Red Star Express

ANNUAL REPORT AND ACCOUNTS

2018

REPORT OF THE DIRECTORS, CONSOLIDATED AUDITED FINANCIAL STATEMENTS AND SUPPLEMENTARY FINANCIAL INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

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Corporate Profile

Red Star Express remains the flagship, continuing the pick-up and delivery of express documents and parcels, domestic and international, and its relationship with FedEx as its sole licensee in Nigeria.

PRINCIPAL OFFICER
PETER OLUSOLA OBABORI
Group Managing Director/Chief Executive Officer

OWNERSHIP STRUCTURE
Wholly Nigerian

INTERNATIONAL PARTNER
Federal Express Corporation (FedEx), USA

FOUNDED BY:
Messrs SONY ALLISON, PATRICK NWOSU and EDDY OLAFESO

BEGAN OPERATION: October 1992

GOING PUBLIC: July 2007

LISTING: November 2007

NATIONWIDE NETWORK

- 166 offices within Nigeria
- Deliveries to over 1,500 communities
- Employs over 1,500 highly trained professional staff with over 700 vehicle fleet.

VISION:
To be an investor in the logistics services industry, helping the companies in which we invest, create sustainable value and achieve superior returns.

MISSION STATEMENT:
We will provide superior returns to stakeholders through investment in companies that provide logistics related services.

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

CORE VALUES

ETHICAL PRACTICE:
Our company shall play by the rules, doing our business in line with international and local laws. We will be professional in the discharge of our duties to all stakeholders and we will demand same from all.

STEWARDSHIP:
Our bond with our clients and customers will remain absolute with adequate management of all effects enthrusted to us.

ENTREPRENEURSHIP:
Red Star will continue to identify new opportunities and discover new ways to achieve effective services through its people, its processes and technology.

EXCELLENCE:
Red Star will promote excellence through optimal productivity of its staff at all times and ensure that performance and the achievement of goals will direct its reward system.

Red Star Subsidiaries

Red Star Express seeks to further meet its clients demands and ever changing needs by setting up subsidiaries to handle the peculiarity of each client

This subsidiary is responsible for air and sea freighting of private and commercial heavyweights, clearing and forwarding as well as packaging and removal services. Other areas include inbound and outbound freight, ware-housing and handling of dangerous goods. This is executed through the sea, air and land transportation. The delivery processes are door-to-door, door-to-airport, airport- to-airport and airport-to-door.

Red Star Freight Ltd

This is the Ground Trucking and Haulage services arm of Red Star Express Plc. With a fleet of heavy-duty trucks delivering shipments across Nigeria. This subsidiary also offers Warehousing services thereby offering manufacturers better logistics integration and speed to market. Other services include deferred ground delivery, office or home relocations and Cold Chain Pharmaceutical Distribution etc.

Red Star Logistics

This is the outsourcing arm providing human capital and assets to organisations cutting across several sectors. The premier product of Red Star Support Services is mail room management, which is the provision of dedicated men and material resources to the running of the day-to-day operations of the banks, oil and gas, manufacturing and other desiring institutions. Other service areas include Driver Services, Food Delivery and Vehicle Pool ManagementServices.

Red Star Support Services

Corporate Information

CORPORATE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2018

BOARD OF DIRECTORS:

Dr. Mohammed.H. Koguna
Chairman

Peter Olusola Obabori
Managing Director/Chief Executive

Victor Enobong Ukwat
Executive Director, Sales and Marketing

Auwalu Badamasi Babura
Executive Director, Finance and Admin.

Isaac Orolugbagbe
Non-Executive Director

Sule Umar Bichi
Non-Executive Director

Aminu Dangana
Non-Executive Director

Sulaiman L. Koguna
Non-Executive Director

Chris Ogbechie
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

COMPANY SECRETARY
Frances Ndidi Akpomuka

AUDITORS
Ernst & Young
10th & 13th Floor,
UBA House Marina, Lagos.

REGISTRARS
United Securities Limited
Plot 09, Amodu Ojikutu Street
Victoria Island
Lagos.

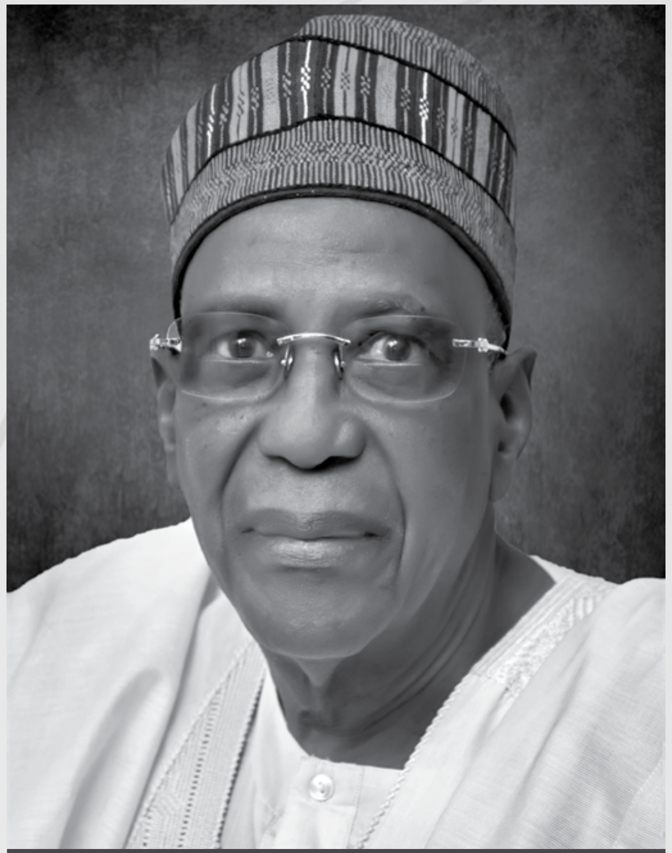
SOLICITORS
Uwensuyi Edosomwan & Co.
195A, Corporation Drive
Dolphin Estate
Ikoyi, Lagos.

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 Ltd
- Fidelity Bank Plc
- United Bank for Africa Plc
- Ecobank Plc
- Sterling Bank Plc

Red Star Express

Board of Directors

WHO HELD OFFICE DURING THE FINANCIAL YEAR



DR. MOHAMMED H. KOGUNA
(CHAIRMAN)

PETER OLUSOLA OBABORI
GROUP MANAGING DIRECTOR/CEO

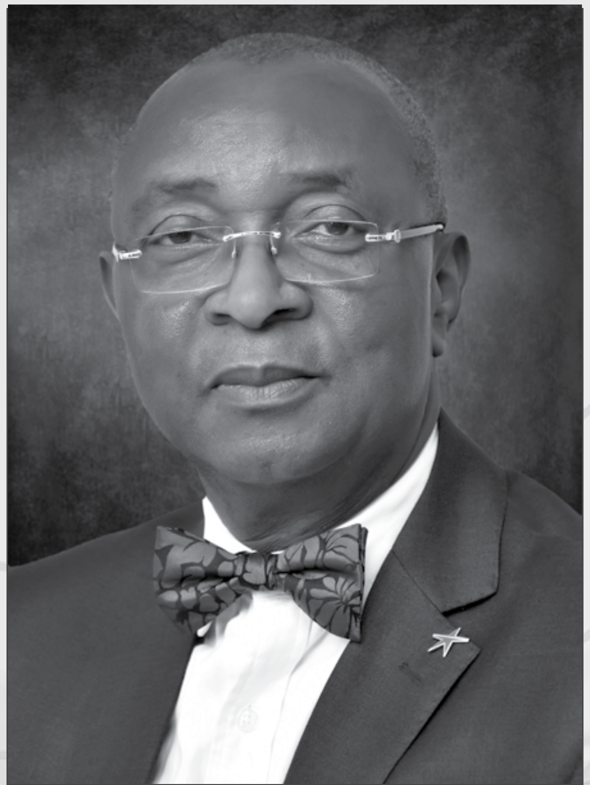
AUWALU BADAMASI BABURA
EXECUTIVE DIRECTOR
FINANCE AND ADMINISTRATION

VICTOR ENOBONG UKWAT
EXECUTIVE DIRECTOR
SALES AND MARKETING

Board of Directors
Continued

ISAAC OROLUGBAGBE
NON-EXECUTIVE DIRECTOR

SULE UMAR BICHI
NON EXECUTIVE DIRECTOR



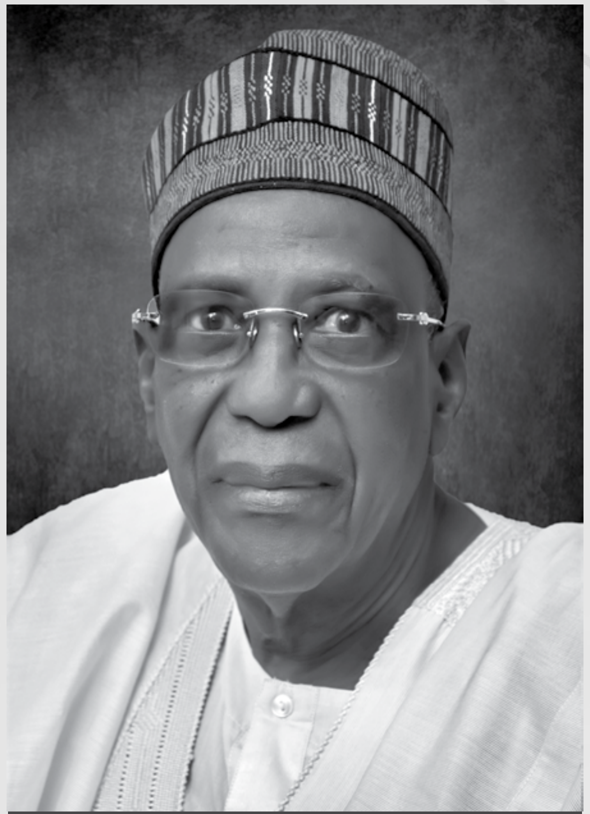
PROF. CHRIS IKE OGBECHIE
NON-EXECUTIVE DIRECTOR

Board of Directors
Continued

ALHAJI AMINU DANGANA
NON-EXECUTIVE DIRECTOR

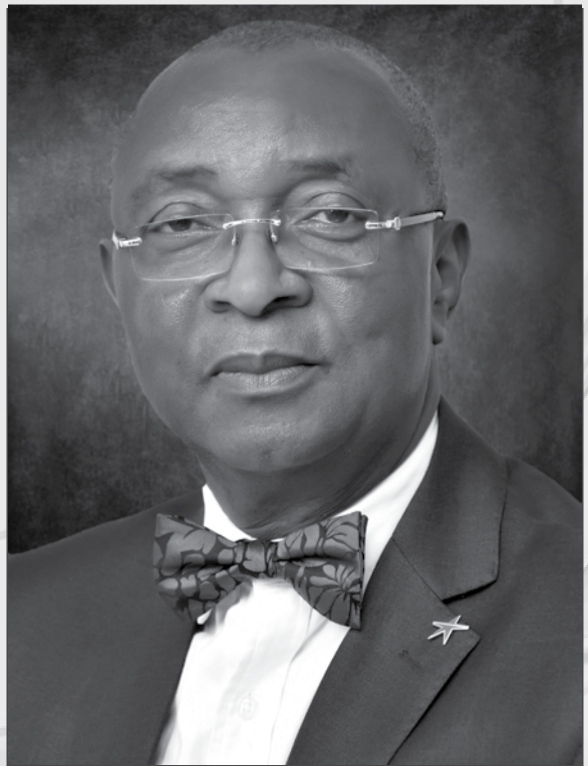
SULAIMAN LAWAN KOGUNA
NON-EXECUTIVE DIRECTOR

Retiring



DR. MOHAMMED H. KOGUNA
WITH EFFECT FROM OCTOBER 31ST, 2018

ISAAC OROLUGBAGBE
WITH EFFECT FROM JUNE 28TH, 2018



PROF. CHRIS IKE OGBECHIE
WITH EFFECT FROM SEPT. 1ST, 2018

Profile of Director for Re-Election

ALHAJI AMINU DANGANA

Non-Executive Director

Aminu Dangana is a professional management consultant and financial adviser.

A graduate of Business Administration from Ahmadu Bello University Zaria; a holder of Master of Business Administration (MBA) from Bayero University, Kano; an Associate Member of Chartered Institute of Stock Brokers; Member, Nigeria Institute of Management; Member, Nigerian Economic Society; Member, Institute of Investment Management & Research; Member Commodity Brokers Association of Nigeria, among others and has served in various capacities within the private and public sectors.

Directors for Election

MR. SULEIMAN BARAU (OON)

Mr. Suleiman Barau (OON, FCIB, FNIM) was a distinguished public servant, and a merchant, commercial and central banker. His over 18 years sojourn as a public servant was initially as a Principal Economist with the Nigerian Mining Corporation and subsequently with the Central Bank of Nigeria, as a Special Adviser to the Governor during which time he briefly acted as Managing Director of the Nigerian Security Printing and Minting Plc, and then as a two term Deputy Governor before he retired in December 2017. Before working at the CBN, he had over 17 years banking experience cutting across four banks namely Continental (formerly Chase) Merchant Bank, Bank of the North, UBA and FSB International Bank.

He was educated at Ahmadu Bello University, Zaria, University of Jos and University of Bradford where he acquired Bsc, MSc, post experience and graduate certificates in Economics, Investment Analysis and Management Research. He attended over 3 dozen courses in major institutions such as Euromoney, Insead, IMD, Wharton, Harvard, Kellogg and Stanford Universities. He is an Alumnus of Harvard Kennedy and IMD Business Schools. He loves soccer, Car Racing, Railways and Geography.

MRS. CHIOMA SIDESO

Mrs. Chioma Sideso a proven visionary and strategic business leader. She holds an LL.B from the University of Kent, Canterbury, MBA in Business Administration, and has attended various local and international trainings. She commenced her professional career with Marks and Spencer Plc UK between Jan 1999 – Jan 2001, and worked briefly with Jardine Lloyd Thompson Group UK Jan 2001 to April 2002, before moving to Barclay's Bank UK April 2002 to November 2003.

She assumed the position of President ADIC Insurance Limited in November 2006 and was subsequently appointed the Managing Director of NSIA Insurance Limited in 2014.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Fifth Annual General Meeting of Red Star Express Plc will hold at the Shell Hall, Muson Center 8/9 Marina Road, Onikan, Lagos on Thursday, August 30th 2018 at 11.00am, to transact the following business:

ORDINARY BUSINESS

1. To present and consider the Audited Financial Statements for the year ended March 31, 2018, the Report of the Directors, Auditors and Statutory Audit Committee thereon.

2. To declare a Dividend.

3. To approve the appointment of:
   a. Mr. Suleiman Barau (Non Executive Director)
   b. Mrs. Chioma Sideso (Non Executive Director)

4. To re-elect a Director retiring by rotation
   a. Alhaji Aminu Dangana as Non-Executive Director

5. To authorize the Directors to fix the remuneration of the Auditors;

6. To elect members of the Audit committee.

SPECIAL BUSINESS

7. To consider and if thought fit, pass the following Ordinary Resolution:

   "That the Directors' fees for the Financial Year ending March 31, 2019 be paid."

BY ORDER OF THE BOARD

FRANCES NDIDI AKPOMUKA
Company Secretary
FRC/2013/ICSAN/00000002640
July 30, 2018
Lagos, Nigeria

NOTES

1. **PROXY**
   A member, entitled to attend and vote at the Annual General 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. For the appointment to be valid, a completed and duly stamped Proxy Form must be deposited at the office of the Registrars, United Securities Limited, Plot 009 Amodu Ojikutu Street, Victoria Island, Lagos, not less than 48 hours before the time fixed for the meeting. A blank Proxy Form is attached to the Annual Report.

2. **Dividend**
   If approved dividend will be payable via e-mandate on 6th September 2018, at the rate of 40 Kobo per every 50 Kobo ordinary share, to shareholders whose names appear in the Register of members at the close of business on 7th August, 2018. Shareholders yet to complete the e-mandate form are advised to do so and forward to the Registrars. Detachable forms are attached to the annual report for convenience. The form is also available on the Registrar's website www.unitedsecuritieslimited.com.

3. **Closure of Register**
   The Register of members will be closed from 8th to 10th August 2018, both dates inclusive to enable the Registrar prepare for payment of dividend.

4. **Statutory Audit Committee**
   In accordance with Section 359(5) of the Companies and Allied Matters Act 2004, any shareholder may nominate a shareholder for appointment to the Statutory Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least 21 days before the Annual General Meeting.

5. **Election/Re-election of Directors**
   The profile of Directors for election/re-election are included in the Annual Reports and the Company's website at www.redstarplc.com.

6. **Shareholder's Rights**

   Shareholders reserve the right to ask questions at the Annual General Meeting. Shareholders may also submit their questions prior to the meeting. Such questions are to be addressed to the Company Secretary and reach the Company at its Head Office or by electronic mail at investorrelations@redstarplc.com not later than 72 hours to the date of the meeting.

Chairman's Statement

Distinguished Shareholders, Fellow Board Members, representatives of Regulatory Bodies present, esteemed ladies and gentlemen.

I am delighted to welcome you to the 25th Annual General Meeting of our Company, RedStar Express Plc., to present the reports and Financial Statements of the year ended March 31, 2018 and a review of the Company's performance during the financial year.

OPERATING ENVIRONMENT:
By the end of 2016, the economic outlook for the Nigerian economy was gloomy given the precarious position of the macro-economy as well as the prevalent recession. The situation then which became more pronounced in the first quarter of 2017, was worsened by the low crude oil prices, which continued on the downslide.

Also, inflation rate had risen significantly while persistent depletion of the country's external reserves seemed irreversible. The stock market was not left out as there were plummeting stock market indicators. Foreign exchange crisis was also pronounced as the naira was under intense pressure which saw to its decline to an all-time low.

