proportionate restatement of accumulated depreciation/amortization The amendment to IAS 16 and IAS 38 clarifies that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. The amendment also clarifies that accumulated depreciation/amortisation is the difference between the gross and carrying amounts of the asset. The amendment is applied retrospectively

This improvement is effective for the annual periods beginning on or after 1 July 2014. It is not expected that this improvement would be relevant to the Company.

IAS 24 Related Party Disclosures: Key management personnel
The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment is applied retrospectively.

This improvement is effective for the annual periods beginning on or after 1 July 2014. It is not expected that this improvement would be relevant to the Company.

IFRS 3 Business Combinations: Scope exceptions for joint ventures
The amendment clarifies that, joint arrangements, not just joint ventures, are outside the scope of IFRS 3. The scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. It is not expected that this amendment would be relevant to the Company.

IAS 40 Investment Property: Interrelationship between IFRS 3 and IAS 40 (ancillary services)
The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment clarifies that IFRS 3, not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The amendment is applied prospectively.

This improvement is effective for the annual periods beginning on or after 1 July 2014. It is not expected that this improvement would be relevant to the Company.

IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after 1 January 2014. These amendments are not expected to be relevant to the Company.

3 Summary of significant accounting policies - continued

3.17 Standards that became effective during the year

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1
The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment had no impact on the Company's presentation, financial position or performance. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

IAS 1 Clarification of the requirement for comparative information (Amendment)
The amendment to IAS 1 clarifies the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional voluntarily comparative information does not need to be presented in a complete set of financial statements An opening statement of financial position (known as the 'third statement of financial position') must be presented when an entity applies an accounting policy retrospectively, makes retrospective restatements, or reclassifies items in its financial statements, provided any of those changes has a material effect on the statement of financial position at the beginning of the preceding period. The amendment clarifies that a third statement of financial position does not have to be accompanied by comparative information in the related notes. The change did not have a material impact on the Company.

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements
IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the returns. The standard had no impact on the Company as it is a subsidiary.

IFRS 12 Disclosure of Interests in Other Entities
IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The standard had no material effect on the Company.

***Investment Entities* (Amendments to IFRS 10, IFRS 12 and IAS 27)**
These amendments are effective for annual periods beginning on or after 1 January 2014 provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Company.

3 Summary of significant accounting policies - continued

IAS 32 *Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32*
These amendments clarify the meaning of "currently has a legally enforceable right to setoff" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These are effective for annual periods beginning on or after 1 January 2014. These amendments are not expected to be relevant to the Company.

IFRIC Interpretation 21 Levies (IFRIC 21)
IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached.

IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. The Company does not expect that IFRIC 21 will have material financial impact in future financial statements.

IAS 19 Employee benefits (Amendments)
With Defined Benefit Plans: Employee Contributions (Amendments to IAS 19 Employee Benefits) the IASB has amended the requirements in IAS 19 for contributions from employees or third parties that are linked to service:

- If the amount of the contributions is independent of the number of years of service, contributions may be recognised as a reduction in the service cost in the period in which the related service is rendered (note: this is an allowed but not required method).
- If the amount of the contributions depends on the number of years of service, those contributions must be attributed to periods of service using the same attribution method as used for the gross benefit in accordance with paragraph 70 of IAS 19.

The amendments are intended to provide relief in that entities are allowed to deduct contributions from service cost in the period in which the service is rendered. This was common practice prior to the 2011 amendments to IAS 19. In those cases the impact of retrospective application would be minimal. The amendments are to be applied retrospectively. There is no impact of this amendment on the Company.

		The Group		The Company	
		2014	2013	2014	2013
		₦'000	₦'000	₦'000	₦'000
4	**Revenue**				
	Analysis by services:				
	Courier	3,922,697	3,488,531	3,922,697	3,488,531
	Logistics	1,064,311	751,023	-	-
	Freight	205,895	189,881	-	-
	Support services	1,223,527	864,378	-	-
		6,416,430	5,293,813	3,922,697	3,488,531
5	**Other operating income**				
	Bad debt recovered	100	65	-	-
	Dividend from subsidiaries	-	-	82,513	75,277
	Exchange gain	7,554	1,788	7,554	1,788
	Insurance claim	2,627	-	-	-
	Other sundry income	2,585	6,835	-	6,836
	Profit on disposals of fixed assets	2,951	4,301	2,901	4,301
	Rent	4,750	28,740	4,750	-
		20,567	41,729	97,718	88,202
6	**Administrative expenses**				
	Annual general meeting expenses	13,725	8,136	10,056	4,328
	Audit fee	11,700	11,700	9,000	9,000
	Bad debts written off/provisions for doubtful debts	85,351	116,681	59,079	85,010
	Bank charges	39,251	30,057	13,306	15,779
	Communication and telephone	65,923	52,322	61,940	48,241
	Amortisation of intangible assets	10,501	7,793	10,501	7,793
	Depreciation	48,499	47,569	42,938	42,781
	Hotel accommodation and entertainment	32,413	28,406	29,333	24,311
	Employee benefit expenses	13,626	17,298	10,576	10,656
	Insurance	7,559	7,508	3,956	3,945
	Legal and professional charges	56,849	72,660	51,970	60,617
	Medical	18,867	28,655	13,755	12,915
	Newspaper and periodicals	2,133	1,540	1,927	971
	Office protection services	25,148	37,292	20,109	26,669
	Personnel costs	397,107	326,167	222,826	211,582
	Power and water	90,960	89,065	87,509	87,438
	Printing and stationery	86,623	80,103	81,309	66,685
	Publicity and promotion	40,272	32,970	34,134	25,548
	Repairs and maintenance	93, 961	69,910	90,878	59,417
	Subscriptions and donations	21, 128	23,788	18,287	20,734
	Training	5,257	4,932	4,220	3,965
	Transportation and travelling costs	55, 039	55,278	49,908	45,361
		1,221,892	1,149,830	927,517	873,746

		The Group		The Company	
		2014	2013	2014	2013
		₦'000	₦'000	₦'000	₦'000
7	**Finance income**				
	Interest received from fixed deposit	18,196	16,627	17,195	15,629
		======	=====	======	=====
8	**Profit before taxation**				
	Depreciation	200,740	149,218	103,543	85,494
	Amortization of intangible assets	10,501	7,793	10,501	7,793
	Audit fee	11,700	11,700	9,000	9,000
	Profit on disposal of fixed assets	(2,951)	(4,301)	(2,901)	(4,301)
	Directors emoluments	29,754	28,748	29,754	28,748
	Exchange gain	(9,564)	(1,788)	(9,564)	(1,788)
	Dividend received	-	-	82,513	75,277
	Provision for staff pension	71,851	103,231	15,935	47,315
		======	=====	======	=====