But the story of Nigeria's economy changed completely in the second quarter of 2017 as major economic indicators started looking positive showing the capability of the economy to turn the corner.

The second quarter also saw the country exiting a biting economic recession as well as the introduction of an Investors' and Exporters' (I & E) foreign exchange window which made it easy for investors.

By the 3rd quarter of 2017, the nation's GDP figures grew by 1.4 per cent (year-on-year) in real terms, the second consecutive growth since the emergence of the economy from recession in the Q2 2017. The growth recorded in the third quarter of 2017, was 3.74 per cent points higher than the rate recorded in the corresponding quarter of 2016 (-2.34%) and higher by 0.68 per cent points from the rate recorded in the preceding quarter, which was revised to 0.72 per cent from 0.55 per cent.

Nigeria's external reserves has also witnessed a steady rise. The reserves at the beginning of 2018

stood at $39.3 billion, then rose to $42.8 billion in February before hitting the new high of $47 billion as at July 2018 according to the Central Bank of Nigeria. The CBN attributed the continued accretion of the country's reserves to the Bank's effort at vigorously discouraging unnecessary importation and reducing the nation's import bill and inflow from oil and non-oil exports. Despite all the challenges locally and on the global scene, I can safely say that we concluded the last Financial Year successfully as we reported brilliant numbers almost across all our performance indices.

FINANCIAL PERFORMANCE REVIEW:
Our Company posted a turnover of N8.4billion in the year under review which is 15 percent higher than the preceding year. The addition of a fresh N1billion revenue was made possible by several growth platforms being championed by the management of this company.

DIVIDEND
We have also maintained our commitment to the creation of wealth for shareholders in appreciation of their support at all times. Despite the fact that we have continued to strengthen the company with further revenue commitment to new business lines, the Directors are pleased to recommend to the shareholders the payment of N236million, @ 40kobo gross per share.

Payment of dividend is subject to withholding tax at 10% (2017: N236 million).

THE COMPANY
The Year 17/18 saw the epoch-making 25th Anniversary Celebration of our company, the birthing of an office in Niger Republic and introduction of new business lines, Red Star Agro Trade Services, RSE Prints and Packaging and RS Allied Solution as well as winning of several key accounts across our subsidiaries which had broadened our capacity to respond to untapped areas in the marketplace in Nigeria and Niger Republic.

I seize this opportunity to formally notify our esteemed shareholders of my retirement from the Board of Directors and as Chairman of the Company, effective October 31, 2018. It has been a long and exciting journey steering the affairs of the Company from inception in 1992. I wish to express my profound appreciation to all the Directors, past and present, staff, shareholders, customers and indeed all stakeholders for their support and patronage over the years.

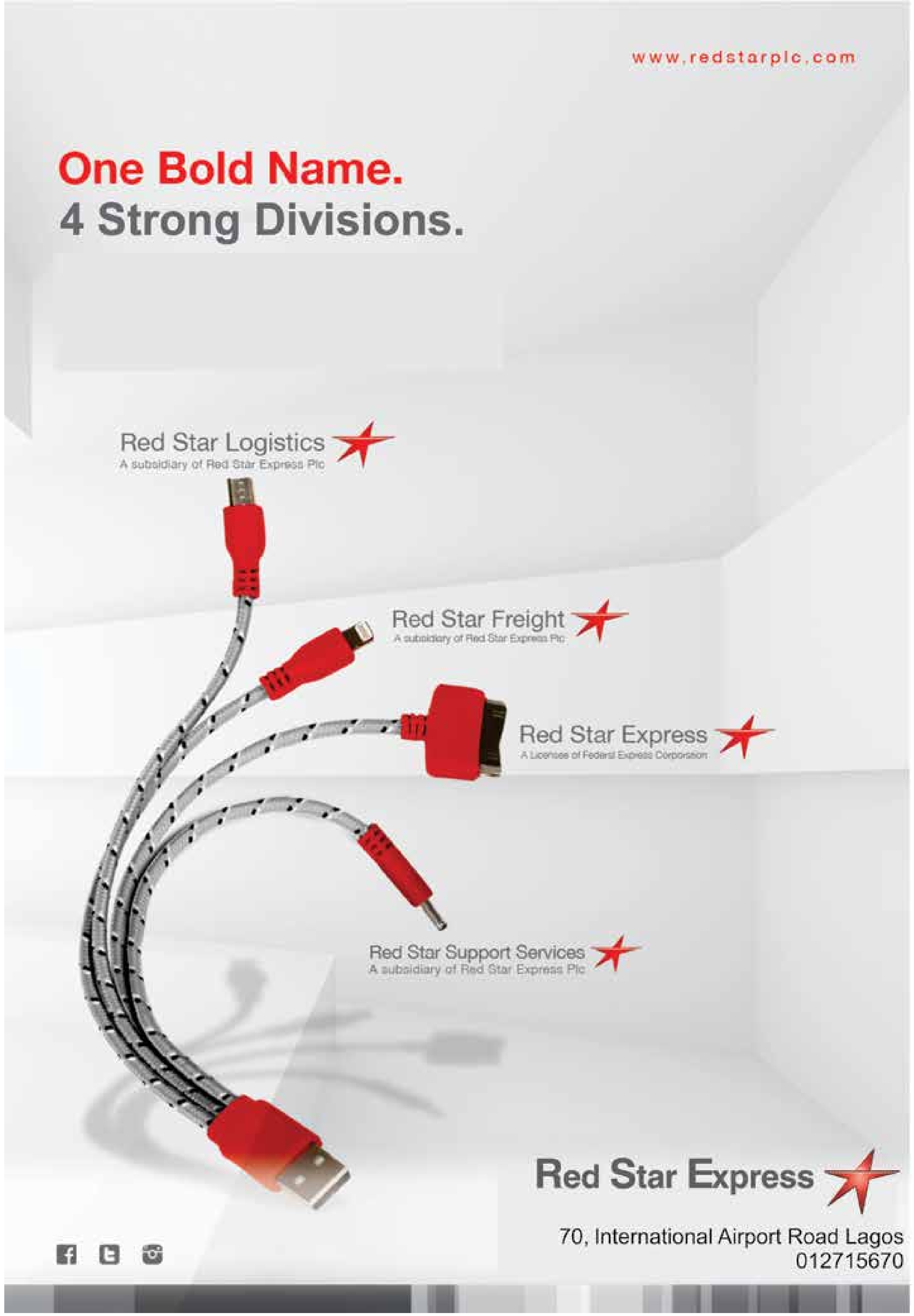
Also, my sincere thanks to Mr. Isaac Orolugbagbe who retired in June 2018 and Prof. Chris Ogbechie who retires in September 2018. Join me to wish them well as they move on to greater endeavours.

To ensure the strategic vision and business continuity is maintained, the Board on 26th June 2018 appointed Mr. Suleiman Barau and Mrs. Chioma Sideso as Non-Executive Directors. These are professionals who have distinguished themselves in their professional and private endeavours and bring their wealth of knowledge and experience to join hands in taking the Company to the next level. Their profiles are contained in this Accounts and may also be viewed on the Company's website. On behalf of the Board, I wholeheartedly recommend them and Alh. Aminu Dangana to you for election and re-election respectively.

FUTURE OUTLOOK
The Board and Management have a strong commitment to explore new opportunities for revenue expansion, invest in the right resources and provide the supporting work environment to the entire staff to express inherent potentials.

Finally, I pray that peace will reign in our country and that God will grant us safety in all our travels as we individually and collectively focus on the right actions that will take our great Nation, and Company, to the next and higher levels of success.

Thank you and best regards.



Report of The Directors

FOR THE YEAR ENDED 31 MARCH 2018

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 2018.

LEGAL STATUS

Red Star Express Plc 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, outsourcing, 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	
	2018	2017	2018	2017
	N '000	N '000	N '000	N '000
Revenue	8,407,507	7,298,642	4,406,118	4,049,921
Profit before taxation	610,589	653,200	486,487	408,342
Taxation	(263,031)	(226,444)	(151,715)	(93,665)
Profit after taxation	**347,558**	**426,756**	**334,772**	**314,677**

DIVIDEND

The Directors are pleased to recommend to the shareholders the payment of N236million at 40kobo gross per share which is subject to approval by shareholders at the Annual General Meeting. Payment of dividend is subject to withholding tax at 10% (2017: N236 million).

DIRECTORS

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

1. Dr. Mohammed Hassan Koguna	Chairman
2. Peter Olusola Obabori	Group Managing Director/Chief Executive
3. Victor Enobong Ukwat	Executive Director
4. Auwalu Badamasi Babura	Executive Director
5. Isaac Orolugbagbe	Non-Executive Director
6. Sule Umar Bichi	Non-Executive Director
7. Aminu Dangana	Non-Executive Director
8. Sulaiman Lawan Koguna	Non-Executive Director
9. Chris Ike Ogbechie	Non-Executive Director

In accordance with the provisions of section 256 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, special notice is hereby given that the Chairman Dr. Mohammed Koguna, is above 70 years of age.

The Chairman has however given notice of his retirement effect October 31, 2018. Furthermore two Non Executive Directore have given notice of their retirement from the Board.
1. Mr Isaac Orolugbagbe - June 28, 2018.
2. Prof. Chris Ogbechie - September 1, 2018.

The Boards at its meeting of June 26, 2018 appointed two Non Executive Directors, Mr. Suleiman Barau and Mrs. Chioma Sideso. Their profiles are contained in the Accounts as well as on the Company's website.

In accordance with the Company's Articles of Association, Mr Suleiman Barau and Mrs. Chioma Sideso being Directors appointed since the last Annual General Meeting will be retiring along with Alhaji Aminu Dangana who retires as Director by rotation and being eligible, offer themselve for election/re-election.

RECORDS OF DIRECTORS' ATTENDANCE AT BOARD MEETINGS

In accordance with the provisions of Section 258 (2) of the Companies and Allied Matters Act, CAP C20 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:

Red Star Express
Report of The Directors
Continued

Directors	Board	Strategy & Business Development	Governance, Nomination & Remuneration	Risk Management
Frequency of meetings	24/4/17; 22/6/17 26/10/17; 1/3/18	21/4/17; 22/6/17 26/10/17; 24/1/18	21/6/17; 26/10/17 29/10/17; 22/2/18	24/4/17; 19/2/18
Dr. M.H. Koguna	3	N/A	N/A	N/A
Sola Obabori	4	4	N/A	2
Victor Ukwat	4	4	N/A	2
Auwalu Babura	4	4	N/A	2
Isaac Orolugbagbe	4	4	4	N/A
Aminu Dangana	4	N/A	4	2
Sulaiman Koguna	4	4	N/A	2
Chris Ogbechie	4	4	4	N/A
Sule Umar Bichi	4	N/A	4	1

AUDIT COMMITTEE

Name	21/4/17	19/6/17	24/7/17	19/10/17	25/1/18	26/3/18
Isaac Orolugbagbe	✔	✔	✔	✔	✔	✔
Sulaiman Koguna	✔	✔	✔	-	✔	✔
Moses Ayodele Ogundeji**	-	-	-	✔	✔	✔
Chief Cyril Ugwummadu	✔	✔	✔	✔	✔	✔
Kolawole Ganiyu Amoo	✔	✔	✔	✔	✔	✔
Auwalu Babura	✔	✔	✔	✔	✔	✔
Sule Umar Bichi **	-	-	-	ABSENT	✔	✔

** Appointed with effect from 31st August 2017.

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 C20, Laws of the Federation of Nigeria 2004 and the listing requirements of the Nigerian Stock Exchange are as follows:

S/ NO	NAME	NUMBER OF SHARES HELD AS AT 31 MARCH 2018	NUMBER OF SHARES HELD AS AT 31 MARCH 2017
1.	Alhaji Mohammed H. Koguna	109,419,912– direct 84,966,028– indirect Representing Koguna Babura Insurance Brokers Ltd	109,419,912– direct 84,756,059– indirect Representing Koguna Babura Insurance Brokers Limited
2.	Sola Obabori	356,896	356,896
3.	Victor Ukwat	54,377	54,377
4.	Auwalu Babura	112,178	112,178
5.	Sule Umar Bichi	5,416,680	5,416,680
6.	Isaac Orolugbagbe	12,552,959	12,552,959
7.	Aminu Dangana	110,000	20,000
8.	Sulaiman Lawan Koguna	4,020,430	2,382,272
9.	Chris Ogbechie	4,200,000	4,166,000

SHARE CAPITAL HISTORY

The company's initial authorized share capital was N7million comprising 7 million ordinary shares of N1.00 each. The shares were subdivided into ordinary shares of 50 kobo each in 2006. The company's authorized share capital is currently N500 million, comprising 1 billion ordinary shares of 50 Kobo each with an issued share capital of N294,748,155 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 N'000		Issued & Fully paid up N'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	-	-	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, the spread of Shareholdings in the Company was as follows:

As at 31 March 2018

	Share Range	Number Of Shareholders	% of Shareholder	Number Of Holdings	% Shareholding
1	-1,000	1,047	24.05	477,441	0.08
1,001	-5,000	1,062	24.40	3,440,684	0.58
5,001	-10,000	646	14.84	5,430,140	0.92
10,001	-50,000	1,146	26.33	29,736,229	5.04
50,001	-100,000	215	4.94	16,306,681	2.77
100,001	-500,000	174	4.00	38,652,506	6.56
500,001	-1,000,000	24	0.55	18,485,199	3.14
1,000,001	-5,000,000	26	0.60	59,548,085	10.10
5,000,001	-10,000,000	4	0.09	29,937,925	5.08
10,000,001	-100,000,000	9	0.21	387,481,870	65.73
TOTAL		4,353	100	589,496,760	100

31 March 2018

Share Range		Number Of Shareholders	% of Shareholders	Number Of Holdings	% Shareholding
1	-1,000	921	21.64	456,668	0.08
1,001	-5,000	1,031	24.22	3,352,924	0.57
5,001	-10,000	655	15.39	5,492,688	0.93
10,001	-50,000	1,176	27.63	30,537,594	5.18
50,001	-100,000	224	5.26	16,957,422	2.88
100,001	-500,000	186	4.37	39,469,629	6.70
500,001	-1,000,000	25	0.59	20,110,488	3.41
1,000,001	-5,000,000	24	0.56	54,836,437	9.30
5,000,001	-10,000,000	5	0.12	36,434,994	6.18
10,000,001	-100,000,000	8	0.19	272,438,004	46.22
100,000,001	-1,000,000,000	1	0.02	109,409,912	18.56
TOTAL		**4,256**	**100**	**589,496,760**	**100.00**

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

NAME	2018	%	2017	%
STANBIC NOMINEES LTD	151,257,636	25.7	151,020,853	25.6
KOGUNA MOHAMMED, HASSAN	109,419,912	18.6	109,409,912	18.6
KOGUNA BABURA INSURANCE BROKERS LIMITED	84,966,028	14.4	84,756,059	14.7

E-DIVIDEND
Following the resolution reached at the Capital Market Committee Meeting held on August 9, 2017, the Securities and Exchange Commission has directed all Capital Market Registrars to discontinue the issuance of dividend warrants to investors after July 31, 2018.

In view of the directive, shareholders are advised to complete the e-dividend mandate forms with the Registrar or their bankers as dividend not claimed after July 31, 2018 will only be paid electronically to shareholders' bank account.

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 the 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 Europe Inc. and Co. (FedEx) 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.

On 21st September 2017, the Company signed a contract agreement with TNT Management (Bahrain) E.C. TNT was acquired by Federal Express Europe Inc. and Co. (FedEx) on May 25, 2017, and operates as a business entity under direct control of FedEx.

Under the Agreement, the Company will provide certain services to TNT, mainly the delivery of TNT's international express consignment destined for Nigeria.

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 their 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
- Economic & Financial Crimes Commission Act
- Independent and Corrupt Practices Act
- Foreign & Corrupt Practices Act
- International Corporate Governance Best Practices
- Red Star Express Plc Code of Business Conduct

DONATIONS/CHARITABLE GIFTS
The Company made donations amounting to N563,000 during the year ended 31 March 2018 (2017: N800,000).

Beneficiaries	**2018 (N)**	**2017 (N)**
Institute of Directors of Nigeria	-	500,000
University of Lagos Records Office	-	50,000
Emerald High School	-	100,000
Adeola Ajayi Residents Association	-	150,000
General Resource Group (CSR) - Let's Talk Depression	100,000	-
Federal Road Safety Corps	100,000	-
US Consulate General - USA Embassy	363,000	-
TOTAL	**563,000**	**800,000**

TAXATION

Adequate provision has been made for all forms of taxes relevant to the activities carried out by the Group 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

Red Star Express maintains equal employment opportunity for all persons. Therefore, 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 2018, no disabled person was employed by the Group.

EMPLOYEE INVOLVEMENT AND TRAINING

In line with Red Star Express Plc commitment 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

Employees of Red Star Express are its most priced assets, therefore ensuring their safety and wellbeing of paramount importance. The Group continues to sensitize staff and provide state of the art equipment for the safety of employees, both in the office and on the roads. We ensure our trucks, vans and motorcycles are well maintained at all times.

Employees and members of their immediate families have access to free health care, under the Health Management Organization (HMO) Scheme.

The group 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 Group maintains a group personal accident and NSITF insurance, contributory pension scheme, all for the benefit and comfort of employees.

EVENTS AFTER THE REPORTING DATE

There have been no material events after reporting date, which could have had a material effect on the financial statements of the Group as at 31 March 2018 and the profit for the year ended on that date which have not been adequately provided for or recognized.

AUDITORS

The auditors, Messrs. Ernst & Young, have indicated their willingness to continue in office in accordance with section 357(2) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004. A resolution approving this will be passed at the Annual General Meeting.

BY ORDER OF THE BOARD

FAkpomuka

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

Date: June 28, 2018

Corporate Governance

FOR THE YEAR ENDED 31 MARCH 2018

1. INTRODUCTION

Red Star Express Plc is committed to high standards of Corporate Governance and best practice both within the Company and its subsidiaries.

2. THE DIRECTORS AND OTHER KEY PERSONNEL

During the year under review, the Directors and other key personnel complied with the Securities and Exchange Commission (SEC) Code of Corporate Governance in addition with other disclosure requirements of the Nigerian Stock Exchange and the Company's Code of Business Conduct.

3. SHAREHOLDING

The company maintains a diverse shareholding structure.

4. BOARD GOVERNANCE STRUCTURE

a. Board of Directors

The Board has as its main responsibility, setting the strategic direction for the Company as well as maintain oversight function on other activities of Management.

The Board is made up of nine (9) Directors, possessing relevant knowledge and skills in the fields of Accounting, Insurance, Strategy and Corporate Governance, Sales and Marketing amongst others. The Board meets at least once a quarter.

The Board is made up of a Non-Executive Chairman, five (5) Non-Executive Directors and three (3) Executive Directors. The position of the Chairman and Managing Director are separate. The responsibilities of the board are as contained in the Board Charter.

b. Responsibilities of the Board

The responsibilities of the Board include the following amongst others:

a. The Board is responsible for supervision and oversight of the general business of the Company especially as regards strategy and risk.
b. Review and approve financial statements and strategic plans for implementation by Management.
c. Act at all times in the best interest of the Company, taking into consideration various stakeholders.
d. Supervise the Company's internal risk management, audit and control systems as well as supervise the Company's financial report.
e. Provide policy direction on the Company's strategy and business risk, internal risk management and control system amongst others.
f. Recommend to the General Meeting, firms for appointment or replacement as external auditors. The Audit Committees shall advise the Board on such matters.
g. Be responsible for IT governance of the entire company.
h. Set the tone for and supervise Corporate Governance Structure of the Group.

c. Membership of Board:

I. Dr. Mohammed Koguna
Chairman
II. Mr. Sola Obabori
Group Managing Director/CE
III. Mr. Victor Ukwat
Executive Director
IV. Mr. Auwalu Babura
Executive Director
V. Mr. Isaac Orolugbagbe
Non Executive Director
VI. Alh. Aminu Dangana
Non Executive Director
VII. Prof. Chris Ogbechie
Non Executive Director
VIII. Mr. Sule Umar Bichi
Non Executive Director
IX. Mr. Suleiman Koguna
Non Executive Director

5. BOARD COMMITTEES

The Board carries out its oversight functions using its Committees. This makes for efficiency and effectiveness, thereby giving the Board sufficient time to more specific matters. Membership of Committees takes into consideration, knowledge, skills and experience of Directors. The Committees are governed by Charters and well defined Terms of Reference to avoid overlap or duplication of functions.

The Board has three (3) committees -Strategy & Business Development Committee, Risk Management Committee, Governance, Nomination and Remuneration Committee and the Statutory Audit Committee.

Below are the compositions of the Committees during the period under review:

a. Strategy & Business Development Committee

The Committee is made up of six (6) members: three Non-Executive Directors and three Executive Directors

Prof. Chris Ogbechie	Chairman
Mr. Isaac Orolugbagbe	NED
Mr. Sulaiman Koguna	NED
Mr. Sola Obabori	Executive Director
Mr. Victor Ukwat	“ “
Mr. Auwalu Babura	“ “

1. To build a growth culture with its main focus on RSE's customers, market and technologies
2. To develop new strategies that capitalize on a wide range of growth opportunities available to RSE and assess market evolution and potential risks..
3. Assess RSE's portfolio for expansion and diversification into new markets and new product offerings. Develop strategically based special projects related to growth initiatives, business/corporate development, marketing/ product plans, potential capital expenditure and cost-effective opportunities
4. Empower RSE to achieve well balanced success in all aspects of the business by providing leads on new businesses that are related to core issues of supply chain management and seeking alliances with organizations such as airlines, for clearing services in Nigeria. .
5. To draw upon the best in the business to stimulate thinking and accelerate action.
6. Untangle the organizational challenges that can stymie innovation.
7. Proffer advise and strategies on management of Key accounts with a disposition to assist staff when faced with big challenges.
8. Report its activities to the full board on a regular basis and to make recommendations with respect to their findings and other matters as the committee may deem necessary or appropriate.
9. Assist management with business developments through personal, social and business contacts and sales accompaniment

b. Risk Management Committee

The committee is made up of six (6) members: three Non-Executive Directors and three Executive Directors

Mr. Sule Umar Bichi	Chairman
Alh. Aminu Dangana	NED
Mr. Sulaiman Koguna	NED
Mr. Sola Obabori	Executive Director
Mr. Victor Ukwat	“ “
Mr. Auwalu Babura	“ “

a. Oversee and advise the board on the current risk exposures of the company and future risk strategy in relation to risk assessment;-

i. Keep under review the company's overall risk assessment processes that inform the board's decision making ensuring both qualitative and quantitative metrics are used.
ii. Review regularly and approve the parameters used in these measures and the methodology adopted
iii. Set standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance.
iv. Review the company's capability to identify and manage new risk types.
v. Advice the board on proposed strategic transactions including acquisitions or disposals, ensuring that due diligence appraisal of the proposition is undertaken, focusing in particular on risk aspects and implications for the risk appetite and tolerance of the company, and taking independent external advice where appropriate and available.
vi. Review the company's procedures for detecting fraud and prevention of bribery.
vii. Champion and promote the company's Risk Management and to ensure that the risk management process and culture are embedded throughout the Group.
viii. Develop a Risk Management Policy and ensure the implementation of the objectives outlined in the Risk Management Policy and compliance with them.

c. Governance, Nomination & Remuneration Committee

The committee is made up of four (4) Non-Executive Directors

Alh. Aminu Dangana	Chairman
Prof. Chris Ogbechie	NED
Mr. Isaac Orolugbagbe	NED
Mr. Sule Umar Bichi	NED

a. Set the criteria for Board and Board Committee memberships, review candidates' qualifications and any potential conflict of interest, assess the contribution of current directors in connection with their re-nomination and make recommendations to the board;
b. Set criteria for selection of directors which should be written and defined to reflect the existing board strengths and weaknesses, required skills and experience, its current age range and gender composition.
c. Interview and assess nominees for appointment as directors
d. Prepare job specification for the Chairman's position, including an assessment of time commitment required of the candidate;
e. Establish a system to undertake formal and rigorous annual evaluation of the board performance and that of the committees, chairman and individual directors. The result must be discussed by the board as a whole.
f. Make recommendations on experience required by board committee members, committee appointments and removal, operating structure, reporting and other committee operational matters;
g. Make recommendations on compensation structure for executive directors, and incentive framework, including any proposed equity incentive awards for the Chief Executive Officer, any other Executive Director(s), Management Committee Members and other senior Executives.
h. Make recommendations on remuneration and all incentive awards for the CEO, Exe. Directors and Management Committee Members.
i. Ensure that succession policy and plan exist for the positions of Chairman, CEO/MD and executive director(s);
j. Review and make recommendations to the board for approval of company's organizational structure and any proposed amendments.
k. Ensure the board is fulfilling its responsibilities of overseeing effective management to protect and enhance shareholder value and meet company's obligation to all stakeholders
l. Appraise compensation package of the board and members of sr. executive.
m. Establish a policy to guide the board and individual directors on conflict of interest situations.
n. Assist the company develop and implement Code of Ethics and Statement of Business practices as part of corporate governance practices of the company and ensure ethical standards and compliance with existing laws.
o. Ensure effective communication and relationship with company's institutional shareholders and strategic stakeholders.
p. Establish a whistle-blowing policy which should be known to employees, stakeholders, such as contractors, shareholders, job applicants and the general public, to report any illegal or substantial unethical behaviors.

d. Audit Committee

The committee is made up of six (6) members: three shareholders representatives and three Non Executive Directors

Chief Cyril Ugwumadu	Shareholder Representative
Mr. Ganiyu Amoo	" " "
Mr. Ayodele Ogundeji	" " "
Mr. Isaac Orolugbagbe	Non Executive Director
Mr. Sule Umar Bichi	" " "
Mr. Sulaiman Koguna	" " "

TERMS OF REFERENCE

1. Shall assist Board of Directors in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, and reporting practices of the Group Company and its subsidiaries, and such other duties as may be directed by the Board.
2. Shall oversee the accounting and financial reporting processes of the Company, the audits of the Company's financial statements, the qualifications of the accounting firms engaged as the Company's external auditors to prepare or issue an audit report on the financial statements of the Company.
3. Shall oversee the performance of the Company's internal audit function.
4. Shall review and assess the qualitative aspects of financial reporting to shareholders, the Company's processes to manage business and financial risk, and compliance with significant statutory, ethical, and regulatory requirements.
5. Shall recommend to the Board the appointment, compensation, retention or termination of the external auditor, subject to shareholder ratification.

6. GROUP EXECUTIVE COMMITTEE

This is the highest governing body of Management and headed by the Group Managing Director/CE, supported by the Executive Directors, Divisional Managing Directors and Head of Corporate Resources. The Group Executive Committee (GEC) meets bi-weekly or as business need demands, to deliberate on implementation of Board strategies and ensure effective and efficient deployment of Company resources.

7. 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, including quarterly publication of the Group performance in the newspapers.

8. 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.

9. 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.

10. DIRECTORS REMUNERATION POLICY

The company's remuneration Policy is structured taking into cognizance the industry in which we operate, the performance of the company at the end of each financial year. It includes the following:

Non-Executive Directors

- Component of the remuneration is the annual fees and sitting allowances
- Sponsorship for training programmes required to enhance performance of assigned roles.

Executive Directors

- Fixed remuneration in line wile with competitive remuneration paid for equivalent positions within the industry.
- Variable remuneration based on performance, subject to meeting set targets.

Board Evaluation

DCSL Corporate Services Limited
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Ilupeju

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Lagos, Nigeria

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RC NO. 352393

Abuja Office:
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1st Avenue, Off Shehu Shagari
Way, Abuja

Tel: +234 9 461 4902

4th July 2018

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF RED STAR EXPRESS PLC ("RED STAR") FOR THE YEAR ENDED 31 MARCH 2018

DCSL Corporate Services Limited was engaged by Red Star Express Plc ("Red Star") to undertake an appraisal of its Board of Directors for the year-ended 31st March 2018. The appraisal entailed a comprehensive review of the Company's corporate and statutory documents, the Minutes of Board and Committee meetings, policies currently in place and other ancillary documents made available to us, online surveys administered as well as information derived from our interaction with Directors.

In undertaking the appraisal which was premised on confirming the level of the Board's compliance with corporate governance practices, with particular reference to the provisions of the Securities and Exchange Commission (SEC) Code of Corporate Governance (SEC Code), we considered the following seven key corporate governance themes:

1. Board Structure and Composition
2. Strategy and Planning
3. Board Operations and Effectiveness
4. Measuring and Monitoring of Performance
5. Risk Management and Compliance
6. Corporate Citizenship; and
7. Transparency and Disclosure

The Board has the responsibility for putting in place adequate corporate governance structures and practices in the Company and the formulation of policies that will ensure that the Company carries on its business in accordance with its Articles and Memorandum of Association as well as in conformity with applicable laws, codes and regulations to guarantee the Company's sustainability. As Consultants, our responsibility is to draw conclusions on the effectiveness of these structures, policies and processes based on our review of the Board's activities and performance during the year ended 31 March 2018.

Subsequent to the conclusion of the evaluation exercise, we confirm that the Board has substantially complied with the provisions of the SEC Code of Corporate Governance.

We recommend that the Board should pay more attention to its Risk Management oversight and ensure regular reporting on key risks, Internal Audit and Internal control to the Risk Management Committee as well as to the Board itself. The Board should also strengthen the Internal Risk Management Function.

We also recommend that the Board should consider appointing female Directors and in general give consideration to diversity in making subsequent appointments as this would significantly impact on the effectiveness of the decision-making process and enhance corporate reputation.

We have brought to the attention of the Board those areas that require improvement and are satisfied that the Board has taken due note of these.

Details of our key findings and recommendations are contained in our Report.

Yours faithfully,
For: DCSL Corporate Services Ltd

Bisi Adeyemi
Managing Director

Directors: • Abel Ajayi (Chairman) • Obi Ogbechi • Adeniyi Obe • Adebisi Adeyemi (Managing Director)

DCSL

Statement of Directors' Responsibilities

FOR THE YEAR ENDED 31 MARCH 2018

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 Group at the end of the year and of its income statements. The responsibilities include ensuring that the Group:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group 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 consolidated and separate financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the consolidated and separate 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 the consolidated and separate financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Group 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

PETER OLUSOLA OBABORI
MANAGING DIRECTOR/CEO
FRC/2016/IODN/00000015290

28 JUNE 2018

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 Group's consolidated and separate financial statements for the year ended 31 March 2018 and report as follows:

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

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

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

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

SULE UMAR BICHI
FRC/2013/ICAN/00000003079
Chairman – Audit Committee

28 JUNE 2018

Members of the Audit Committee

Mr. Ganiyu Kola Amoo	Independent shareholder
Chief Cyril I. Ugwumadu	Independent shareholder
Mr. Moses Ayodele Ogundeji	Independent shareholder
Mr. Sulaiman Lawan Koguna	Non-Executive Director
Mr. Isaac Orolugbagbe	Non-Executive Director
Mr. Sule Umar Bichi	Non-Executive Director

Secretary
Frances N. Akpomuka

Independent Auditors' Report

TO THE MEMBERS OF RED STAR EXPRESS PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion
We have audited the accompanying consolidated and separate financial statements of Red Star Express Plc (the "Company") and its subsidiaries (collectively the "Group") which comprise the consolidated and separate statements of financial position as at 31 March 2018, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of Red Star Express Plc and its subsidiaries as at 31 March 2018, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the relevant provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of Red Star Express Plc and its subsidiaries. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Red Star Express Plc and its subsidiaries. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements
The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, and the relevant 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 and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group and the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 purposes of our audit;

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

(iii) The Group and the Company's Consolidated and Separate Statements of Financial Position and Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income are in agreement with the books of account.

Yusuf Aliu, FCA
FRC/2012/ICAN/00000000138
For: Ernst & Young
Lagos, Nigeria

28 JUNE 2018

Key Audit Matters	How the matter was addressed in the audit
Impairment of Trade Receivables During the year, the Group's trade receivables of N2.12 billion were impaired and partially provided for N130.76million. The determination of allowance for impairment involves management judgment and review of individual receivable balances in accordance with IAS 39- Financial Instruments (Recognition and Measurement). This is based on the following criteria: • individual customer's prior payment record • current economic trends • a breach of contract, such as a default or delinquency in interest or principal payments • analysis of historical bad debts of a similar type • average credit period days per customer • going concern status of the customer The determination of the allowance for impairment of receivables is a key audit matter at it requires the use of management's judgement in determining the extent at which each of the trade receivables are impaired; and also the account receivable balance is considered significant. The policy on impairment of receivables is set out in Note 2.3.1 while the disclosure of the impairment of the receivables is set out in Note 17 to the consolidated and separate financial statements.	Our audit procedures in relation to impairment of trade receivables include: • We tested the trade receivables in accordance with the entity's accounting policies and applicable financial reporting framework. • We ascertained that receivables are measured at amortised cost using the effective interest rate method less allowance for impairment. • We reviewed the basis of management's judgements for each trade receivable as well as periodic reports prepared to validate management's position. • We performed our audit reasonableness tests calculation on trade receivables impairment and compared with the Company's estimates.
Estimates on Defined Benefit Plan The Group contributes to a duly registered gratuity scheme operated by Red Star Retirement Benefit Scheme; employees are eligible to join the scheme after 3 years of continuous service to the Company. The cost of the defined benefit pension plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. There are complexities involved in the valuation and it has a long-term nature, a defined benefit obligation is highly sensitive to changes in the assumptions made. We consider this a key audit matter due to the significance of the amount and the fact that the actuarial assumptions used in the estimate of defined benefit plan are judgmental particularly with respect to the determination of the discount rates, future salary increases, mortality rates and future pension increases. The policy on defined benefit plan is set out in Note 2.3.6 while the disclosure of the estimates on defined benefit plan is set out in Note 23 to the consolidated and separate financial statements.	With the involvement of our actuarial specialist, we have performed the following procedures on the actuarial valuation of defined benefit obligation: • We reviewed the valuation methodology for compliance with IFRS. We evaluated whether the actuarial methodologies are consistent with those used in the prior periods. • We assessed the competence, independence and objectivity of the actuarial specialists engaged by the Company. • We tested the accuracy and completeness of the underlying data used in the actuarial valuations by checking to the financial bases and demographic assumptions and other data. • We obtained the actuarial valuation of the Group which was computed by an Independent Specialist. We reviewed the methodologies used in determining the reasonableness of the underlying data and assumptions used.