		The Group		The Company	
		2014	2013	2014	2013
		₦'000	₦'000	₦'000	₦'000
9	**Taxation**				
9.1	**Profit or loss**				
	Income taxation	163,137	139,129	98,108	89,680
	Education tax	17,875	14,089	10,074	8,324
		---	---	---	---
		181,012	153,218	108,182	98,004
	Deferred taxation (Note 15)				
	Charge for the year	26,598	124,480	-	52,813
	Write back for the year	(7,353)	(37,262)	(7,353)	-
		---	---	---	---
		200,257	240,436	100,829	150,817
		======	=======	=======	======
9.2	**Statement of Financial Position**				
	At the beginning of the year	233,220	312,513	119,810	171,370
	Current year tax provision	181,012	153,218	108,182	98,004
	Payment during the year	(61,320)	(97,506)	(12,362)	(55,190)
	Withholding tax credit utilized	(157,060)	(135,005)	(88,945)	(94,374)
		---	---	---	---
		195,852	233,220	126,685	119,810
		======	=======	=======	======

10. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic earnings per share computations.

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Profit attributable to ordinary equity holders	403,634	304,525	331,770	246,720
Weighted average number of ordinary shares for basic earnings per share	5 89,497	589,497	589,497	589,497
Basic/diluted, profit for the year attributable to ordinary equity holders	₦0.68	₦0.52	₦0.56	₦0.42

The Group - 31 March 2014

11. Property, plant and equipment

	Leasehold Land ₦'000	Building ₦'000	Plant & Machinery ₦'000	Motor Vehicles ₦'000	Motor Cycle ₦'000	Computer & Other IT Equipment ₦'000	Furniture & Fittings ₦'000	Capital-work-in-progress ₦'000	Total ₦'000
COSTS									
At 1 April 2013	74,647	342,668	65,623	320,115	181,624	116,394	39,276	78,383	1,218,730
Addition	66,560	1,440	553	188,128	23,846	71,777	6,699	79,979	438,982
Reclassifications	-	-	-	156,714	-	-	156	(156,870)	-
Disposals	-	-	-	(16,012)	(1,431)	(146)	(65)	-	(17,654)
At 31 March 2014	141,207	344,108	66,176	648,945	204,039	188,025	46,066	1,492	1,640,058
DEPRECIATION									
At 1 April 2013	-	18,724	10,917	138,561	138,820	64,928	20,177	-	392,127
Charge for the year	-	8,574	10,748	78,853	57,670	37,430	7,465	-	200,740
Disposal	-	-	-	(13,190)	(1,184)	(3,030)	(4)	-	(17,408)
At 31 March 2014	-	27,298	21,665	204,224	195,306	99,328	27,638	-	575,459
Net Book Value									
At 31 March 2014	141,207 3	16,810	44,511	444,721	8,733	88,697	18,409	-	1,064,599
At 31 March 2013	74,647	323,944	54,706	181,554	42,804	51,466	19,099	78,383	826,603

The Group - 31 March 2014

11. Property, plant and equipment

	Leasehold Land ₦'000	Building ₦'000	Plant & Machinery ₦'000	Motor Vehicles ₦'000	Motor Cycle ₦'000	Computer & Other IT Equipment ₦'000	Furniture & Fittings ₦'000	Capital-work-in-progress ₦'000	Total ₦'000
COSTS									
At 1 April 2012	74,647	337,839	32,005	237,397	154,883	82,677	34,799	6,591	960,838
Addition	-	4,641	35,935	49,629	19,080	33,717	4,590	156,332	303,924
Reclassifications	-	200	-	72,329	11,421	-	590	(84,540)	-
Disposals	-	(12)	(2,317)	(39,240)	(3,760)	-	(703)	-	(46,032)
At 31 March 2013	74,647	342,668	65,623	320,115	181,624	116,394	39,276	78,383	1,218,730
DEPRECIATION									
At 1 April 2012	-	10,141	6,477	119,180	100,846	37,824	12,172	-	286,640
Charge for the year	-	8,595	5,954	57,123	41,734	27,104	8,708	-	149,218
Disposal	-	(12)	(1,514)	(37,742)	(3,760)	-	(703)	-	(43,731)
At 31 March 2013	-	18,724	10,917	138,561	138,820	64,928	20,177	-	392,127
Net Book Value									
At 31 March 2013	74,647	323,944	54,706	181,554	42,804	51,466	19,099	78,383	826,603
At 31 March 2012	74,647	327,698	25,528	118,217	54,037	44,853	22,627	6,591	674,198

The Company - 31 March 2014

11. Property, plant and equipment

	Leasehold Land ₦'000	Building ₦'000	Plant & Machinery ₦'000	Motor Vehicles ₦'000	Motor Cycle ₦'000	Computer & Other IT Equipment ₦'000	Furniture & Fittings ₦'000	Capital-work-in-progress ₦'000	Total ₦'000
COSTS									
At 1 April 2013	74,647	229,263	57,249	137,634	41,185	109,473	22,440	-	671,891
Addition		1,440	553	73,055	23,846	71,17	35,059	1,120	176,246
Disposals	-	-	-	(16,012)	(1,136)	(146)	(65)	-	(17,359)
At 31 March 2014	74,647	230,703	57,802	194,677	63,895	180,500	27,434	1,120	830,778
DEPRECIATION									
At 1 April 2013	-	13,051	10,428	74,490	28,344	60,758	13,888	-	200,959
Charge for the year	-	5,739	7,984	38,751	10,935	36,591	3,543	-	103,543
Disposal	-	-	-	(13,190)	(1,135)	(3,030)	(4)	-	(17,359)
At 31 March 2014	-	18,790	18,412	100,051	38,144	94,319	17,427	-	287,143
Net Book Value									
At 31 March 2014	74,647	211,913	39,390	94,626	25,751	86,181	10,007	1,120	543,635
At 31 March 2013	74,647	216,212	46,821	63,144	12,841	48,715	8,552	-	470,932