Consolidated & Separate Statement of Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2018

		The Group		The Company	
	Note	2018	2017	2018	2017
		N '000	N '000	N '000	N '000
Revenue	4	8,407,507	7,298,642	4,406,118	4,049,921
Cost of Sales		(5,625,188)	(5,111,140)	(2,932,236)	(2,733,636)
GROSS PROFIT		2,782,319	2,187,502	1,473,882	1,316,285
Administrative expenses	6	(2,178,476)	(1,581,340)	(1,131,460)	(1,036,988)
Other operating income	5	11,088	50,464	123,876	121,975
Total operating profit		**614,931**	**656,626**	**466,298**	**401,272**
Finance income	7	23,318	17,684	20,189	16,594
Finance cost		(27,660)	(21,110)	-	(9,524)
PROFIT BEFORE TAXATION	**8**	**610,589**	**653,200**	**486,487**	**408,342**
TAXATION	9.1	(263,031)	(226,444)	(151,715)	(93,665)
PROFIT AFTER TAXATION		**347,558**	**426,756**	**334,772**	**314,677**
Other comprehensive income/ (loss) to be reclassified to profit or loss					
Fair value loss on available for sale instrument		-	(91)	-	(91)
Reclassification adjustments for loss included in profit or loss		-	91	-	91
Other comprehensive income/ (loss) to be reclassified to profit or loss		-	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods.					
Re-measurement (loss)/gain on defined benefit plan	23.2	(23,172)	610	(23,172)	610
Tax effect	15.1	6,952	(183)	6,952	(183)
Other comprehensive income for the year, net of tax		**(16,220)**	**427**	**(16,220)**	**427**
Total comprehensive income for the year, net of tax		331,338	427,183	318,552	315,104
Profit attributable to ordinary equity holders		**347,558**	**426,756**	**334,772**	**314,677**
Total comprehensive income for the year attributable to ordinary equity holders		**331,338**	**427,183**	**318,552**	**315,104**
Earnings per share (kobo)	10				
Basic and diluted earnings per share		0.59	0.72	0.57	0.53

See notes to the financial statements.

Consolidated And Separate Statement of Financial Position

FOR THE YEAR ENDED 31 MARCH 2018

		The Group		The Company	
	Note	2018	2017	2018	2017
		N'000	N'000	N'000	N'000
ASSETS					
Non-current assets					
Property, plant & equipment	11	1,259,512	1,150,232	615,458	573,030
Intangible assets	12	32,668	18,172	32,668	18,168
Prepayments	13	32,456	22,968	32,456	24,468
Available for sale financial instrument	14.1	477	477	477	477
Investment in subsidiary	14.2	-	-	374,065	284,065
Total non-current assets		**1,325,113**	**1,191,849**	**1,055,124**	**900,208**
Current assets					
Inventories	16	52,956	47,356	49,216	43,494
Trade and other receivables	17	2,930,854	2,520,269	2,297,336	1,900,419
Current prepayments	13	135,204	158,422	74,421	106,732
Cash and cash equivalents	19	549,868	513,661	391,029	443,464
Total current assets		3,668,882	3,239,708	2,812,002	2,494,109
TOTAL ASSETS		**4,993,995**	**4,431,557**	**3,867,126**	**3,394,317**
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		1,936,404	1,840,867	1,282,609	1,199,858
Total equity		**2,527,585**	**2,432,048**	**1,873,790**	**1,791,039**
Liabilities					
Non-current liabilities					
Employee benefit liabilities	23.2	78,473	49,176	78,473	49,176
Deferred tax liabilities	15	181,313	150,623	29,693	33,283
Finance lease obligation	22.1	76,832	48,903	-	-
Total non-current liabilities		**336,618**	**248,702**	**108,166**	**82,459**

Consolidated And Separate Statement of Financial Position

Continued

FOR THE YEAR ENDED 31 MARCH 2018

	The Group		The Company		
	Note	**2018**	**2017**	**2018**	**2017**
Current liabilities		N'000	N'000	N'000	N'000
Trade and other payables	24	1,808,983	1,526,286	1,718,607	1,411,402
Finance lease obligation	22.1	70,580	18,077	-	-
Income tax liabilities	9.2	250,229	206,444	166,563	109,418
Total current liabilities		2,129,792	1,750,807	1,885,170	1,520,820
Total liabilities		2,466,410	1,999,509	1,993,336	1,603,279
TOTAL EQUITY AND LIABILITIES		**4,993,995**	**4,431,557**	**3,867,126**	**3,394,317**

The financial statements were approved by the Board on 26th June, 2018 and signed on its behalf by:

Dr. Mohammed Hassan Koguna
Chairman

28 June 2018
FRC/2013/CIIN/00000003090

Peter Olusola Obabori
Group Managing Director

28 June 2018
FRC/2016/IODN/00000015290

Auwalu Badamasi Babura
Finance Director

28 June 2018
FRC/2016/ICAN/00000014402

See notes to the financial statements.

Consolidated And Separate Statement of Changes In Equity

FOR THE YEAR ENDED 31 MARCH 2018

	Issued Capital	**Share Premium**	**Retained Earnings**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
As at 1 April 2017	294,748	296,433	1,840,867	2,432,048
Profit for the year	-	-	347,558	347,558
Other comprehensive income:	-	-	(16,220)	(16,220)
- Re-measurement gain/(loss) on defined benefit plan	-	-	(235,801)	(235,801)
Dividend (Note 27)				
As at 31 March 2018	**294,748**	**296,433**	**1,936,404**	**2,527,585**
Consolidated statement of changes in equity				
for the year ended 31 March 2017				
	Issued Capital	Share Premium	Retained Earnings	Total
As at 1 April 2016	**N'000**	**N'000**	**N'000**	**N'000**
Profit for the year	294,748	296,433	1,620,862	2,212,043
Other comprehensive income:	-	-	426,756	426,756
- Re-measurement gain/ (loss)on defined benefit plan	-	-	(427)	(427)
Dividend (Note 27)	-	-	(206,324)	(206,324)
As at 31 March 2017	**294,748**	**296,433**	**1,840,867**	**2,432,048**

The Company

	Issued Capital	**Share Premium**	**Retained Earnings**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
As at 1 April 2017	294,748	296,433	1,199,858	1,791,039
Profit for the year	-	-	334,772	334,772
Re-measurement gain/(loss) on defined benefit plan	-	-	(16,220)	(16,220)
Dividend (Note 27)	-	-	(235,801)	(235,801)
As at 31 March 2018	**294,748**	**296,433**	**1,282,609**	**1,873,790**
Statement of changes in				
equity for the year ended 31 March 2017				
	Issued Capital	**Share Premium**	**Retained Earnings**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
As at 1 April 2016	**294,748**	**296,433**	**1,091,932**	**1,683,113**
Profit for the year	-	-	314,677	314,677
Re-measurement gain on defined benefit plan	-	-	(427)	(427)
Dividend (Note 27)	-	-	(206,324)	(206,324)
As at 31 March 2017	**294,748**	**296,433**	**1,199,858**	**1,791,039**

Consolidated And Separate Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2018

		The Group	The Company	20,189	16,594
	Note	2018	2017	2018	2017
		N'000	N'000	N'000	N'000
CASHFLOW FROM OPERATING ACTIVITIES					
Cash received from customers		7,515,467	6,786,095	4,012,044	3,829,252
Cash paid to suppliers and employees		(6,842,324)	(6,211,958)	(3,767,537)	(3,583,802)
Tax paid	9.2	(61,808)	(75,792)	(11,180)	(28,045)
Net cash provided by operating activities	26	611,335	498,345	233,327	217,405
CASHFLOW FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	11	(413,695)	(509,226)	(184,489)	(180,070)
Purchase of intangible assets	12	(30,060)	(20,198)	(30,060)	(20,198)
Proceeds from sale of property plant and equipment		558	5,942	558	5,942
Interest received		23,318	17,684	20,189	16,594
Dividend received	5	-	-	116,062	97,392
Net cash outflow from investing activities		**(419,879)**	**(505,798)**	**(77,740)**	**(80,340)**
CASHFLOW FROM FINANCING ACTIVITIES					
Proceeds from finance lease obligation	22	114,175	72,000	-	-
Dividend paid	27	(212,221)	(185,692)	(212,221)	(185,692)
Interest paid		(27,760)	(21,110)	-	-
Payment of finance lease obligation	22	(33,743)	(5,020)	-	-
Net cash outflow from financing activities		**(159,549)**	**(139,822)**	**(212,221)**	**(185,692)**
Net increase/ (decrease) in cash and cash equivalents		31,907	(147,275)	(56,634)	(48,626)
Net foreign exchange difference		4,300	25,802	4,199	7,022
Cash and cash equivalents at the beginning of the year		513,661	635,134	443,464	485,068
Cash and cash equivalents at the end of the year	**19**	**549,868**	**513,661**	**391,029**	**443,464**

See notes to the financial statements.

Notes to The Financial Statements

31 MARCH 2018

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 shares were 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 Babura 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 Group 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) as issued by the International Accounting Standard Board (IASB), 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.

The financial statements have been prepared on a historical cost basis, except for the defined benefit asset, available for sale financial instrument which has been measured at fair value, of which have been measured at fair value.

2.2 Functional currency, presentation currency and the level of rounding

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

2.3 Significant accounting judgments, estimates and assumptions

The preparation of the consolidated and separate 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.

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 Group 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 Group. Such changes are reflected in the assumptions when they occur.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated and separate financial statements:

2.3 Significant accounting judgments, estimates and assumptions - continued

2.3.1 Impairment of trade receivables

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 Going concern

The company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

2.3.3 Impairment of available-for-sale investments

The company records impairment charges on available-for-sale investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Company evaluates, among other factors, historical share price movements and duration and extent to which the fair value of an investment is less than its cost. The fair value loss is more than 6 months.

The impairment loss on available-for-sale investments is disclosed in more detail in Note 14.

Estimates and assumption

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of 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 that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.3.4 Useful lives of Property, plant and equipment

The Group carries its property, plant and equipment at cost in the statement of financial position. Estimates and assumptions made to determine their carrying value and related depreciation are critical to The Group's financial position and performance. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life.

The useful lives and residual values of the assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

The Group reviewed and estimated the useful lives and residual values of its property, plant and equipment, and account for such changes prospectively.

2.3.5 Useful lives of Intangible assets

The group's intangible assets include purchased computer software and software licences with finite useful lives.

Estimates and assumptions made to determine their carrying value and related amortisation are critical to The Group's financial position and performance. The charge in respect of periodic impairment is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life.

The useful lives and residual values of the assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar intangible assets as well as anticipation of future events, which may impact their life, such as changes in technology.

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.

2.3.6 Defined Benefit Plan

The cost of the defined benefit pension plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers only the Nigerian Government bonds market yield as at the reporting date.

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. 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. The amortisation method and the useful life are reviewed annually.

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 annually on a straight-line basis over the estimated useful lives of the assets and begins when the assets are available for use. The depreciation method and the useful life are reviewed annually.

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

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

Plants & Machinery

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

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

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 the profit or loss in the year the asset is derecognised.

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.

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.

3.5 Inventories

Inventories are valued at the lower of cost and net realizable. Costs of inventories shall comprise of the costs of bringing the inventories into its present location and condition.

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.

Purchase cost on a first in, first out basis.

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 group's financial assets include cash and cash equivalents, trade and other receivables. It also has an investment in Neimeth International Pharmaceuticals, which per note 14 are classified as available for sale financial instrument.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. This for Red Star Express Plc, comprise trade and other receivables which are initially measured at fair value which corresponds to the original invoice amount of the transaction.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method less provision for uncollectible debts. Gains and losses are recognised in profit and loss when the trade and other receivables are derecognised or impaired.

Available-for-sale (AFS) financial assets

AFS financial assets include equity investments and debt securities. The Group only have equity investment which is classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss in administrative costs.

Derecognition of financial assets

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

a) The rights to receive cash flows from the asset have expired or
b) The Company with its subsidiaries 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 Group has transferred substantially all the risks and rewards of the asset; or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group's continuing involvement in the asset.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated and separate statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or Group of financial assets is impaired. A financial asset or a Group 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 Group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group 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 Group 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 Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group 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.

- **AFS financial assets**

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss – is removed from OCI and recognised in the profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

- **Financial liabilities**

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

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

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. It also has borrowings in the form of a lease obligation from Financial Derivatives Company.

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 the 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 the 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. 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 Borrowing costs

Specific borrowing costs is directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale 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. All other borrowing costs are expensed in the period in which they occur.

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

3.10 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group 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:

Rendering of services

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

Rental Income
Rental income arising from warehouse lease is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature.

Interest income
For all financial instruments measured at amortised cost, 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 the statement of comprehensive income.

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

Appropriation to RSE Foundation
In 2004, the Group in its Annual General Meeting approved the establishment of Red Star Foundation, which the Group used to carry out social responsibility for the benefit of its immediate community in particular and the society in general.

3.11 Lease

- Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss.

3.12 Foreign currency

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 profit or loss.

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. The gain 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 Group 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

Defined Contribution Plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to Pension Fund Administrators on a statutory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. The Group operates a funded defined contribution retirement benefit scheme for its employees under the provisions of the Pension Reform Act 2014. The employer and the employee contributions are 10% and 8% respectively of the qualifying employee's salary.

Defined Benefit Plan

The Group also contributes to a duly registered gratuity scheme operated by Red Star Retirement Benefit Scheme; employees are eligible to join the scheme after 3 years of continuous service to the company.

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. Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

3.16 Basis of Consolidation
The consolidated and separate financial statements comprise the financial statements of the Red Star Express Plc and its subsidiaries as at 31 March 2018.

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 intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends (if any) are eliminated in full.

Control is achieved when the Group 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. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

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. Investments in the subsidiaries are measured at cost value. The Group determines control over the subsidiaries as it holds 100% of their entire shareholdings.

Investments in subsidiaries are recognised and measured at cost in the separate financial statements of the Group.

3.17 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.

1. IFRS 15 - Revenue from Contracts with customers – 1 January 2018
2. IFRS 9 – Financial instruments – 1 January 2018
3. Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions – 1 January 2018
4. Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - 1 January 2018
5. Amendments to IAS 40: Transfers of Investment Property – 1 January 2018
6. IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration – 1 January 2018
7. IFRIC Interpretation 23 Uncertainty over Income Tax Treatment.
8. IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment - by - investment choice – 1 January 2018
9. IAS 7 Disclosure Initiative – Amendment to IAS 7.
10. IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12.
11. IFRS 10 and IAS 28Sale or Contribution of Assets between an Investor and its Associate or Joint.
12. Venture – Amendments to IFRS 10 and IAS 28
13. IFRS 2 Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2
14. IFRS 16 – Leases – 1 January 2019
15. Amendments to IFRS 10 and IAS 28: Sale of Contribution of Assets between an Investor and its Associate or Joint Venture – Effective date has been deferred indefinitely
16. IFRS 17 – Insurance Contracts – 1 January 2021
17. IFRS 1 – First Time Adoption of International Financial Reporting Standards – Deletion of Short-term exemptions for first-time adopters – 1 January 2018.

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

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

Red Star Express Group plans to adopt the new standard on the required effective date and will not restate comparative information.

Shortly before finalising the 2018 financial statements, Red Star Express Group performed a detailed impact assessment of all three aspects of IFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to Red Star Express Group in 2019 they will adopt IFRS 9.

Overall, Red Star Express Group expects no significant impact on its statement of financial position and equity except for the effect of applying the impairment requirements of IFRS 9 and as discussed below.

Red Star Express Group expects an increase in the loss allowance resulting in a negative impact on equity as discussed below. There will be no changes in the classification and measurement of financial assets and financial liabilities.

(a) Classification and measurement

Red Star Express Group does not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements of IFRS 9.
Debt instruments classified as loans and receivables

Under IAS 39, Red Star Express Group has the following debt instruments which are classified under loans and receivables:

- Trade receivables
- Other receivables
- Receivables from related parties
- Bank balances
- Fixed term deposits

These debt instruments are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Red Star Express Group analyzed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortized cost measurement under IFRS 9. Therefore, reclassification of these instruments is not required. In addition, the measurement basis for these debt instruments will continue to be amortised cost, thus leading to no change in the current practice.

Available for sale financial instrument

Red Star Express Group has investments in quoted equity shares. The quoted equity shares are currently held as available-for-sale with gains and losses recorded in other comprehensive income (OCI). Red Star Express Group intends to apply the irrevocable option in measuring the quoted investments at fair value through OCI. The quoted equity shares are not intended to be held for short term profit making. Thus, there will be no change in the measurement basis of these investments under IFRS 9. However, fair value gain or loss accumulated within equity will not be reclassified to profit or loss upon de-recognition of these investment under IFRS 9.

(b) Impairment

IFRS 9 requires Red Star Express Group to record expected credit losses on all of its debt instruments including trade receivables, bank balances and receivable from group companies either on a 12-month or lifetime basis. Red Star Express Group will apply the simplified approach and record a lifetime expected credit loss on all trade receivables that do not have significant financing component. For all other debt instruments other than trade receivables, Red Star Express Group will apply general approach under which financial assets are classified into three stages i.e. stage 1, stage 2 or stage 3 depending on whether or not the credit risk of the financial asset has increased significantly.

(c) Hedge accounting

Although IFRS 9 does not change the general principles of how an entity accounts for effective hedges, Red Star Express Group does not engage in any financial or economic hedge. As such, this aspect of IFRS 9 will not have impact on Red Star Express Group.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current

revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. Red Star Express Group plans to adopt the new standard on the required effective date using either of the methods which will be selected during the implementation phase.

Shortly before finalising the 2018 financial statements, Red Star Express Group performed a detailed assessment of IFRS 15 and the outcome of this assessment is described below.

A. Rendering of services

Red Star Express Group's principal activities are provision courier services, Shipment management services, freight services, logistics, warehousing and general haulage. These services are rendered to cash customers and credit customers. Credit customers are further divided into those with Service Level Agreement (SLA) and those without Service Level Agreement (SLA).

(i) Contract enforceability and termination clauses

IFRS 15 explains that a contract does not exist if each party to the contract has the unilateral enforceable right to terminate a wholly unperformed contract without compensating the other party (or parties). Additionally, for implied contracts, Red Star Express Group may be required to account for contracts with stated terms as month-to-month (or possibly a shorter duration) contracts if the parties can terminate the contract without penalty. Under the current standard, the assessment of termination clauses is not of paramount importance as revenue is recognised on a straight line basis. Thus, Red Star Express Group recognizes revenue when risk and reward pass to the buyer as services were rendered.

However, under IFRS 15 the period in which enforceable rights and obligations exist are affected by termination provisions stated in the contract. Red Star Express Group has evaluated that in certain contracts, it has the ability to enforce its rights and obligations throughout the stated term of the contracts or the term in which the substantial termination payment covers because substantive termination payments have commercial substance i.e. these payments can affect the financial position or performance of Red Star Express Group if unperformed and signifies a commitment by both parties to execute the contract.

Red Star Express Group equally has contracts with customers which contain termination clauses. These contract specifically contains termination clauses relating to the effective date of the contract. However, after the effective date of the contract, both parties have enforceable rights and obligations only for the notice period of termination.

Therefore, Red Star Express Group has assessed that for contracts without substantive termination payments, the contract enforceability period is the given period of notice to terminate the contract from the effective date of the contract. Additionally, contracts with cash customers and credit customers without SLA commences on performance as the Group has no written contracts for such services. Red Star Express Group has identified an accounting policy development initiative, which involves appropriately identifying and developing accounting policies that will guide them in making judgements about what constitutes a substantive payment and how to evaluate termination clauses.

(ii) Combining contracts

Under the current revenue standard, contracts are not required to be combined for the purpose of recognising revenue.

On adoption of IFRS 15, Red Star Express Group will be combining its currently existing contracts with the same customer because the contracts meet the requirements of IFRS 15:17.

However, contracts with similar characteristics and different customers may be combined by applying the portfolio approach practical expedient. The expedient allows an entity to apply the five-step model to a portfolio of contracts (or performance obligations) with similar characteristics if the entity reasonably expects that the effects on the financial statements of applying the Standard to the portfolio would not differ materially from applying the Standard to the individual contracts (or performance obligations) within that portfolio. The IASB recognised that there may be situations in which it may be more practical for an entity to combine contracts for revenue recognition purposes rather than attempt to account for each contract separately.

Red Star Express Group assessed its contracts with customers as a portfolio of contracts due to the similarity of services to be provided, terms and conditions and accounting treatment and thereby applied the practical expedient all customers' contracts as divided into cash customers, credit customers with and without service level agreement.

(iii) Distinct goods and services
For contracts with cash customers and customers without SLA, Red Star Express Group delivers its promised service to customers as a separate performance obligation and they always recognize the transaction price as revenue when the shipments are pick-up/paid for from the customer and not until the Shipments are delivered.

Under IFRS 15, a good or service that is promised to a customer is distinct if both of the following criteria are met:

a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and
b) the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the good or service is distinct within the context of the contract).

Red Star Express Group currently does not assess its promises as distinct goods. Shipments to be delivered are applied to the rate to recognize revenue immediately they are picked. However, the timing of delivery and pick up is not material affect the timing of recognition of the revenue.

In line with IFRS 15, the services rendered are distinct service transferred at a point in time and revenue should be recognised when control passes to the customer.

(iv) Series of distinct goods and services
For contracts with cash customers and customers without SLA, Red Star Express Group delivers its promised service to customers throughout the term as agreed in the contract.
Under IFRS 15, a series of distinct goods or services has the same pattern of transfer to the customer if both of the following criteria are met:

- each distinct good or service in the series that the entity promises to transfer to the customer would meet the criteria in revenue recognition over time to be a performance obligation satisfied overtime; and
- the same method would be used to measure the entity's progress towards complete satisfaction of the performance obligation to transfer each distinct good or service in the series to the customer.

Red Star Express Group currently does not assess its promises as series of services. Shipments to be delivered are applied to the rate to recognise revenue immediately the Shipments are picked. However, under IFRS 15, Red Star Express Group will need to recognise its revenue over time with an appropriate measure of progress. This measure will be most likely be based on Shipment delivered. By implication, the envisaged impact may be considerably low as Red Star Express Group currently recognizes revenue when risk and reward has been transferred. Using a measure of progress either input or output methods will most likely produce a result that is very similar to the current revenue recognition guidance. Red Star Express Group will need to develop clear accounting policy on series performance obligations.

(v) Allocation of transaction price to performance obligations
Under the current revenue standard, Red Star Express Group is not required to determine performance obligations and therefore does not allocate transaction price to performance obligations.

However, IFRS 15 states that the objective when allocating the transaction price is for an entity to allocate the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods or services to the customer. Determining the transaction price is an important step in applying IFRS 15 because this amount is allocated to the identified performance obligations and is recognised as revenue when (or as) those performance obligations are satisfied.

IFRS 15 also requires that once the separate performance obligations have been identified and the transaction price has been determined, an entity is expected to allocate the transaction price to the performance obligations in proportion to their stand-alone selling prices. IFRS 15 indicates that the observable price of a good or service sold separately provides the best evidence of stand-alone selling price. However, in many situations, stand-alone selling prices will not be readily observable. In those cases, an entity must estimate the stand-alone selling price.

For Red Star Express Group's contracts where they have one performance obligation, allocating the transaction price to the performance obligation will have no impact on Red Star Express Group. Red Star Express Group has determined that if there arises a contract with multiple performance obligations, they will determine the standalone price for each performance obligation and allocate the transaction price to the performance obligations in proportion to the stand alone price. Red Star Express Group believes that this will impact the timing of revenue recognition.

Red Star Express Group is working towards developing a clear accounting policy initiative that will guide the determination of stand-alone prices.

(vi) Revenue recognition over time
Red Star Express Group currently recognizes revenue from credit customers with service level agreement based on the Shipments taken daily/ multiplied by the price.

However, IFRS 15.35 states that an entity transfers control of a good or service over time if one of the following criteria are met:

- As the entity performs, the customer simultaneously receives and consumes the benefits provided by the entity's performance.
- The entity's performance creates or enhances an asset (e.g., work in progress) that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Red Star Express Group has assessed that its credit customer with SLA meet the first criteria because a contract period has a minimum number of notice days that must be provided before such contract can be terminated. This ranges between thirty and ninety days. Thus, the customer can simultaneously receive and consumes the benefits as Shipments are taken over the minimum period of the contract as Red Star Express Group performs. IFRS 15 elucidates that when the Group has determined that a performance obligation is satisfied over time, they are required to select a single revenue recognition method for the relevant performance obligation that faithfully depicts the Group's performance in transferring control of the goods or services.

In addition, Red Star Express Group should apply the method selected consistently to similar performance obligations. Hence, at the end of each reporting period, an entity is required to re-measure its progress towards completion of the performance obligations. On adoption of IFRS 15, Red Star Express Group is not expected to have any impact on its revenue and profit or loss. Measuring progress using output method (as anticipated) is not expected to have any impact since Red Star Express Group can demonstrate that the invoiced amount corresponds directly with the value to the customer of Red Star Express Group's performance completed to date, then, it is not expected to be significantly different from revenue recognised under the current standard. However, Red Star Express Group will need to develop clear accounting policy initiative for determining the appropriate method for measuring progress.

B. Advances received from customers

Generally, Red Star Express Group receives an initial advance from customers upon entering into the contract in which the customer draws down from.
Under the current accounting policy, Red Star Express Group presents such advances as deferred revenue under trade and other payables heading in the statement of financial position.
Under IFRS 15, Red Star Express Group must determine whether there is a significant financing component in its contracts.
However, Red Star Express Group decided to use the practical expedient provided in IFRS 15, and will not adjust the promised amount of the consideration for the effects of a significant financing components in the contracts, where Red Star Express Group expects, at contract inception, that the period between the transfer of a promised service to a customer and when the customer pays for that good or service will be one year or less. Therefore, for short-term advances, Red Star Express Group will not account for a financing component even if it is significant.

C. Presentation and disclosure requirements

The presentation and disclosure requirements in IFRS 15 are more detailed than under current IFRS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in Red Star Express Group's financial statements. Many of the disclosure requirements in IFRS 15 are new and Red Star Express Group has assessed that the impact of some of these disclosures requirements will be significant. In particular, Red Star Express Group expects that the notes to the financial statements will be expanded because of the disclosure of significant judgements made: when determining the transaction price of those contracts that include variable consideration, how the transaction price has been allocated to the performance obligations, and the assumptions made to estimate the stand-alone selling prices of each performance obligation. Also, extended disclosures are expected as a result of the significant judgement made when assessing the contracts where Red Star Express Group has concluded that: it acts as an agent instead of a principal, there is a significant financing component, and service-type warranties are provided. In addition, as required by IFRS 15, Red Star Express Group will disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It will also disclose information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment. In 2018, Red Star Express Group continued testing of appropriate systems, internal controls, policies and procedures necessary to collect and disclose the required information.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. In 2018, Red Star Express Group will continue to assess the potential effect of IFRS 16 on its financial statements.

IAS 28 Investments in Associates and Joint Ventures Clarification that measuring investees at fair value through profit or loss is an investment-by investment choice

The amendments clarifies that:
An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
If an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

• The amendments should be applied retrospectively and are effective from 1 January 2018, with earlier application permitted. If an entity applies those amendments for an earlier period, it must disclose that fact.

3.2 The following relevant new and amended standards have become effective for the current year

IAS 7 Disclosure Initiative – Amendments to IAS 7
The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of amendments has been disclosed in Note 22.1 will result in additional disclosure provided by the Company.

IAS 12 – Taxes: Recognition of Deferred Tax Assets for Unrealised Losses
The amendment clarifies the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments clarify:

- The requirements relating to recovery of an asset for more than its carrying amount in a way that enhances understanding and reduces the risk of an arbitrary estimate of probable future taxable profit was revised
- The standard clarify that taxable profit excluding tax deductions used for assessing the utilization of deductible temporary differences is different from taxable profit on which income taxes are payable

The amendment is effective for annual periods beginning on or after 1 January 2017.

The impact of this assessment has been disclosed in Note 9 and 15 of the financial statements.

The entity must apply the same accounting for each category of investment.
A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment. This amendment will not have any impact on the Company's financial statements.

IFRS 12 Disclosure of Interests in Other Entities Clarification of the scope of the disclosure requirements in IFRS 12
- The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale. The impact of this amendments has assessed and disclosed in Note 14.2 and 25.

Annual Improvements Cycle – 2014 – 2016 Amendments to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12. These amendments clarify the scope of the disclosure requirements in IFRS 12. The amendments require that the disclosure requirements in IFRS 12 (other than those in paragraphs B10 –B16 relating to the presentation of summarised financial information) apply to interest in a subsidiary, a joint venture or an associate that is classified (or included in a disposal group that is classified) as held for sale.
The adoption of these amendments did not have any impact on the amounts recognised in prior periods. The amendments will also not affect the current periods.

3. 18 IFRS 13 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

» Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
» Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
» Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each year.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

As at 31 March 2018			**Fair value measurement using**		
	Date of valuation Total	Total (₦)	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
Assets measured at fair value					
AFS Financial Assets (Note 14)					
Quoted equity shares	31.03.2018	477	477		

As at 31 March 2017			**Fair value measurement using**		
	Date of valuation Total	Total (₦)	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
Assets measured at fair value					
AFS Financial Assets (Note 14)					
Quoted equity shares	31.03.2017	477	477		

There have been no transfers between Level 1 and Level 2 during the period.

Fair value measurement

Set out below is a comparison by class of the carrying amounts and fair values of the Red Star Express Plc financial instruments that are carried in the financial statements.

	Carrying amount		**Fair value**	
	2018	2017	2018	2017
Financial assets	₦'000	₦'000	₦'000	₦'000
Quoted equity shares	477	477	477	477
Total	**477**	**477**	**477**	**477**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in an orderly transaction between market participants, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The quoted equity financial asset is calculated based on the existing market share at the reporting date.
- The fair value of loans from banks is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

		The Group		The Company	
		2018	2017	2018	2017
		N '000	N '000	N '000	N '000
4	**Revenue**				
	Analysis by services				
	Courier	4,406,118	4,049,921	4,406,118	4,049,921
	Logistics (note 4i)	1,563,459	1,213,452	-	-
	Freight (note 4ii)	794,971	535,843	-	-
	Support services (note 4ii)	1,642,959	1,499,426	-	-
		8,407,507	**7,298,642**	**4,406,118**	**4,049,921**

4i. Logistics relates to services involving warehousing and chain distribution services.
4ii Freight services is involved in clearing and forwarding of goods (importation and export services).
4iii. Support services relates to mail room management and other delivery services.

5	**Other operating income**				
	Dividend from subsidiaries	-	-	116,062	97,392
	Exchange gain	4,300	25,802	4,199	7,022
	Sundry income (note5i)	6,274	24,470	3,101	17,369
	Gain on disposal of PPE	514	192	514	192
		11,088	**50,464**	**123,876**	**121,975**

5i. Sundry income relates to recovery of bad debt and insurance claims received.

6	**Administrative expenses**				
	Annual general meeting expenses	7,266	5,749	2,175	5,682
	Audit fee	14,300	14,300	11,000	11,000
	Impairment on receivable	104,624	155,250	61,700	78,929
	Bank charges	19,724	16,266	13,175	11,501
	Communication and telephone	71,012	67,386	34,590	57,941
	Amortisation of intangible assets	13,404	7,385	13,400	7,371
	Depreciation	110,980	70,624	60,324	34,068
	Impairment loss on available for sale				
	financial instrument	-	91	-	91
	Fines and penalties	-	4,942	-	4,942
	Hotel accommodation and entertainment	63,713	44,499	44,001	36,347
	Employee benefit expenses*	636,477	455,618	298,812	223,528
	Insurance	68,439	46,891	32,659	22,352
	Legal and professional charges	51,898	49,050	37,294	33,162
	Medical	68,508	41,262	20,823	13,222
	Newspaper and periodicals	1,757	3,228	1,430	2,858
	Security expenses	42,576	42,883	26,773	28,251
	Power and water	127,654	141,911	98,900	131,703
	Printing and stationery	117,377	100,729	101,164	77,374

	Publicity and promotion	81,746	56,076	40,386	40,602
	Repairs and maintenance	411,433	123,972	105,518	111,154
	Subscriptions and donations	16,809	45,026	12,803	28,543
	Training	56,863	43,606	41,302	33,148
	Transportation and travelling costs	66,202	44,596	48,321	43,219
		2,178,476	**1,581,340**	**1,131,460**	**1,036,988**

Included in the employee benefit expenses for 2017 is N9,525,000 being finance lease interest paid by the company on behalf of the marketers.

		The Group		The Company	
		2018	2017	2018	2017
		N '000	N '000	N '000	N '000
7	**Finance income**				
	Interest received from fixed deposit	**23,318**	**17,684**	**20,189**	**16,594**
8	**Profit before taxation was obtained**				
	After deducting:				
	Depreciation - Admin	110,980	70,624	60,324	34,068
	Depreciation – Cost of sales	195,551	165,011	83,695	79,491
	Amortization of intangible assets	13,404	7,385	13,400	7,371
	Impairment loss on available for sale				
	financial instrument	-	91	-	91
	Audit fee	14,300	14,300	11,000	11,000
	Profit on disposal of fixed assets	(514)	(192)	(514)	(192)
	Directors emoluments	99,824	41,720	57,290	38,654
	Exchange gain	(4,300)	(25,802)	(4,199)	(7,022)
	Dividend received	-	-	(116,062)	(97,392)

9 Taxation

9.1	**Statement of Comprehensive Income**				
	Income taxation	205,161	161,198	1 36,327	82,393
	Education tax	20,228	18,233	12,026	8,815
		225,389	179,431	148,353	91,208
	Deferred tax expense	37,642	47,013	3,362	2,457
		263,031	**226,444**	**151,715**	**93,665**

9.2	**Statement of Financial Position**				
	At the beginning of the year	206,444	256,886	109,418	158,548
	Current year tax provision	225,389	179,431	148,353	91,208
	Payment during the year	(61,808)	(75,792)	(11,180)	(28,045)
	Withholding tax credit utilized	(119,796)	(154,081)	(80,028)	(112,293)
		250,229	**206,444**	**166,563**	**109,418**

9.3	Reconciliation of income tax expense				
	Non-deductible expenses for tax purpose				
	Profit before tax	610,589	653,200	486,487	408,342
	Nigeria's statutory income tax rate of 30%	183,177	195,960	145,946	122,503
	Disallowable expenses	175,837	241,564	74,124	102,065
	Non-taxable income	(59,633)	(222,337)	(36,233)	(135,160)
	Education tax	20,228	18,233	12,026	8,815
	Capital allowance	(56,578)	(6,976)	(44,148)	(4,558)
	Income tax expense	**263,031**	**226,444**	**151,715**	**93,665**

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.

	2018	2017	2018
	N'000	N'000	N'000
Profit attributable to ordinary equity holders	347,558	426,756	334,772
Weighted average number of ordinary shares for basic earnings per share	589,497	589,497	589,497
Basic/diluted earnings per share	N0.59	N0.72	N0.57

The Group – 31 March 2018

11. Property, plant and equipment

	Land	Building	Plant & Machinery	Motor Vehicles	Motor Cycle	Computer & Other IT Equipment	Furniture & Fittings	Capital-work-in-progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
COSTS									
At 1 April 2016	167,043	429,302	62,114	551,583	342,867	259,056	58,034	-	1,869,999
Addition	500	9,778	6,880	377,329	41,966	41,259	22,374	9,140	509,226
Disposals	-	-	-	(27,203)	-	-	-	-	(27,203)
At 31 March 2017	167,543	439,080	68,994	901,709	384,833	300,315	80,408	9,140	2,352,022
Additions	36,398	56,802	9,172	204,997	35,132	35,426	10,564	25,204	413,695
Transfer	3,000	6,050				90		(9,140)	
Disposals	-	-	-	(8,084)	(7,920)	(562)	-	-	(16,566)
Reclassification	-	-	-	-	-	2,160	-	-	2,160
At 31 March 2018	206,941	501,932	78,166	1,098,622	412,045	337,429	90,972	25,204	2,751,311
DEPRECIATION									
At 1 April 2016	-	46,991	31,706	339,147	329,576	195,878	44,308	-	987,606
Charge for the year		10,862	7,716	119,183	49,442	41,428	7,006	-	235,637
Disposal	-	-	-	(21,453)	-	-	-	-	(21,453)
At 31 March 2017	-	57,855	39,422	436,877	379,018	237,306	51,312	-	1,201,790
Charge for the year		54,357	18,212	186,705	26,493	10,160	10,604	-	306,531
Disposals	-	-	-	(8,083)	(7,920)	(519)	-	-	(16,522)
At 31 March 2018		112,212	57,634	615,499	397,591	246,947	61,916	-	1,491,799
NET BOOK VALUE									
At 31 March 2018	206,941	389,720	20,532	483,123	14,454	90,482	29,056	25,204	1,259,512
At 31 March 2017	167,543	381,225	29,572	464,832	5,815	63,009	29,096	9,140	1,150,232

Finance leases

The carrying value of motor vehicles held under finance leases at 31 December 2018 was N186,175,400 (2017: N72,000,000). Additions during the year include N114,175,400 (2016: N72,000,000) of motor vehicle under finance leases contracts. Leased assets contracts are pledged as security for the related finance lease liabilities.