The Company - 31 March 2014

11. Property, plant and equipment

	Leasehold Land ₦'000	Building ₦'000	Plant & Machinery ₦'000	Motor Vehicles ₦'000	Motor Cycle ₦'000	Computer & Other IT Equipment ₦'000	Furniture & Fittings ₦'000	Total ₦'000
COSTS								
At 1 April 2012	74,647	225,361	32,005	145,215	34,525	76,121	20,575	608,449
Additions	-	3,914	27,561	31,659	10,420	33,352	2,568	109,474
Disposals	-	(12)	(2,317)	(39,240)	(3,760)	-	(703)	(46,032)
At 31 March 2013	74,647	229,263	57,249	137,634	41,185	109,473	22,440	671,891
DEPRECIATION								
At 1 April 2012	-	7,292	6,477	78,466	23,157	34,390	9,414	159,196
Charge for the year	-	5,771	5,465	33,766	8,947	26,368	5,177	85,494
Disposals	-	(12)	(1,514)	(37,742)	(3,760)	-	(703)	(43,731)
At 31 March 2013	-	13,051	10,428	74,490	28,344	60,758	13,888	200,959
Net Book Value								
At 31 March 2013	74,647	216,212	46,821	63,144	12,841	48,715	8,552	470,932
At 31 March 2012	74,647	218,069	25,528	66,749	11,368	41,731	11,161	449,253

12.	**Intangible assets**	**The Group**	**The Company**
	Cost:	**₦'000**	**₦'000**
	At 1 April 2013	32,542	32,542
	Additions – externally acquired	2,524	2,024
	At 31 March 2014	35,066	34,566
	Amortization:		
	At 1 April 2013	13,714	13,714
	Amortization charge for the year	10,501	10,501
	At 31 March 2014	24,215	24,215
	Net Book Value:		
	At 31 March 2014	10,698	10,351
	At 31 March 2013	18,828	18,828

The company's intangible asset represents N35,066 investments on computer software. This is to be amortised to income statement over a period of three years when the application is installed and put into use. At present, no impairment is deemed to be required. There is no further contractual commitment to acquire intangible assets as at 31 March 2014.

		The Group		**The Company**	
		2014	**2013**	**2014**	**2013**
		₦'000	**₦'000**	**₦'000**	**₦'000**
13	**Long term rent prepayment**				
	At 1 April	4,838	15,532	4,838	15,532
	Additions during the year	11,938	-	11,938	-
	Amortised during the year	(4,838)	(10,694)	(4,838)	(10,694)
		11,938	4,838	11,938	4,838

		The Group		The Company	
		2014	2013	2014	2013
		₦'000	₦'000	₦'000	₦'000
14	**Available for sale Financial Assets**				
	Nemeith International Pharmaceuticals Plc	2,057	2,057	2,057	2,057
	Impairment loss	(864)	(1,424)	(864)	(1,424)
		1,193	633	1,193	633
	Investment in subsidiaries measured at costs:				
	Investment in Red Star Freight Limited	-	-	10,000	10,000
	Investment in Red Star Support Services Limited	-	-	49,065	49,065
	Investment in Red Star Logistics Limited	-	-	225,000	147,939
		-	-	284,065	207,004
		1,193	633	285,258	207,637

Red Star Express Plc has a 100% interest in Red Star Freight Limited (RSF), Red Star Support Services Limited (RSS) and Red Star Logistics Limited (RSL). RSF primary activities are the transportation of goods via sea and/or air, RSS renders outsourcing services such as mail management while RSL is involved in heavy duty haulages on road within the country. The subsidiaries are private entities and are not listed on any public exchange.

		The Group		The Company	
		2014	2013	2014	2013
		₦'000	₦'000	₦'000	₦'000
15	**Deferred taxation**				
	At the beginning of the year	112,211	24,993	40,543	(12,270)
	Charge for the year (Note 9)	26,598	124,480	-	52,813
	Write back for the year (Note 9)	(7,353)	(37,262)	(7,353)	-
	At the end of the year 1	31,456	112,211	33,190	40,543
16	**Inventories**				
	Stationeries and packaging materials	53,597	45,421	51,158	44,017
	Fuel & Oil	6,045	6,705	6,045	6,705
	Spares	-	257	-	-
		59,642	52,383	57,203	50,722

No inventories were written-off during the year. Amount expensed during the year totaled ₦243,943,987 (2013: ₦210,598,325).

17	**Trade receivables**				
	Trade receivables	1,430,005	1,407,462	952,648	1,026,403
	Provision for bad debt	(140,318)	(126,613)	(98,064)	(101,298)
		1,289,687	1,280,849	854,584	925,105

Trade receivables are non-interest bearing and are generally on terms of 30 to over 271 days.

For terms and conditions relating to related party receivables, refer to Note 26.

As at 31 March 2014, trade receivables of an initial value of ₦ 98,064,234 (2013: ₦101,297,857) were impaired and fully provided for. See below for the movements in the provision for impairment of trade receivables

The Group

	Individually impaired N'000	Collectively impaired N'000	Total N'000
At 1 April 2013	126,613	-	126,613
Charge for the year	85,351	-	85,351
Utilised	(71,646)	-	(71,646)
At 31 March 2014	140,318	-	140,318

As at 31 March, the ageing analysis of trade receivables (excluding receivables that have been specifically impaired) is as follows:

	Neither past Due nor impaired		past due but not impaired		
			0-90 Days	91-180 Days	181-270 Days
	₦'000	₦'000	₦'000	₦'000	₦'000
2014	1,289,687	-	770,686	156,759	362,242
2013	1,280,849	-	616,379	189,091	475,379

The Company

	Individually impaired	Collectively impaired	Total
	₦'000'	₦'000'	₦'000'
At 1 April 2013	101,298	-	101,298
Charge for the year	59,079	-	59,079
Utilised	(62,313)	-	(62,313)
	---	---	---
At 31 March 2014	98,064	-	98,064
	---	---	---

As at 31 March, the ageing analysis of trade receivables (excluding receivables that have been specifically impaired) is as follows:

	Total	Neither past Due nor impaired	past due but not impaired		
			0-90 days	91-180 days	181-270 days
	₦'000	₦'000	₦'000	₦'000	₦'000
2014	854,584	-	434,743	81,714	338,127
2013	925,105	-	447,618	127,275	350,212

See Note 32 (1a) on credit risk of trade receivables, which discusses how the company manages and measures credit quality of trade receivables.

		The Group		The Company	
		2014	2013	2014	2013
		₦'000	₦'000	₦'000	₦'000
18	**Other receivables and prepayment**				
	Prepayments	41,405	55,390	32,684	47,143
	Unutilized WHT receipts	150,410	101,138	140,545	93,008
	Staff car advance	79,991	35,161	64,176	19,666
	Union dues	1,562	2,333	1,562	2,333
	Other receivables	5,546	3,066	5,196	3,066
	Other staff advances	119,458	139,239	66,993	96,598
		398,372	336,327	311,156	261,814
19	**Cash and bank balances**				
	Cash balances	1,930	5,276	1,915	5,240
	Cash -in- transit	29,941	36,780	28,990	36,326
	Bank balances	231,957	202,045	173,869	82,459
	Short term deposit	345,488	271,487	345,488	225,635
		609,316	515,588	550,262	349,660

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one month and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The Cash-in-transit are cash sales at the end of the financial year by the up country locations that have been deposited at various banks for which the supporting document have not been received at the Head Office for appropriate recording.

		The Group		The Company	
		2014	2013	2014	2013
		₦'000	₦'000	₦'000	₦'000
20	**Share capital**				
	Authorized				
	1,000,000,000				
	(2013:600,000,000) ordinary shares				
	of 50 kobo each	500,000	300,000	500,000	300,000
		======	=======	=======	======
	Issued and fully paid:				
	589,496,760 ordinary shares of 50 kobo each	294,748	294,748	294,748	294,748
		======	=======	=======	======
21	**Share premium**	**296,433**	**296,433**	**296,433**	**296,433**
		======	=======	=======	======

At an extraordinary general meeting held on 22 February 2007, the shareholders passed a resolution to raise additional capital through private placement by the creation of additional 75 million ordinary shares of 50 kobo each issued at ₦4 per share. The share premium increase from ₦43.8 million to ₦296.43 million for the year ended 31 March 2007.

		The Group		The Company	
		2014	2013	2014	2013
		₦'000	₦'000	₦'000	₦'000
22.	**Long term loan**	**90,644**	**114,512**	**-**	**-**
		======	=======	=======	======

Fidelity Bank granted a loan of ₦ 114,512,940 to Red Star Logistics Limited in 2013 to finance the acquisition of 2 units of MAN tractor CLA 18.280 4X2, 1 unit of 18.280 with Jumbo Box Body, 5 units of MAN diesel TGM 18.240 4X2 with Steel Body and 1 unit of 42 Feet Flat Bed. The duration of the loan is for 48 months (3 months moratorium inclusive) with an interest rate of 18%. The loan is secured by legal ownership of the assets to be purchased and corporate guarantee of Red Star Express Plc. The loan is recognized and measured at amortized cost.

23 Deposit for shares

This represents deposit for additional investment in Red Star Freight Limited. As soon as the authorised share capital of Red Star Freight Limited is increased, the deposit for shares will be utilized for additional shares.

24	Employee benefits liability	The Group 2014 ₦'000	The Group 2013 ₦'000	The Company 2014 ₦'000	The Company 2013 ₦'000
	Net benefit expenses				
	Current service cost	52,868	34,955	52,868	34,955
	Interest cost on benefit obligation	27,525	21,963	27,525	21,963
	Expected return on plan assets	(24,100)	(23,282)	(24,100)	(23,282)
		56,293	33,636	56,293	33,636
	Benefit liability and assets				
	Defined benefit obligation	455,106	402,666	455,106	402,666
	Fair value of plan assets	444,677	401,662	444,677	401,662
	(Liability)/ asset	(10,429)	(1,004)	(10,429)	(1,004)
	Changes in the present value of the defined benefit obligation are as follows:				
	Opening balance	402,666	331,085	402,666	331,085
	Current service cost	52,868	34,955	52,868	34,955
	Interest cost	27,525	21,963	27,525	21,963
	Benefit paid	(58,124)	(62,456)	(58,124)	(62,456)
	Actuarial losses	30,171	77,119	30,171	77,119
	Closing balance	455,106	402,666	455,106	402,666
	Changes in the fair value plan assets are as follows:				
	Opening balance	401,662	388,025	401,662	388,025
	Expected return	24,100	23,282	24,100	23,282
	Contributions by employer	63,492	51,716	63,492	51,716
	Benefits paid	(58,124)	(62,456)	(58,124)	(62,456)
	Actuarial losses	13,547	1,095	13,547	1,095
	Closing balance	444,677	401,662	444,677	401,662
	Total actuarial losses:				
	Present value of defined benefit obligation	30,171	77,119	30,171	77,119
	Fair value plan assets	13,547	1,095	13,547	1,095
		43,718	78,214	43,718	78,214

24. Employee benefit liability - continued

The company operates a contributory pension fund scheme and a gratuity scheme for the benefit of its employees.

The Pension fund scheme is a defined contribution pension scheme in line with the Pension Reform Act 2004. The employees and the company each contribute 7.5%. The company's contributions are accrued and charged to profit or loss as and when the relevant service is provided by employees.

The Gratuity scheme is a defined benefit plan. The cost of providing the benefits under the defined benefit plan is determined using the projected unit credit method. Actuarial gains and losses for this defined benefit plan are recognised in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognised in retained earnings and are not reclassified into profit or loss in subsequent periods.

The Company recognises actuarial gains and losses in the period in which they occur in full in other comprehensive income in accordance with IAS 19.93A. Accordingly, the Company recognised all cumulative actuarial gains and losses at the date of transition to IFRS.

The following tables in Note 24 summarise the components of net benefit expense recognised in profit or loss and amounts recognised in the statement of financial position for the respective years.

The principal assumptions used in determining employees' benefit obligations for the Company's plans are shown below:

	2014	2013
	%	%
Discount rate	6	6
Future salary increase	-	-
Annual pensionable pay increase	-	-
Rate of return on assets	-	-
Average long-term rate of inflation	10	10

Mortality
Pre-retirement: British A49/52 Ultimate Table published by the Institute of Actuaries of England. The ages were rated down by 3 (three) years.