The Company – 31 March 2018

11. Property, plant and equipment

	Land	Building	Plant & Machinery	Motor Vehicles	Motor Cycle	Computer & Other IT Equipment	Furniture & Fittings	Capital-work-in-progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
COSTS									
At 1 April 2016	89,647	292,786	53,740	193,783	74,514	247,917	36,517	-	988,904
Addition	500	2,060	6,880	104,970	8,895	38,697	8,928	9,140	180,070
Disposals	-		-	(27,203)	-	-	-	-	(27,203)
At 31 March 2017	90,147	294,846	60,620	271,550	83,410	286,613	45,445	9,140	1,141,771
Additions	36,398	22,000	9,172	41,720	16,794	34,118	6,483	17,804	184,489
Transfer	3,000	6,050	-	-	-	90	-	(9,140)	-
Reclassification	-	-	-	-	-	2,160	-	-	2,160
Disposal	-	-	-	(1,600)	(7,920)	(549)	-	-	(10,069)
	129,545	322,896	69,792	311,670	92,284	322,433	51,928	17,804	1,318,351
DEPRECIATION									
At 1 April 2017	-	31,963	26,326	141,098	62,849	188,869	25,530	-	476,635
Charge for the year	-	7,355	6,653	45,529	10,353	39,396	4,273	-	113,559
Disposal	-	-	-	(21,453)	-	-	-	-	(21,453)
At 31 March 2017	-	39,318	32,979	165,174	73,202	228,265	29,803	-	568,741
Period Depreciation	-	49,789	17,212	44,869	13,081	13,593	5,475		144,019
Disposal	-	-	-	(1,600)	(7,762)	(507)	-	-	(9,869)
At 31 March 2018	-	89,107	50,191	208,443	78,521	241,351	35,278	-	702,891
Net Book Value									
At 31 March 2018	129,545	233,789	19,601	103,227	13,763	81,082	16,650	17,804	615,458
At 31 March 2017	90,147	255,528	27,641	106,376	10,208	58,349	15,642	9,140	573,030

The Company – 31 March 2018

11. Property, plant and equipment

	Land	Building	Plant & Machinery	Motor Vehicles	Motor Cycle	Computer & Other IT Equipment	Furniture & Fittings	Capital-work-in-progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Charge for the year	-	7,355	6,653	45,529	10,353	39,396	4,273	-	113,559
Disposal	-	-	-	(21,453)	-	-	-	-	(21,453)
At 31 March 2017	-	39,318	32,979	165,174	73,202	228,265	29,803	-	568,741
Period Depreciation	-	49,789	17,212	44,869	13,081	13,593	5,475		144,019
Disposal	-	-	-	(1,600)	(7,762)	(507)	-	-	(9,869)
At 31 March 2018	-	89,107	50,191	208,443	78,521	241,351	35,278	-	702,891
Net Book Value									
At 31 March 2018	129,545	233,789	19,601	103,227	13,763	81,082	16,650	17,804	615,458
At 31 March 2017	**90,147**	**255,528**	**27,641**	**106,376**	**10,208**	**58,349**	**15,642**	**9,140**	**573,030**

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12	Intangible assets		
		GROUP	COMPANY
	Cost:	N'000	N'000
	At 1 April 2016	45,707	45,207
	Additions – externally acquired	20,198	20,198
	At 1 April 2017	65,905	65,405
	Additions – externally acquired	30,060	30,060
	Reclassification*	(2,160)	(2,160)
	At 31 March 2018	93,805	93,305
	Amortization:		
	At 1 April 2015	40,348	39,866
	Amortization charge for the year	7,385	7,371
	At 1 April 2017	47,733	47,237
	Amortization charge for the year	13,404	13,400
	At 31 March 2018	61,137	60,637
	Net Book Value:		
	At 31 March 2018	32,668	32,668
	At 31 March 2017	18,172	18,168

* *This was a reclassification from intangible asset to computer and equipment. This reclassification was made as a result of wrong presentation of items in prior years.*

The Group's intangible asset represents N93,805 investments on computer software and software licenses. This is being amortised to profit or loss over a period of three years. There is no further contractual commitment to acquire intangible assets as at 31 March 2018.

13	Prepayment				
		The Group		The Company	
		2018	2017	2018	2017
		N'000	N'000	N'000	N'000
	Current portion	135,204	158,422	74,421	106,732
	Non-current portion	32,456	22,968	32,456	24,468
	At 31 March 2018	167,660	181,390	106,877	131,200
	Opening Balance	181,390	88,535	131,200	69,592
	Addition	220,890	183,060	189,510	162,344
	Utilised in the year	(234,620)	(90,205)	(213,833)	(100,736)
	Closing Balance	167,660	181,390	106,877	131,200

The non-current prepayment relates to prepaid office rent for the Group's office outlets across the country which will not be amortised in the next 12 months; while the current portion relates to the rent that will be amortised within the next 12 months.

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		The Group		The Company	
		2018	2017	2018	2017
		N'000	N'000	N'000	N'000
14.1	**Available for sale financial instrument**				
	At 1 April	477	568	477	568
	Fair value loss	-	(91)	-	(91)
	At 30 June	477	477	477	477

Impairment on available-for-sale investments
The Group assesses at each reporting date whether there is objective evidence that an investment in quoted shares is impaired. The objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration or extent to which the fair value of an investment is less than its cost. The available for sale financial instrument - Neimeth International Pharmaceutical Plc is a listed entity on the Nigerian Stock Exchange.

Based on these criteria, the Company identified no impairment (2017: N91,000) on available-for-sale investments in quoted equity shares for the year.

14.2 Investment in Subsidiaries					
		The Group		The Company	
		2018	2017	2018	2017
		N'000	N'000	N'000	N'000
	Investment in subsidiaries				
	measured at costs:				
	*Investment in Red Star				
	Freight Limited	-	-	100,000	10,000
	Investment in Red Star				
	Support Services Limited	-	-	49,065	49,065
	Investment in Red Star				
	Logistics Limited	-	-	225,000	225,000
		-	-	374,065	284,065

*The company increased its investment in Red Star Freight Limited (RSF) by N90,000,000 divided into 90,000,000 ordinary shares of N1.00 each which ranked paripassu in all respect with the existing share capital unit value of the Company. This was done through a debt-equity swap arrangement, where RSF indebtedness to RSE was converted to equity.

The Consolidated financial statement of the Group include:

Name		Principal Activities	Country of Incorporation	% equity interest	
				2018	2017
	Red Star Freight Limited	Freight and custom clearance	Nigeria	100%	100%
	Red Star Supports Services Limited	Mail management and despatch services	Nigeria	100%	100%
	Red Star Logistics Limited	Haulage and warehousing services	Nigeria	100%	100%

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		The Group		The Company	
		2018	2017	2018	2017
		N'000	N'000	N'000	N'000
15.1	**Deferred tax liabilities**				
	At the beginning of the year	150,623	103,793	33,283	31,009
	Tax (income) or expenses during the period (note 9.1)	37,642	47,013	3,362	2,457
	Tax income or (expenses) during the period recognized in OCI	(6,952)	(183)	(6,952)	(183)
	At the end of the year	**181,313**	**150,623**	**29,693**	**33,283**

		The Group		The Company	
		2018	2017	2018	2017
		N'000	N'000	N'000	N'000
15.2	**Deferred tax relates to the following:**				
	Accelerated depreciation for tax purposes	242,766	192,128	74,108	74,584
	Provision for gratuity	(23,542)	(14,936)	(23,542)	(14,936)
	Provision for fair-value	-	(27)	-	(27)
	Impairment of receivables	(39,228)	(34,283)	(22,133)	(28,444)
	Exchange difference on trade and other receivables	1,317	7,741	1,260	2,106
	At the end of the year	**181,313**	**150,623**	**29,693**	**33,283**

16	**Inventories**				
	Stationeries and packaging Materials	38,950	35,610	35,713	32,672
	Fuel & Oil	9,457	10,822	9,457	10,822
	Spares	4,549	924	4,046	-
		52,956	**47,356**	**49,216**	**43,494**

During 2018, N520,847,915 and N148,165,653 (2017: N 521,978,502 and N 183,540,000) was recognised as an expense for inventories carried at net realisable value for the Group and the Company respectively. This is recognised in cost of sales. There was no inventory write-down during the year.

17	**Trade and other receivables**				
	Trade receivables	1,993,762	1,887,381	1,197,127	1,137,594
	Receivable from Group companies (note 25)	-	-	655,405	456,455
	Other receivables (note 18)	937,092	632,888	444,804	306,370
		2,930,854	**2,520,269**	**2,297,336**	**1,900,419**

Trade receivables are non-interest bearing and are generally on terms of 30 to over 360 days.

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For terms and conditions relating to related party receivables, refer to Note 25.

As at 31 March 2018, trade receivables of an initial value of N130,760,816 (2017 N114,274,689), and N73,775,975 (2017: N94,813,811) were impaired and fully provided for by the Group and the Company respectively. See below for the reconciliation movements in the provision for impairment of trade receivables.

	The Group	Individually impaired	Collectively impaired	Total
		N'000	N'000	N'000
	At 1 April 2016	123,195	-	123,195
	Charge for the year	155,250	-	155,250
	Utilised	(20,700)	-	(20,700)
	Unused amount reversed	(143,470)		(143,470)
	At 1 April 2017	114,275	-	114,275
	Charge for the year	104,624	-	104,624
	Unused amount reversed	(88,138)		(88,138)
	At 31 March 2018	**130,761**	**-**	**130,761**

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

	Neither past due nor		Past due impaired but not impaired		
	0-90	91-180	181-270	271-360	
	Total	Days	Days	Days	Days
	N'000	N'000	N'000	N'000	N'000
2018	1,993,762	885,670	785,985	195,660	126,447
2017	1,887,381	959,165	737,833	132,887	57,496

The Company	Individually impaired	Collectively impaired	Total
	N'000'	N'000'	N'000'
At 1 April 2016	105,164	-	105,164
Charge for the year	78,929	-	78,929
Utilised	(20,700)	-	(20,700)
Unused amount reversed	(68,579)	-	(68,579)
At 1 April 2017	94,814	-	94,814
Charge for the year	61,700	-	61,700
Unused amount reversed	(82,738)	-	(82,738)
At 31 March 2018	**73,776**	**-**	**73,776**

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

		Neither past due nor impaire		Past due but not impaired	
	Total	0-90	91-180	181-270	271-360
		days	days	days	days
	N'000	N'000	N'000	N'000	N'000
2018	1,197,127	502,708	574,710	71,782	47,927
2017	1,137,594	585,307	424,951	84,381	42,955

See Note 31(1a) on credit risk of trade receivables, which discusses how the Group manages and measures credit quality of trade receivables.

		The Group		The Company	
		2018	2017	2018	2017
		N'000	N'000	N'000	N'000
18	**Other receivables**				
	Unutilized WHT receipts	616,179	415,485	272,351	194,397
	Staff car advance	152,608	63,496	74,040	46,933
	Interest receivable	989	2,319	989	2,319
	Other staff and operational advances*	167,316	151,588	97,424	62,721
		937,092	**632,888**	**444,804**	**306,370**

*These are advances to staff in the ordinary course of business operation, which are yet to be retired as at year-end.

		The Group		The Company	
		2018	2017	2018	2017
		N'000	N'000	N'000	N'000
19	**Cash and bank balances**				
	Cash balances	751	1,109	723	892
	Cash -in- transit	27,117	46,499	26,518	44,382
	Bank balances	223,936	146,048	137,249	93,343
	Short term deposit	298,064	320,005	226,539	304,847
		549,868	**513,661**	**391,029**	**443,464**

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 Group 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	
		2018	2017	2018	2017
		N'000	N'000	N'000	N'000
20	**Share capital**				
	Authorized 1,000,000,000				
	Ordinary shares of 50 kobo each	**500,000**	**500,000**	**500,000**	**500,000**
	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**

Section 120.2 of Companies and Allied Matters Act requires that where a company issues shares at premium (i.e. above the par value), the value of the premium should be transferred to share premium.

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 N4 per share. The share premium increase from N43.8 million to N296.4 million for the year ended 31 March 2007.

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22. Interest Bearing Loans and Borrowings

22.1 Finance Lease Obligation

Red Star Support Services Limited (a subsidiary company) entered into a lease agreement with Financial Derivative Company Limited who granted a loan of N 72,000,000 in 2017 to finance the acquisition of 3 units of Toyota Coaster buses. The duration of the loan is for 48 months with an interest rate of 21%. The loan is secured by Lessor's legal ownership of the equipment particularly contained in the invoice including all replacements and renewals thereof and all accessories and additions thereto whether made before or after the agreement and throughout the duration of the lease.

In July 2017, Red Star Logistics Limited (a subsidiary company) entered into a lease agreement with Financial Derivative Company Limited who granted a loan of N 114,175,400 to finance the acquisition of motor vehicles. The duration of the loan is for 36 months with an interest rate of 21.5%. The loan is secured by Lessor's Legal Ownership of the equipment particularly contained in the invoice including all replacements and renewals thereof and all accessories and additions thereto whether made before or after the agreement and throughout the duration of the lease.

	The Group		The Company	
	2018	2017	2018	2017
	N'000	N'000	N'000	N'000
Opening balance	66,980	-	-	-
Addition	114,175	72,000	-	-
Payments	(33,743)	(5,020)	-	-
Total lease balance loan	**147,412**	**66,980**	**-**	**-**

	The Group		The Company	
	2018	2017	2018	2017
	N'000	N'000	N'000	N'000
Long-term	76,832	48,903	-	-
Short-term	70,580	18,077	-	-
Total term loan	**147,412**	**66,980**	**-**	**-**

Further disclosure on the finance lease arrangement is made in Note 34 – Commitments and contingencies.

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23.1 Post-employment Gratuity plans

The Group operates a non-contributory gratuity scheme for both the Company and its subsidiaries (Group). The entitlement of the employees are based on applicable emoluments and qualifying years of service at the time of leaving the Company. The contributions are remitted to the Initiative on monthly basis over the employees' period of service.

The asset of the plan are held in a separate fund administered by the Trustee to meet the long term gratuity liabilities of retired employees. The Trustee is required to act in the best interest of the beneficiary. The Trustee which is appointed by the Board is responsible for preparing proper accounting records of the scheme, safeguarding assets and taking reasonable steps to prevent and detect fraud and any other irregularities. The trustee actively monitors how the duration and the expected yield of the plan assets match the expected cash flows from the gratuity obligations. The trust deed specify that assets of the fund are not available for the Group for other uses and must be used only to fund defined pension obligation.

In line with its terms of agreement, the Actuarial valuation was performed by Messrs. KDA Associates (Actuaries, Statisticians, Employee Benefits and Investment Analyst) with FRC Registration Number FRC/2013/00000000001556 for both the current year and the comparative year.

The major categories of plan assets of the fair value of the total plan assets are, as follows:

Investment Type	2018	2017	Nature
Investment Property	102,463,489	104,690,956	Buildings (Unquoted)
Investment in Shares	4,060,246	2,954,839	Quoted
FGN Bond	413,258,025	367,446,850	Quoted
Treasury bills	49,704,829	59,317,477	Quoted
Cash and Bank	14,668,413	39,424,907	Unquoted
Others	86,517,464	48,521,996	Unquoted
Total	**670,672,466**	**622,357,025**	

The following tables summarise the components of net benefit expense recognised in profit or loss and the funded status and amounts recognised in the statement of financial position for the respective plans:

		2018	2017
		N'000	N'000
	Net employee defined benefit liabilities	(78,473)	(49,176)

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

23.2 2018 changes defined benefit obligation

	Pension obligation charged to profit or loss					Re-measurement gains/(losses) in other comprehensive income					
	1-Apr-17	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31 March 2018
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Defined benefit obligation	(671,532)	(81,700)	(97,920)	(179,620)	26,797	-	75,210	-	75,210		(749,145)
Fair value of plan assets	622,356	-	90,540	90,540	(26,797)	-	(98,382)	-	(98,382)	82,954	670,672
Benefit liability	(49,176)			(89,080)	-	-	(23,172)	-	(23,172)	82,954	(78,473)

2017 changes defined benefit obligation

	Pension obligation charged to profit or loss					Re-measurement gains/(losses) in other comprehensive income					
	1-Apr-16	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31 March 2017
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Defined benefit obligation	(565,651)	(74,076)	(83,165)	(157,241)	59,626	-	8,267	-	8,267	-	(671,532)
Fair value of plan assets	540,870	-	70,313	70,313	(59,626)	-	(7,657)	-	(7,657)	63,142	622,356
Benefit liability	(24,781)			(86,928)	-	-	610	-	610	63,142	(49,176)

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The principal assumptions used in determining post-employment benefit obligations for the Group's plans are shown below:

	2018	2017
	%	%
Discount rate	13.5	10
Future salary increases	5	5
Mortality rate	8	8

A one percentage point change in the assumed rate of increase in healthcare costs would have the following effects:

	Future salary increases		**Discount rate**		**Mortality rate**	
Sensitivity level	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**	**I year improvement**	**1 year deterioration**
	N'000	**N'000**	**N'000**	N'000	N'000	N'000
2018						
Impact on defined benefit obligation	764,394	734,881	734,289	765,240	750,111	748,241
2017						
Impact on defined benefit obligation	552,876	565,652	553,518	578,877	566,769	564,278

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

	2018	**2017**
	N'000	**N'000**
Within the next 12 months (next annual reporting period)	122,032	115,398
Between 2 and 5 years	366,449	346,528
Between 5 and 10 years	855,047	808,565
Beyond 10 years	977,197	924,073
Total expected payments	2,320,725	2,194,564

The average duration of the defined benefit plan obligation at the end of the reporting period is 18.7 years (2017: 20 years).

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		The Group		**The Company**	
		2018	**2017**	**2018**	**2017**
		N'000	**N'000**	**N'000**	**N'000**
24.	**Trade and other payables**				
	Trade Creditor	520,434	240,105	515,215	239,178
	Other Creditors and accruals				
	(Note 24.1)	1,288,549	1,286,181	1,018,096	934,945
	Payable to related parties	-	-	185,296	237,279
		1,808,983	1,526,286	1,718,607	1,411,402
24.1	**Other creditors and accruals**				
	Accruals	310,713	422,291	210,781	226,905
	Agent clearing charges	472,994	411,237	472,994	411,242
	Union dues	-	12,502	-	6,709
	WHT	76,975	58,983	69,698	51,787
	VAT	239,233	218,606	121,580	120,810
	Staff pension (note 24.2)	18,607	10,967	4,727	4,347
	Unclaimed dividend	101,539	92,034	101,539	92,034
	Other payables	68,488	59,561	36,777	21,111
		1,288,549	1,286,181	1,018,096	934,945
	Other payables relates to statutory payables and professional fees due to consultants.				
24.2	**Staff pension accruals**				
	At the beginning of the year	10,967	25,066	4,347	4,979
	Provision for the year	169,364	155,112	67,007	77,230
		180,331	180,178	71,354	82,209
	Payment during the year	(161,724)	(169,211)	(66,627)	(77,862)
	At the end of the year	18,607	10,967	4,727	4,347

* The Group's defined contribution pension plans is a final salary plan for the employees of Red Star Express Plc and its subsidiaries, which requires contributions to be made to separately administered funds.

25. Related party disclosure

The Group 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 2018, the Group 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. It is the Group's policy not to recognise impairment on related parties' transactions.

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	Nature of transaction	Transaction value	Balance receivable/ (payable)	Balance receivable/ (payable)
			2018	2017
Related Companies:		**₦'000**	**₦'000**	**₦'000**
Red Star Freight Ltd	Freight and custom clearance.	65,643	112,000	162,092
Red Star Logistics Ltd	Haulage and warehousing services	354,950	543,405	294,363
Red Star Support Services Ltd	Mail management and despatch services	287,890	(185,296)	(237,279)

26. Reconciliation of net profit to cash from operating activities

	The Group		The Company	
	2018	2017	2018	2017
	N'000	N'000	N'000	N'000
Net profit before taxation	610,589	653,200	486,487	408,342
Adjustment to reconcile net income to				
net cash provided by operating activities:				
Depreciation and amortization	319,935	243,020	157,419	120,930
Profit on disposal of fixed assets	(514)	(192)	(514)	(192)
Interest expense	27,660	21,111	-	9,524
Interest income	(23,318)	(17,684)	(20,189)	(16,594)
Dividend income	-	-	(116,062)	(97,383)
Fair value loss on available for sale	-	91	-	91
Impairment in receivable	(104,624)	(155,250)	(61,700)	(78,929)
Exchange difference	**(4,300)**	**(25,802)**	**(4,199)**	**(7,022)**
Changes in assets and liabilities:				
(Increase)/decrease in inventories	(5,600)	13,823	(5,723)	10,047
(Increase) in trade and	(410,585)	(461,849)	(396,917)	(361,645)
other receivables				
Decrease/ (increase) in prepayments	13,730	(92,855)	24,323	(61,626)
Increase in trade and				
other payables	159,065	301,697	141,105	272,827
Increase in employee benefits	29,297	19,035	29,297	19,035
Net cashflow provided by operating				
Activities	**611,335**	**498,345**	**233,327**	**217,405**

27. Distributions made and proposed

	2018	2017
	N'000	N'000
Final dividend	235,801	206,324
Withholding tax	(23,580)	(20,632)
Dividend Payable	212,221	185,692
Dividend paid during the year	(212,221)	(185,692)
	-	-

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

Directors	The Group		The Company	
	2018	2017	2018	2017
	N'000	N'000	N'000	N'000
Remuneration paid to the Directors was:				
Short-term employee benefit				
Fees and sitting allowances	14,220	11,145	10,507	8,235
Executive compensation	8,362	8,362	8,206	8,206
Other Directors expenses and benefits	21,371	22,213	21,371	22,213
Short term employee benefit	43,953	41,720	40,084	38,654
Post-employment benefit	-	1,158	-	1,033
Total compensation	**43,953**	**42,878**	**40,084**	**39,687**

Fees and other emoluments disclosed above include amounts paid to:

	2018	2017
	N'000	N'000
The Chairman	2,155	2,155
The highest paid Director	15,540	13,581

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	1	1	1	1
N 3,000,001 and above	3	3	3	3

29. Staff number and higher paid employees

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

	The Group		The Company	
	2018	2017	2018	2017
	Number	Number	Number	Number
Managerial	7	7	4	4
Senior	39	39	30	31
Supervisors	163	157	59	60
Junior	1,721	1,624	177	163
	1,930	**1,827**	**270**	**258**

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

	The Group		The Company	
	2018	2017	2018	2017
	Number	Number	Number	Number
N140,001 - N210,000	1,529	1,445	163	160
N210,001 - N360,000	344	329	67	58
N360,001 - N900,000	44	44	33	34
N900,001 - N1,700,000	10	6	4	3
N1,700,001 - N2,011,000	3	3	3	3
	1,930	**1,827**	**270**	**258**

30(a) Segment information

For disclosure purpose in compliance with IFRS 8, no single external customer transaction amount to 10 per cent or more of the entity's revenues.

The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

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

- The Courier Service segment, is involved in express delivery of documents and parcels.
- Freight services is involved in clearing and forwarding of goods (importation and export services).
- Logistics relates to services involving warehousing and chain distribution services.
- Support services relates to mail room management and other delivery services.

Segment statement of comprehensive income	Courier		Freight		Logistics		Support services		Group	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Revenue (External customer)	4,406,118	4,049,921	794,971	535,843	1,563,459	1,213,452	1,642,960	1,499,425	8,407,507	7,298,642
Finance income	20,189	16,594	-	-	3,130	498	-		23,318	17,684
Cost of sales	(2,932,237)	(2,733,636)	(628,207)	(417,355)	(1,019,812)	(1,003,967)	(1,044,939)	(1,387,753)	(5,625,188)	(5,111,140)
Other Income	123,876	121,975	136	495	2,067	24,958	1,071	1,071	*11,088	*50,464
Admin expenses	(1,131,460)	(1,036,988)	(111,597)	(63,166)	(446,507)	(120,097)	(488,911)	(146,097)	(2,178,476)	(1,581,340)
Finance Cost	-	(9,524)	-	-	(15,090)	(7,141)	(12,570)	(4,782)	(27,660)	(21,110)
Profit before taxation	486,487	408,342	55,303	55,817	87,247	107,703	97,611	(38,135)	610,589	653,200
Taxation	(151,715)	(93,665)	(19,497)	(17,861)	(57,452)	(34,465)	(34,367)	(50,975)	(263,031)	(226,444)
Profit after taxation	334,772	314,677	35,806	37,956	29,795	73,238	63,244	(89,110)	347,558	426,756

*The total of finance income in the group account is net of dividend received by the Parent company (Courier) from its subsidiaries.

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Segment statement of financial position	Courier		Freight		Logistics		Support services		Group	
	18-Mar	17-Mar	18-Mar	17-Mar	18-Mar	17-Mar	18-Mar	17-Mar	18-Mar	17-Mar
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Total Non-current assets	1,055,124	900,208	6,147	8,572	485,785	384,770	152,123	183,861	1,325,113	1,191,849
Current assets	2,812,002	2,494,109	381,419	373,795	948,674	677,298	367,492	394,876	3,668,882	3,239,708
Total assets	3,867,126	3,394,317	387,566	382,367	1,434,459	1,062,068	519,615	578,737	4,993,995	4,431,557
Ordinary share capital	294,748	294,748	100,000	10,000	225,000	225,000	49,065	49,065	294,748	294,748
Share premium	296,433	296,433	-	-	-	-	-	-	296,433	296,433
Retained earnings	1,282,609	1,199,858	107,136	93,489	265,289	266,954	281,386	284,190	1,936,404	1,840,867
Non-current liabilities	108,166	82,458	910	1292	174,162	79,470	71,733	79,531	336,618	248,702
Current liabilities	1,885,170	1,520,820	179,520	277,586	770,008	490,644	117,431	165,951	2,129,792	1,750,807
Total equity and liabilities	3,867,126	3,394,317	387,566	382,367	1,434,459	1,062,068	519,615	578,737	4,993,995	4,431,557

30 (b) Geographical Area - All revenues are earned locally in Nigeria.

30 (c) **Major Customers** – The Group's major customers are Corporate bodies and organisations in Nigeria, some of them include Chemonics GTE, Diamond Bank, IBTC Pension Managers, Association for Reproductive Health and First City Monument Bank.

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

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

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group 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 Group if a customer or counterparty to financial instrument fails to meet its Contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts.

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(a) Trade receivables

Customer credit risk is managed by each business unit subject to the Group'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 2018, the Group had 223 customers (2017: 276 customers) that owed the Group more than N1,000,000 each and accounted for approximately 59% (2017: 68%) of all receivables.

There were 18 customers (2017: 14 customers) with balances greater than N10 million accounting for over 26% (2017: 24%) 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 Group evaluates the concentration of risk with respect to trade receivables to be low, as 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 Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group'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 2018 and 2017 is the carrying amounts as illustrated below:

	The Group		The Company	
	2018	2017	2018	2017
	N'000	N'000	N'000	N'000
Trade and other receivables	2,930,854	2,520,269	2,297,336	1,900,419
Cash and cash equivalents	549,868	513,661	391,029	443,464
	3,480,722	3,033,930	2,688,365	2,343,883

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2. Liquidity risk

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

The Group 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 Group's financial liabilities:

Year ended 31 March 2018	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	N'000	N'000	N'000	N'000	N'000
Trade and other payables	540,588	753,505	514,890	-	1,808,983
Finance lease obligation	-	13,121	65,604	115,987	194,712

Year ended 31 March 2017	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	N'000	N'000	N'000	N'000	N'000
Trade and other payables	328,856	756,276	441,154	-	1,526,286
Finance lease obligation	-	4,459	22,295	69,115	95,869

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

Year ended 31 March 2018	On Demand	Less than 3 months	3 to 12 Months	1 to 5 years	Total
	N'000	N'000	N'000	N'000	N'000
Trade and other payables	521,489	682,228	514,890	-	1,718,607

Year ended 31 March 2017	On Demand	Less than 3 months	3 to 12 Months	1 to 5 years	Total
	N'000	N'000	N'000	N'000	N'000
Trade and other payables	273,969	856,279	281,154	-	1,411,402

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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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group'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 Group is not managing its foreign currency risk by hedging because the entity's dealing in foreign currencies is minimal except for its cash and cash equivalent and will not have material effect on the financial statements of Red Star Express Plc.

The following significant exchange rates were applied during the year:

	Average rate during the year		Reporting date spot rate	
	2018	**2017**	**2018**	**2017**
	N	**N**	**N**	**N**
Pound (GBP)	429.53	381.88	499.56	385.04
US$ 1	305.15	284.40	356.03	309.19

Effect on cash and cash equivalent
Changes in US Dollars Rate

			Group	Company
			N'000	**N'000**
	2018	**(+5%)**	**3,468**	**3,148**
		(-5%)	3,468	(3,148)
	2017	(+5%)	466	431
		(-5%)	(466)	(431)
Changes in Pounds				
	2018	(+5%)	1.73	1.73
		(-5%)	(1.73)	(1.73)
	2017	(+5%)	19	12
		(-5%)	(19)	(12)

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(b). Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market interest rates. As at the year end, the Group is not exposed to interest rate risk as the rate of interest charged on borrowings is fixed.

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 Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares.

	The Group		The Company	
The Group	**2018**	**2017**	**2018**	**2017**
	N'000	**N'000**	**N'000**	**N'000**
Long term liabilities	2,466,410	1,999,509	1,993,336	1,603,279
Total equity	2,527,585	2,432,048	1,873,790	1,791,039
Adjusted net debt to equity ratio:	13%	10%	6%	5%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 2017. In order to ensure an appropriate return for shareholder's capital invested in the Group, management thoroughly evaluates all material projects and potential acquisitions before approval. The Group 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 Group after the reporting period.

34. Commitments and contingencies
Finance lease commitments

The Group has finance leases contracts for motor vehicles. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease. Future minimum lease payments under finance leases contracts together with the present value of the net minimum lease payments are as follows:

Notes to The Financial Statements
Continued

	2018		2017	
	Minimum Payment	Present value of payments	Minimum Payment	Present value of payments
	N'000	N'000	N '000	N'000
Within one year	84,440	70,580	26,754	18,077
After one year but not more than five years	109,870	76,832	69,115	48,903
Total minimum lease payments	194,320	147,412	95,870	66,980
Less amounts representing finance charges	(46,908)	-	(28,890)	-
Present value of minimum lease payments	**147,412**	**147,412**	**66,980**	**66,980**

Operating Lease Commitment

The Group has entered into operating leases on its warehouse facilities. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

	The Group	
	2018	2017
	N'000	N'000
Within one year	29,379	28,869
	29,379	28,869

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

Legal claim contingency

At 31st March 2018, 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 Group accepted a performance bond of N50 million (2017: N50 million) in favour of Nigeria Customs Services.

Statement of Value Added

31 MARCH 2018

The Group

	2018		2017	
	N'000	%	N'000	%
Revenue	8,407,507		7,298,642	
Cost Of Goods And Other Services – Local	(6,847,252)		(5,910,853)	
	1,560,255		1,387,789	
Non-Trading Items	34,406		68,148	
Total Value Added	**1,594,661**		**1,455,937**	
APPLIED AS FOLLOWS:				
EMPLOYEES				
- as salaries and labour related expenses	636,477	40%	538,607	37%
TO PROVIDER OF CAPITAL				
- as finance cost	27,660	2%	21,110	1%
TO GOVERNMENT:				
- as Group taxes	225,389	14%	179,431	12%
RETAINED FOR THE GROUP'S FUTURE				
- for assets replacement (depreciation & amortization)	319,935	20%	243,020	17%
- deferred tax assets/(liabilities)	37,642	2%	47,013	3%
- for expansion (profit retained)	347,558	22%	426,756	30%
	1,510,363	**100%**	**1,455,937**	**100%**

Statement of Value Added

Continued

31 MARCH 2018

The Company

	2018		2017	
	N'000	**%**	**N'000**	**%**
	2018		2017	
N'000	%	N'000	%	
Revenue	4,406,118		4,049,921	
Cost Of Goods And Other Services - Local	(3,620,865)		(3,387,146)	
	785,253		**662,775**	
Non-Trading Items	144,065		138,569	
Total Value Added	929,318		801,344	
APPLIED AS FOLLOWS:				
EMPLOYEES				
- as salaries and labour related expenses	298,812	32%	269,919	34%
TO PROVIDER OF CAPITAL				
- as finance cost	-		9,524	1%
TO GOVERNMENT:				
- as Company taxes	148,353	16%	91,208	12%
RETAINED FOR THE COMPANY'S FUTURE				
- for assets replacement (depreciation& amortization)	144,019	15%	113,559	14%
- deferred tax	3,362	1%	2,457	0%
- for expansion (profit retained)	334,772	36%	314,677	39%
	929,318	**100%**	**801,344**	**100%**

Five - Year Financial Summary

31 MARCH 2018

The Group

	IFRS				
	2018	**2017**	**2016**	**2015**	**2014**
	N '000	**N '000**	**N '000**	**N '000**	**N '000**
STATEMENT OF COMPREHENSIVE INCOME					
Revenue	8,407,507	7,978,642	6,632,996	6,658,468	6,416,430
Profit before taxation	610,589	653,200	572,107	611,062	603,891
Profit after taxation	347,558	426,756	334,427	383,637	403,634
Per N1 share date (kobo):					
Earning - Basic	**0.59**	**0.72**	**0.57**	**0.65**	**0.68**
					IFRS
	2018	**2017**	**2016**	**2015**	**2014**
	N '000	**N '000**	**N '000**	**N '000**	**N '000**
STATEMENT OF FINANCIAL POSITION					
Assets and Liabilities					
Property, plant & equipment	1,259,512	1,150,232	882,393	1,021,216	1,064,599
Intangible assets	32,668	18,172	5,359	11,154	10,698
Long term prepayment	32,456	22,968	14,736	16,153	11,938
Available for sale financial instrument	477	477	568	601	1,193
Net current assets	1,539,091	1,488,901	1,442,942	1,200,323	1,046,820
Non-current liabilities	(336,617)	(248,702)	(133,955)	(188,536)	(232,529)
	2,527,585	**2,432,048**	**2,212,043**	**2,060,911**	**1,902,719**
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	1,936,404	1,840,867	1,620,862	1,469,730	1,311,538
	2,527,585	**2,432,048**	**2,212,043**	**2,060,911**	**1,902,719**

Five - Year Financial Summary
Continued

31 MARCH 2018

The Company

	IFRS				
	2018	**2017**	**2016**	**2015**	**2014**
	N '000	**N '000**	**N '000**	**N '000**	**N '000**
STATEMENT OF COMPREHENSIVE INCOME					
Revenue	4,406,118	4,049,921	3,815,253	3,884,506	3,922,697
Profit before taxation	486,487	408,342	423,195	423,396	432,599
Profit after taxation	334,772	314,677	263,780	300,878	321,977
Per N 1 share date (kobo):					
Earning – Basic	0.57	0.53	0.45	0.51	0.56
	2018	**2017**	**2016**	**2015**	**2014**
	N '000	**N '000**	**N '000**	**N '000**	**N '000**
STATEMENT OF FINANCIAL POSITION					
Assets and Liabilities					
Property, plant & equipment	615,458	573,030	512,269	567,778	543,635
Intangible assets	32,668	18,168	5,345	10,448	10,351
Long term prepayment	32,456	24,468	16,236	17,653	13,438
Long term investment	374,542	284,542	284,633	284,666	285,258
Net current assets	926,832	973,290	920,421	782,031	715,557
Non-current liabilities	(108,166)	(82,459)	(55,791)	(59,948)	(43,619)
	1,873,790	**1,791,039**	**1,683,113**	**1,602,627**	**1,524,620**
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	1,282,609	1,199,858	1,091,932	1,011,446	933,439
	1,873,790	**1,791,039**	**1,683,113**	**1,602,627**	**1,524,620**

Proxy Form

FORM OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING OF RED STAR EXPRESS PLC. ON AUGUST 30, 2018 AT THE SHELL HALL, MUSON CENTER, ONIKAN, LAGOS.