		The Group		The Company	
		2014	2013	2014	2013
		₦'000	₦'000	₦'000	₦'000
25.	**Other creditors and accruals**				
	Accruals	333,321	217,969	215,362	161,759
	Customers deposit	98,739	-	98,739	-
	Agent clearing charges	38,566	45,172	38,566	45,172
	WHT	44,339	51,330	35,816	40,650
	VAT	108,223	127,162	64,891	84,798
	Staff pension (note 25.1)	42,206	40,033	699	9,563
	Unclaimed dividend	114,570	74,766	114,570	74,766
	Other creditors	69,971	89,163	50,210	65,837
		849,935	645,595	618,853	482,545
25.1	**Staff pension accruals**				
	At the beginning of the year	40,033	28,025	9,563	5,791
	Additions for the year	112,660	103,231	51,287	47,315
		152,693	131,256	60,850	53,106
	Payment during the year	(110,487)	(91,223)	(60,151)	(43,543)
	At the end of the year	42,206	40,033	699	9,563

26. Related party disclosure

The company holds 100% equity interest in Red Star Freight Limited, Red Star Support Services Limited and Red Star Logistics Limited. The transactions with the related party are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees received for any related party receivables. For the year ended 31 March 2014, the company has not recorded impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operate. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

	2014	2013
	₦'000	₦'000
Due from related company		
Red Star Freight Limited	1,787	14,987
Red Star Logistics Limited	21,968	73,277
	23,755	88,264
Due to related company		
Red Star Supports Services Limited	69,955	110,626
	69,955	110,626

27. Reconciliation of net profit to cash from operating activities

2014	The Group 2013 ₦'000	2014 ₦'000	The Company 2013 ₦'000	₦'000
Net profit after taxation	403,634	304,525	331,770	246,720
Adjustment to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	211,391	157,011	114,044	93,287
(Profit)/loss on disposal of fixed assets	(2,951)	(4,301)	(2,901)	(4,301)
Interest paid	20,767	-	-	-
Interest received	(18,014)	(16,627)	(17,195)	(15,629)
Dividend received	-	-	(82,513)	(75,277)
Changes in assets and liabilities:				
Increase in inventories	(7,259)	(1,948)	(6,481)	(2,159)
(Increase)/decrease in trade debtors	(8,838)	70,623	70,521	93,148
Increase in other debtors and prepayments	(103,354)	(89,925)	(90,652)	(74,293)
Decrease / (increase) in amount due to related companies	-	-	64,509	(45,724)
Increase in trade creditors	56,277	34,437	56,277	41,418
(Decrease)/increase in other creditors and accruals	163,083	(108,176)	95,049	(142,007)
Decrease in amount due to related companies	-	-	(40,671)	(17,001)
Decrease in taxation payable	(37,368)	(79,293)	6,875	(51,560)
Increase/(decrease) in deferred taxation	19,245	87,217	(7,353)	52,813
Increase / (decrease) in employee benefits	9,425	(20,270)	9,425	(20,270)
Net cashflow provided by operating activities	706,038	333,273	500,704	79,165

28. Compensation of key management personnel of Red Star Express Plc

Directors Remuneration paid to the Directors was:	The Group 2014 ₦'000	 2013 ₦'000	The Company 2014 ₦'000	 2013 ₦'000
Fees and sitting allowances	8,235	8,635	8,235	8,635
Executive compensation	7,443	7,088	7,443	7,088
Other Directors expenses and benefits	16,338	13,025	16,338	13,025
	---	---	---	---
	32,016	28,748	32,016	28,748
	======	======	======	======
Fees and other emoluments disclosed above include amounts paid to:				
The Chairman	1,760	1,635	1,760	1,635
The highest paid Director	13,225	11,350	13,225	11,350
The number of Directors who received fees and other emoluments in the following ranges were:				
	Number	Number	Number	Number
Below N1,000,000	-	-	-	-
N 1,000,000 - N 2,000,000	5	5	5	5
N 2,000,001 - N 3,000,000	-	-	-	-
N 3,000,001 and above	2	2	2	2
	==	==	==	==

29. Staff number and higher paid employees

The average number of persons employed by the Company during the year, including Directors, is as follows;

	The Group 2014 Number	 2013 Number	The Company 2014 Number	 2013 Number
Managerial	6	6	5	5
Senior	48	46	36	36
Supervisors	207	196	62	67
Junior	1,543	1,293	188	189
---	---	---	---	---
	1,804	1,541	291	297
	===	===	===	===

29 Staff number and higher paid employees - Continued

The number of employees in receipt of emoluments within the following ranges was;

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	Number	Number	Number	Number
N140,001 - N210,000	1,541	1,291	186	187
N210,001 - N360,000	207	196	62	67
N360,001 - N900,000	48	46	36	36
N900,001 - N1,700,000	6	6	5	5
N1,700,001 - N2,011,000	2	2	2	2
	1,804	1,541	291	297

30. Segment information

For management purposes, the Company is organised into Strategic Business Units (SBU) based on their revenue streams and has four reportable segments as follows:

Segment statement of comprehensive income

	Courier		Logistics		Freight		Support Services		Total	
	14-Mar ₦'000	13-Mar ₦'000	14-Mar ₦'000	13-Mar ₦'000	14-Mar ₦'000	13-Mar ₦'000	14-Mar ₦'000	13-Mar ₦'000	14-Mar ₦'000	13-Mar ₦'000
Revenue	3,922,697	3,488,531	1,064,311	751,023	205,895	189,881	1,223,527	864,378	6,416,430	5,293,813
Cost of Sales	(2,616,889)	(2,278,366)	(733,261)	(503,632)	(160,131)	(149,335)	(950,086)	(624,396)	(4,460,837)	(3,555,729)
Other Income	97,718	88,202	5,273	28,804	40	-	49	-	20,567	41,729
Administrative Expenses	(874,078)	(823,172)	(117,081)	(102,035)	(27,704)	(24,997)	(139,412)	(144,264)	(1,158,275)	(1,094,468)
Depreciation	(103,543)	(85,494)	(47,644)	(28,871)	235	349	(49,788)	(35,202)	(200,740)	(149,218)
Amortization	(10,501)	(7,793)	-	-	-	-	-	-	(10,501)	(7,793)
Finance Income	17,195	15,629	-	-	819	998	-	-	18,014	16,627
Finance Cost	-	-	(20,767)	-	-	-	-	-	(20,767)	-
Profit before Income Tax	432,599	397,537	150,831	145,289	18,684	16,896	84,290	60,516	603,891	544,961
Income Tax Expense	(100,829)	(150,817)	(37,635)	(63,894)	(8,312)	(5,549)	(53,481)	(20,176)	(200,257)	(240,436)
Profit after Tax	331,770	246,720	113,196	81,395	10,372	11,347	30,809	40,340	403,634	304,525

Segment statement of financial position

	Courier		Logistics		Freight		Support Services		Total	
	14-Mar ₦'000	13-Mar ₦'000	14-Mar ₦'000	13-Mar ₦'000	14-Mar ₦'000	13-Mar ₦'000	14-Mar ₦'000	13-Mar ₦'000	14-Mar ₦'000	13-Mar ₦'000
Total non-current assets	852,682	703,735	372,093	308,603	581.00	395.00	148,637	46,673	1,089,928	852,402
Current assets	1,796,960	1,675,565	383,299 3	81,477	91,372	91,617	179,080	235,085	2,357,017	2,185,147
Total assets	2,649,642	2,379,300	755,392	690,080	91,953	92,012	327,717	281,758	3,446,945	3,037,549
Ordinary share capital	294,748	294,748	225,000	147,939	10,000	10,000	49,065	49,065	294,748	294,748
Share premium	296,433	296,433	-	-	-	-	-	-	296,433	296,433
Retained earnings	933,439	823,958	229,682	166,951	48,428	45,092	99,989	94,191	1,311,538	1,130,193
Non-current liabilities	43,619	41,547	152,748	175,902	98.00	20.00	36,063	10,258	232,529	227,727
Current liabilities	1,081,403	922,614	147,962	199,288	33,427	36,900	142,600	128,244	1,311,697	1,088,448
Total equity and liabilities	2,649,642	2,379,300	755,392	690,080	91,953	92,012	327,717	281,758	3,446,945	3,037,549

31. Financial risk management

Red Star Express Plc's principal financial assets comprise Trade and other receivables, cash and short term deposits that arise directly from its operations.

The Company's principal financial liabilities comprise of Trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations.

Red Star Express Plc's is exposed to credit risk, liquidity risk and market risk. The company's Board has overall responsibility to oversee the management of these risks. The company's board of director's is supported by a risk management and governance committee that is responsible for developing the Company's Corporate Governance policies and practices and to consider the nature, extent and category of risks facing the Company.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company competitiveness and flexibility.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

1. Credit risk

This is the risk of financial loss to the Company if a customer or counterparty to financial instrument fails to meet its Contractual obligations. The company is mainly exposed to credit risk from credit sales. It is Company policy, implemented locally, to assess the credit risk of new customers before entering contracts.

(a) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored by the credit committee comprising of sales, finance and internal audit.

At 31 March 2014, the Company had 210 customers (2013: 186 customers) that owed the Company more than N1,000,000 each and accounted for approximately 66% (2013: 64%) of all receivables owing.

There were 8 customers (2013: 10 customers) with balances greater than N10 million accounting for over 16% (2013: 19%) of the total amounts receivable.

The entity has adopted a policy of only dealing with credit worthy counter-parties and a credit committee is instituted which comprises of sale, finance and internal audit department to review the outstanding balances on customers' account. Insurance certificate is required before credit is granted to key distributors. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. On-going credit evaluation is performed on the financial conditions of account receivable and where appropriate, credit guarantee insurance cover is purchased.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-rating assigned by international credit-rating agencies.

(b) Cash and short term deposits

Credit risk from balances with banks and financial institutions is managed by the Red Star Express' treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party.

Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. Red Star Express' maximum exposure to credit risk for the components of the statement of financial position at 31 March 2014 and 2013 is the carrying amounts as illustrated in Note 14.

2. Liquidity risk

This is the risk arising from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company policy is to ensure that it will always have sufficient cash to allow it meet its liabilities when they become due. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity requirement.

The table below summarises the maturity profile of the Company's financial liabilities:

Year ended 31 March 2014	On Demand 3	Less than months	3 to 12 months	1 to 5 years	> 5 years	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Trade and other payables	-	-	537,668	347,095	-	884,763
	=====	======	======	======	=====	======

Year ended 31 March 2014	On Demand 3	Less than months	3 to 12 months	1 to 5 years	> 5 years	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Trade and other payables	-	-	456,677	235,501	-	692,178
	=====	======	======	======	=====	======

3. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The activities of the entity are exposed primary to the following market risks; interest rate risk, foreign currency risk and commodity price risk.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency). In preparing the financial statement of the entity, transactions in currencies other than the entity's functional currency [foreign currencies] are recognized at the rates of exchanges prevailing at the date of the transactions. The company is not managing its foreign currency risk by hedging because the entity's dealing in foreign currencies is minimal and will not have material effect on the financial statements of Red Star Express Plc.

32. Capital management

Management considers capital to consist only of equity as disclosed in the statement of financial position.

The primary objective of the Red Star Express Plc capital management is to ensure that it maintains a healthy capital ratio that support its business and maximise shareholder value. The company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2014 and 2013. In order to ensure an appropriate return for shareholder's capital invested in the company, management thoroughly evaluates all material projects and potential acquisitions before approval. The company is not subject to any capital restriction requirements.

33. Events after the reporting period

There are no material events which could have had a material effect on the state of affairs of the Company after the reporting period.

34. Reclassification

Certain prior year figures have been reclassified in conformity with current period presentation.

35. Commitments and contingencies

Capital commitments

At 31 March 2014, the Company did not have any capital commitments (2013: Nil).
The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the Company's states of affairs have been taken into account in the preparation of these consolidated financial statements under review.

Legal claim contingency

As at 31 March 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.

Guarantees

The Company accepted a performance bond of ₦50 million (2013: ₦50 million) in favour of Nigeria Customs Services.

STATEMENT OF VALUE ADDED

For the Year ended 31 March 2014

The Group

	2014 ₦'000	%	2013 ₦000	%
REVENUE	6,416,430		5,293,813	
COST OF GOODS AND OTHER SERVICES - LOCAL	(5,228,993)		(4,306,732)	
	1,187,437		978,081	
NON-TRADING ITEMS	38,581		58,356	
TOTAL VALUE ADDED	1,226,018		1,045,437	
APPLIED AS FOLLOWS:				
EMPLOYEES				
- as salaries and labour related expenses	410,736	34%	343,465	33%
TO GOVERNMENT:				
- as Company taxes	181,012	15%	153,218	15%
RETAINED FOR THE COMPANY'S FUTURE				
- for assets replacement (depreciation& amortization)	211,391	17%	157,011	15%
- deferred taxation	19,245	2%	87,218	8%
- for expansion (profit retained)	403,634	32%	304,525	29%
	1,226,018	100%	1,045,437	100%

The Company

	2014 ₦'000	%	2013 ₦000	%
REVENUE	3,922,697		3,488,531	
COST OF GOODS AND OTHER SERVICES - LOCAL	(3,258,088)		(2,879,300)	
	664,609		**609,231**	
NON-TRADING ITEMS	114,913		103,831	
TOTAL VALUE ADDED	779,522		713,062	
APPLIED AS FOLLOWS:				
EMPLOYEES				
- as salaries and labour related expenses	232,879	30%	222,238	31%
TO GOVERNMENT:				
- as Company taxes	108,182	14%	98,004	14%
RETAINED FOR THE COMPANY'S FUTURE				
- for assets replacement (depreciation& amortization)	114,044	15%	93,287	13%
- deferred taxation	(7,353)	(1%)	52,813	7%
- for expansion (profit retained)	331,770	42%	246,720	35%
	779,522	100%	713,062	100%

The Group

	IFRS		Local GAAP		
	2014	**2013**	**2012**	**2011**	**2010**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
STATEMENT OF COMPREHENSIVE INCOME					
Revenue	6,416,430	5,293,813	5,029,598	4,207,877	4,139,818
Profit before taxation	603,891	544,961	617,934	411,301	473,614
Profit after taxation	403,634	304,525	304,792	333,594	180,516
	======	======	======	= ======	======
Per 50kobo share date (kobo):					
Earning - Basic	0.68	0.52	0.52	0.57	0.31
	====	====	====	====	====

	IFRS		Local GAAP		
	2014	**2013**	**2012**	**2011**	**2010**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
STATEMENT OF FINANCIAL POSITION					
Assets and Liabilities					
Property, plant & equipment	1,064,599	826,603	674,198	731,086	735,324
Intangible assets	10,698	18,828	13,121	8,132	-
Long term prepayment	11,938	4,838	15,532	16,845	-
Long term investment	1,193	633	633	929	155,331
Deferred taxation	-	-	12,270	-	-
Employee benefit assets	-	-	56,940	63,231	-
Deposit for shares	1,500	1,500	1,500	1,500	-
Net current assets	1,045,320	1,096,699	934,981	793,940	846,094
Non-current liabilities	(232,529)	(227,727)	(37,263)	(55,428)	(453,063)
	---	---	---	---	---
	1,902,719	**1,721,374**	**1,671,912**	**1,560,235**	**1,283,686**
	========	========	========	========	========
Capital and Reserves					
Share capital	294,748	294,748	294,748	294,748	294,748
Share premium	296,433	296,433	296,433	296,433	296,433
Retained earnings	1,311,538	1,130,193	1,080,731	969,054	692,505
	---	---	---	---	---
	1,902,719	**1,721,374**	**1,671,912**	**1,560,235**	**1,283,686**
	========	========	========	========	========

The 2010 and 2011 of the five year financial summary was prepared based on the Nigerian Generally Accepted Accounting Principle (NGAAP) and has not been adjusted to comply with IFRS.

The Company

	IFRS		Local GAAP		
	2014	**2013**	**2012**	**2011**	**2010**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
STATEMENT OF COMPREHENSIVE INCOME					
Revenue	3,922,697	3,488,531	3,471,182	2,924,593	4,139,818
Profit before taxation	432,599	397,537	505,328	198,936	473,614
Profit after taxation	331,770	246,720	252,258	209,452	180,516
	=======	=======	=======	=======	=======
Per N 1 share date (kobo):					
Earning – Basic	0.56	0.42	0.43	0.36	0.31
	=======	=======	=======	=======	=======

	IFRS		Local GAAP		
	2014	**2013**	**2012**	**2011**	**2010**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
STATEMENT OF FINANCIAL POSITION					
Assets and Liabilities					
Property, plant & equipment	543,635	470,932	449,253	482,917	516,287
Intangible assets	10,351	18,828	13,121	8,132	-
Long term prepayment	11,938	4,838	15,532	16,845	-
Long term investment	285,258	207,637	207,637	207,933	214,430
Deferred taxation	-	-	12,270	-	-
Employee benefit assets	-	-	56,940	63,231	-
Deposit for shares	1,500	1,500	1,500	1,500	-
Net current assets	715,557	752,951	667,229	597,508	855,239
Non-current liabilities	(43,619)	(41,547)	-	(13,727)	(374,023)
	---	---	---	---	---
	1,524,620	**1,415,139**	**1,423,482**	**1,364,339**	**1,211,933**
	=======	=======	=======	=======	=======
Capital and Reserves					
Share capital	294,748	294,748	294,748	294,748	294,748
Share premium	296,433	296,433	296,433	296,433	296,433
Retained earnings	933,439	823,958	832,301	773,158	620,752
	---	---	---	---	---
	1,524,620	**1,415,139**	**1,423,482**	**1,364,339**	**1,211,933**
	=======	=======	=======	=======	=======

The 2010 and 2011 of the five year financial summary was prepared based on the Nigerian Generally Accepted Accounting Principle (NGAAP) and has not been adjusted to comply with IFRS.

MANAGEMENT TEAM

VICTOR UKWAT
DGM, Sales

SULE UMAR BICHI
Managing Director/CEO

ENOMA OJO
Head, Corporate Services

MOHAMMED ISAH PANTI
DGM, Operations & Services

MUYIWA OLUMEKUN
Executive Director

VINCENT IHEMENWA
DGM, Finance & Planning

SOLA OBABORI
Chief Operating Officer,
Red Star Logistics Ltd.

NASIR TURAJO
Chief Operating Officer,
Red Star Freight Ltd.

MUDIAGA OKUMAGBA
Chief Operating Officer,
Red Star Support Services Ltd.

FORM OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING OF RED STAR EXPRESS PLC. ON AUGUST 14, 2014 AT WELCOME CENTRE HOTEL, INTERNATIONAL AIRPORT ROAD, LAGOS.

I/WE .....being a member(s)

of RED STAR EXPRESS PLC. hereby appoint:**..... or failing him Mr. Sule Umar Bichi as my/our proxy to vote for me/us and on my/our behalf at the Annual General meeting of the Company to be held on Thursday 14th August 2014 and at any adjournment thereof.

Dated this.....day of .....2014.

Shareholders' signature..... Name of shareholder.....

Common seal should be affixed if executed by a corporation.

	RESOLUTIONS	FOR	AGAINST	ABSTAIN
1.	Approval of Accounts			
2.	Declaration of Dividend			
3.	Reelection of Directors; a. Sonny Allison b. Olayemi Peters			
4.	Election of Directors; a. Sulaiman Lawan Koguna b. Chris Ike Ogbechie			
5.	Reappoint and fix the remuneration of the Auditors.			

NOTE:

The above Proxy Form, when completed, must be deposited at the office of the Registrars, United securities Limited, 10, Amodu Ojikutu Street, Victoria Island, Lagos, not less than 48 hours before the times fixed for the meeting.

It is the requirement of the law under the Stamp Duties Act, Cap. A8, Laws of the Federation of Nigeria, 2004, that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear a stamp of N50.00 (Fifty Naira only).

If the Proxy Form is executed by a company, it should be sealed under its Common Seal or under the hand and seal of its attorney.

....

Signature of the person attending Date

united securities »»

MANDATE FOR E-DIVIDEND PAYMENT

Date (DD/MM/YYYY)

The Registrar
United Securities Limited
10, Amodu Ojikutu Street,
Victoria Island, Lagos

Dear Sir/Madam

Kindly find below my /our bank details for the purpose of electronic payments of dividends due to me / us. I / We confirm that all information supplied is to the best of my / our knowledge correct and hereby indemnify United Securities Limited against any loss that may arise from their adoption of the details as supplied hereunder.

Surname /Company Name:

Other Names (for individual Shareholder)

Kindly quote your shareholder account no in the box below

NAME OF COMPANY	SHAREHOLDING ACCOUNT NO
REDSTAR EXPRESS PLC	

Present Postal Address

City State

E-Mail Address 1:-

E-Mail Address 2:-

Mobile (GSM) Phone Number

Bank Name **(SECTION TO BE COMPLETED BY YOUR BANK)**

Bank Address

Bank Account Number

Bank Sort Code

I/We hereby request that from now, all dividend warrant (s) due to me / us from my / our holdings in all the companies indicated above be mandated to my / our Bank named above.

Shareholder`s signature or Thumbprint

Shareholder`s signature or Thumbprint

Company Seal/ Incorporation number (Corporate Shareholder)

AUTHORISED SIGNATURE & STAMP OF BANKERS

PLEASE NOTE THAT THE SECTION FOR YOUR BANK ACCOUNT DETAILS HAS TO BE COMPLETED BY YOUR BANK

Kindly return the duly completed form to the Registrar, United Securities Limited at the address stated below

United Securities Limited. RC 126257
10, Amodu Ojikutu Street, Off Saka Tinubu Street, Victoria Island, P.M.B 12753 Lagos, Nigeria. Tel: +234 (1) 271-4566, 271-4567
Website: www.unitedsecuritieslimited.com; Email: info@unitedsecuritieslimited.com

united securities »»

SHAREHOLDER'S DATA UPDATE

Date (DD/MM/YYYY)

The Registrar
United Securities Limited
10, Amodu Ojikutu Street,
Victoria Island, Lagos.

Dear Sir/Madam

Kindly find below updated information which I/We request that you adopt in respect of my/our shareholding in the companies ticked in the boxes hereunder:

1) PERSONAL INFORMATION

Surname/Compay Name:

Other Names (for individual Shareholder)

Present Postal Address

2) E-BONUS INFORMATION

I/We hereby request that from now on, all my/our bonus shares due to me/us from our holdings in all companies. Indicated below to transferred to CSCS electronically.

CLEARING HOUSE NUMBER: C

NAME OF STOCKBROKER

ACCOUNT NUMBER:

3) E-CONTACT DETAILS:

Email Address:-

Mobile (GSM) Phone Number

4) E-DIVIDEND PAYMENT INFORMATION:

I/We hereby request that from now, all dividends due to me/us from my/our holdings in all the companies indicated above be mandated to me/our Banks details below

Bank Name (SECTION TO BE COMPLETED BY YOUR BANK)

Branch Address

Bank Account Number

Bank Sort Code

PLEASE NOTE THAT THE SECTION FOR YOUR BANK ACCOUNT DETAILS HAS TO BE COMPLETED BY YOUR BANK

I/We confirm that all information supplied is to the best of my/our knowledge correct and hereby indemnify United Securities Limited against any loss that may arise from their adoption of the details has supplied.

Shareholder's Signature or Thumbprint

Shareholder's Signature or Thumbprint

Company Seal/Incoporation Number (Corporate Shareholder)

AUTHORISED SIGNATURE & STAMP OF BANKERS

5) Note: Shareholder with outstanding dividend warrants or share certificate can either call 01-2714566-7 or send an e-mail to customercare@unitedsecuritieslimited.com or visit United Securities Limited, for their outstanding dividend.

6) Kindly return the duly completed form to the registrar

United Securities Limited. RC 126257
Marina House, 10, Amodu Ojikutu Street, off Bishop Oluwole Street, Victoria Island, P,M.B. 12753, Lagos, Nigeria.
Website: www.unitedsecuritieslimited.com; E-mail: info@unitedsecuritieslimited.com or The completed update form can also be submitted through any Access Bank Plc branch nearest to you.

"I Care Project" presentation, to the less privileged.

Excited Scholars from Oshodi Local Government School.

Red Star Team and Scholars

Presentation to Red Star Scholars,
L-R: Victor Ukwat, Amaka Okeke, Scholar, Sola Obabori and Vincent Ihemenwa.

"I Care Project" presentation, Ibadan.

Certification No. 000076

STANDARDS ORGANISATION OF NIGERIA

DECREE NO. 56 OF 1971

Certificate

CERTIFICATION MARK

This is to certify conformity of the

Quality Management System

With NIS ISO 9001 : 2008

For **RED STAR EXPRESS PLC**

(PICK-UP AND DELIVERY OF PARCELS AND DOCUMENTS)

Validity for a period of **3 years** From date of issue.

17 January 2013

Date of issue

CHAIRMAN, GOVERNING COUNCIL
STANDARDS ORGANISATION OF NIGERIA

www.fedex.com
www.redstarplc.com