I/WE ______________________ being a member(s) of RED STAR EXPRESS PLC.

hereby appoint:** ______________________ or failing him

Mr. Sola Obabori 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 30thAugust 2018 and at any adjournment thereof.

Dated this ____________ day of ____________ 2018.

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	Election of Directors a. Mr. Suleiman Barau b. Mrs. Chioma Sideso			
4.	Re-election of Directors; a. Alh. Aminu Dangana			
5.	Reappoint and fix the remuneration of the Auditors			
6.	To elect members of the Audit Committee			
7.	To fix Directors fees			

NOTE:

The above Proxy Form, when completed, must be deposited at the office of the Registrars, United securities Limited, Plot09, AmoduOjikutu 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*

Group Executive Committee

PETER OLUSOLA OBABORI
GROUP MANAGING DIRECTOR/CEO

VICTOR ENOBONG UKWAT
EXECUTIVE DIRECTOR
SALES AND MARKETING

AUWALU BADAMASI BABURA
EXECUTIVE DIRECTOR
FINANCE AND ADMINISTRATION

CHARLES UCHE EJEKAM
DIVISIONAL MANAGING
DIRECTOR

FRANCES NDIDI AKPOMUKA
COMPANY SECRETARY

TONYE PREGHAFI
DIVISIONAL MANAGING
DIRECTOR

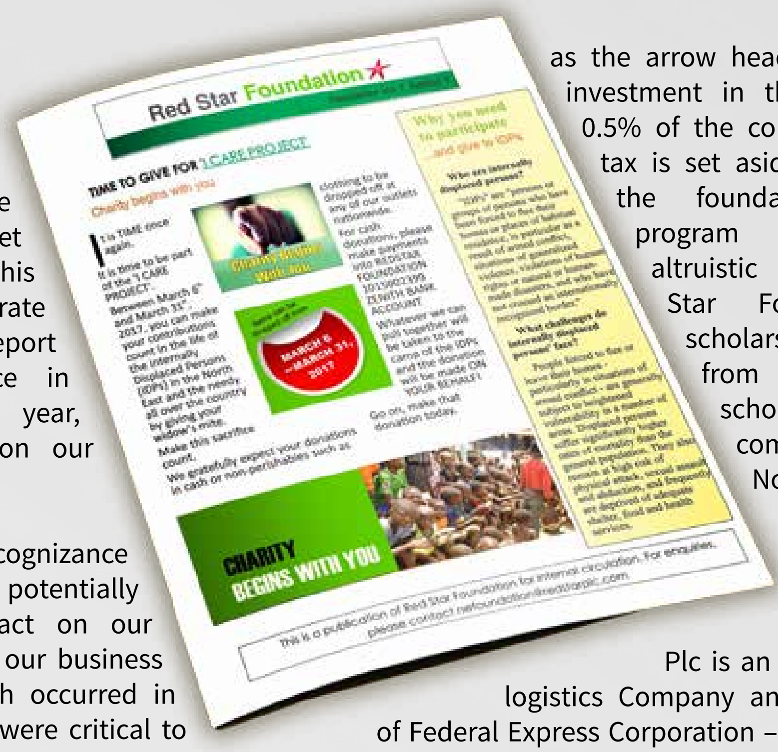
ENOMA OJO
DIVISIONAL MANAGING
DIRECTOR

OCHOLI ETU
DIVISIONAL MANAGING
DIRECTOR

Corporate Social Responsibility

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY REPORT OF RED STAR EXPRESS PLC FOR THE 2017/2018 FINANCIAL YEAR

Introduction



Red Star Express Plc is committed to investing in people and recognize that our greatest asset is our people and this Sustainability and Corporate Social Responsibility Report covers our performance in the 2017/2018 financial year, and focuses primarily on our sustainability goals.

This report also takes into cognizance key issues such that could potentially have a significant impact on our business performance or our business leadership position which occurred in the courier industry and were critical to the sustainability of our business.

The report would also capture the strategy we will be leveraging on to achieve the Sustainability goals we have set out to attain in the next financial year and also reflects the company's position for the period under review.

At Red Star Express, we believe that when we invest in people, they are spurred to rendering excellent customer service to our customers thereby making profit for the company and indeed its shareholders which is reinvested in the people to complete our sustainability cycle.

Successive Management also understands the bond between the company and its host communities, and is committed to sustainable business care for the environment. This position is further buttressed by the Company's Corporate Social Investment Policy as approved by the Board.

In other to actualize its commitment to investing in people, the Red Star Foundation was incorporated as the arrow head of the company's investment in the community and 0.5% of the company's profit after tax is set aside annually to fund the foundation's scholarship program amongst other altruistic projects. The Red Star Foundation awards scholarship to students from public secondary schools within our host communities in the North, East and West.

WHO WE ARE

Red Star Express Plc is an indigenously owned logistics Company and the sole licensee of Federal Express Corporation – FedEx in Nigeria. Its mission is not only to provide superior returns to its stakeholders but to efficiently deliver end to end supply chain logistics services to over 1,500 communities in Nigeria as well as to countries all over the world. We have a network of 166 offices within Nigeria and an selection of highly trained and professional personnel.

Red Star Express has three subsidiaries - Red Star Logistics Limited, Red Star Support Services Limited and Red Star Freight Limited and was listed on the Nigeria Stock Exchange in November 2007 with presently well over 4,500 shareholders.

Our vision is to be an investor in the logistics services industry, helping the Companies in which we invest create sustainable value as well as achieve superior returns.

- We are passionate about our customers and strive to have ingenious ways of meeting and surpassing their delivery expectations.
- We appreciate and value our staff whilst enjoying the benefit derived from working with diverse

people and perspectives.

- We are open to challenges and respond quickly to the opportunities they create.
- We take pride in what we do and how we do it.
- We operate responsibly and ensure the highest standard of integrity and service is maintained at all times.
- We are always learning new ways of improving our processes whilst striving to remain the best indigenously owned Courier Company

OUR KEY FOCUS

To be the logistics provider of first choice.

OUR STRATEGIC SUSTAINABILITY OBJECTIVES

We have identified a number of strategic objectives that are in line with our corporate strategy which are as follows:

- To exceed customer expectations by providing the most reliable service;
- To engage competent and resourceful employees, and;
- Deploying modern technology to provide logistics services that exceed stakeholders expectations at all times.

ECONOMIC IMPACT

Red Star Express Plc provides employment to several persons and indirectly to a number of persons working with us as either 3rd party providers, suppliers etc. We also generate economic value in various segments of the economy ranging from the Banking sector, Manufacturing, Oil and Gas, FCMGs, and Aviation which also acts as 3rd party providers in consigning our packages from one point to the other.

We have a strong desire to contribute more to the Nigerian economy, and remain positive that as we grow our business, we would be able to extend our economic impact even further.

GOVERNANCE

At Red Star Express Plc our actions and relations with our consumers, customers, employees, government officials, suppliers, shareholders and other stakeholders reflects our values, beliefs and principles. Our business is government regulated and we pride ourselves as leading our peers in the Courier industry in Nigeria.

We remain committed to conducting our business in line with corporate best practices, in accordance with applicable laws and regulations in Nigeria and the requirements of the Nigerian Stock Exchange as well as in compliance with the Code of Corporate Governance in Nigeria.

RISK MANAGEMENT

Our Company has a strong culture of risk management and a framework which helps our business proactively identify and manage risks.

Risk management is the responsibility of both our Board and Management team as well as the various cadres of Managers and Supervisors who are saddled with responsibilities to aid the identification and management of risks and then report same to the Business Development and Strategy Department for necessary action.

We have also developed ways in which identified risks could be mitigated and corrective measures duly taken.

INVESTORS RELATIONS

Red Star Express Plc recognizes that the success of its business to a large extent, is due to the valuable relationships with the investing public and key stakeholders who support our operations. We therefore strive to maintain constant channels of communication with these stakeholders and their questions, complaints and/or observations can be sent via mail to: investorsrelations@redstarplc.com

OUR ENVIRONMENT

We know that the sustainability of our business depends largely on our business environment as well as

Red Star Express
Corporate Social Responsibility
Continued

the growth of the locality where we operate. Hence, we take proactive steps towards optimizing the ecological and human resources resident and/or deposited in our business environment. The business of our Company does not have any climate change effect, deplete natural resources nor cause any damage to species and/or habitats. Instead, our Company improves the environment in which it operates.

Our strategy involves making continuous improvement in the environment where our offices are situate as a means of improving the quality of life of its residents. Listed below are some of the projects undertaken by the Company in this regard:

- **Road Rehabilitation**
  The Company in collaboration with the Adeola Ajayi Residents Association embarked on an extensive road rehabilitation of Adeola Ajayi Crescent where our Administrative office is situated and also provided minimal electricity to light up the streets at night, keeping it illuminated for staff and residents as they move about at night.
- **Scholarship Presentation**
  During the course of the financial year under review, the Foundation awarded scholarships to a total of 20 Secondary school students in Lagos, Kano and Rivers States.

The beneficiaries in Lagos are as follows:

1. Okoro Vivian and Ajigboteso Joseph - Mafoluku Senior Grammar School;
2. Morakinya Eniola, Adebayo Adedayo Mark and Moses Daniel Olamide - Unity Senior High School;
3. Okonofua Jude Tomilola, Ochella Victoria Faith and Lawal Suliat Moromola - Ikeja Senior Grammar School;
4. Arilesere Modinat - Bolade Senior Grammar School

The beneficiaries in Kano are as follows:

1. Usman Yusif and Daluta Ahmadu - Government Secondary School, Makoda;
2. Muzzakir Sulaiman Abdulkarim and Usman Ibrahim Abubakar - Government Secondary School, Maitsidau;
3. Mubarak Auwal, Abdulhadi Dauda and Sammani Ibrahim - Government Secondary School, Koguna;
4. Suwaiba Ibrahim Ahmad - Dabo Government Girls Secondary School;
5. Habibu Mustapha Lawan – Government College Kano.

On the recommendation of the Rivers State Student Welfare Association (Rebisi Chapter), the following students were also given scholarships in Rivers State:

1. Peace Ezekiel and;
2. Joy Agwu

- **Internally Displaced Persons Outreach**
  The Company's Foundation through its "I Care Project" galvanized the entire staff of the Company, as well as the Board of Directors, Customers and friends to donate relief materials for the Internally Displaced Persons (IDP) at the IDP Camp in Malkohi, Yola, Adamawa State and these items were handed over to the National Emergency Management Agency (NEMA) on June 16, 2017, for distribution to the IDPs.
- **School Trainings**
  The Company's Foundation also visited schools to give trainings and career talks in and also supported various skills acquisition programs.
- **The Mentorship Scheme**
  The Company vide its Foundation, initiated a Mentorship Scheme where beneficiaries of scheme are paired with various staff who act as mentors to guide them by giving career advice and exposure to the corporate working environment.

Other notable Corporate Social Responsibility Programs supported by the Company include:

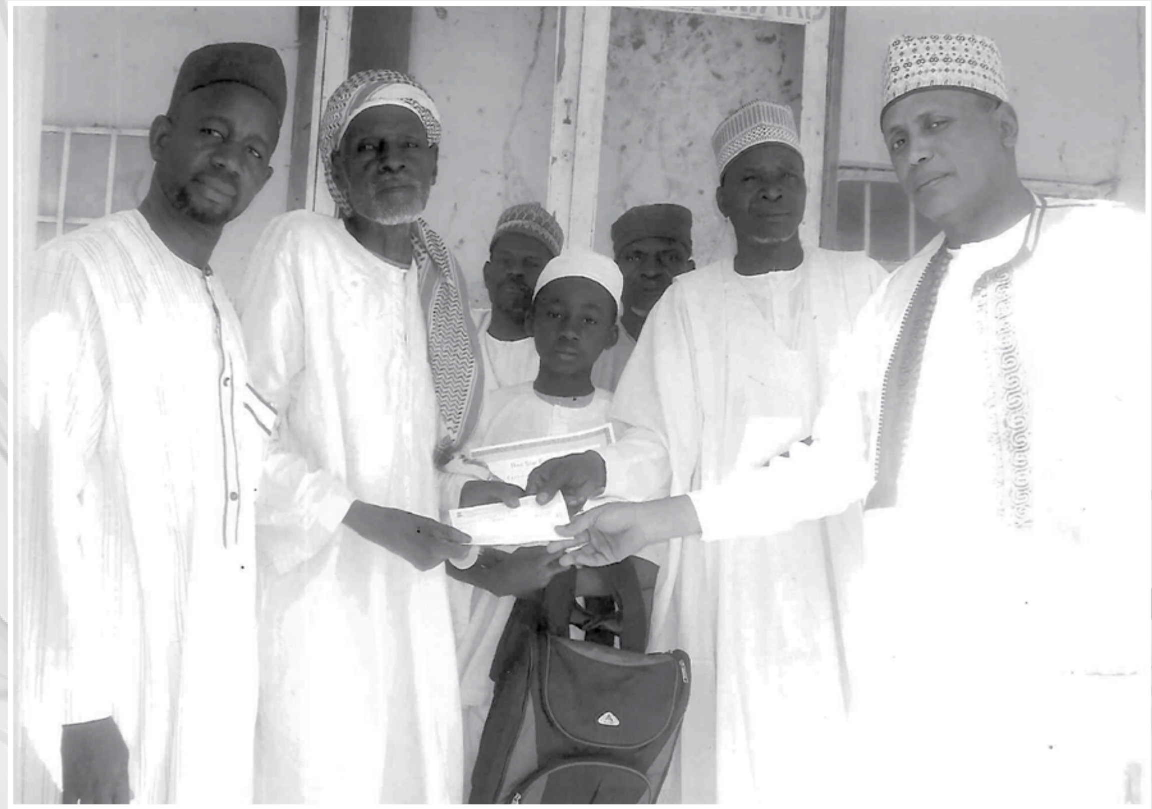
- **The 2nd International Conference and Doctoral Colloquium** of the Bayero University Kano which was held on February 26-28, 2017.
- The United States of America Independence Day celebrations organized by the Embassy of the United States of America in July 2017.
- The seminar organized by the Nigerian Institute of Training and Development, Lagos State Branch in July 2017. Theme "The role of Learning and Development in Engendering a Knowledge based Economy".
- Access Bank Plc CSR Health Project in conjunction

JUNE 2017: The Red Star Foundation team led by member of the Board of Directors of Red Star Express Plc, Alhaji Aminu Dangana presenting the food items and relief material at the IDP camp in Yola, Adamawa State.

NOVEMBER 2017: Management team of RedStar Express Plc, mentors and 2017 Lagos Scholars of RedStar Foundation during the 2017 presentation in Lagos.

Red Star Express
Corporate Social Responsibility
Continued

NOVEMBER 2017: Management team of RedStar Express Plc, on behalf of RedStar Foundation, presents scholarship to one of the scholars in Mafoluku, Lagos.



DECEMBER 2017: Head of Central Admin., Red Star Express Plc, Abdul Koguna presenting the scholarships on behalf of Red Star Foundation to students of Government Secondary School in Koguna Town, Kano.

Corporate Social Responsibility
Continued

with Lagos School of Art titled, “Let’s talk Depression” in November 2017.

Every year, we set ourselves a series of challenging targets in the areas of health related issues like autism and child health, renovation of health centres and facilities, education etc whilst working towards ensuring that these targets crystallize significant improvements in the above areas.

We have not met all of our stretching targets, (far from it) but we have made significant improvements, particularly in the areas of education and we remain committed to achieving our sets goals in the next financial year.

HEALTH, SAFETY & WELLBEING

Every member of staff has the absolute right to resume at work each day without having to risk injury or potential health concerns in order to do their jobs. Red Star Express Plc is therefore committed to maintaining safe and secure working conditions for all employees, contractors and suppliers who have one reason or the other to be on our premises.

Members of staff are constantly reminded of the need to stay healthy and maintain a healthy work-life balance. Recently, the Company commenced bi-monthly fitness exercises, walk-out sessions and periodic health checks to ensure maintenance of a sound, healthy and happy mind.

HUMAN RESOURCE

At Red Star Express Plc we believe in providing a workplace where our employees can attain their full potential. To ensure this, we equip all employees with the requisite skills and knowledge required for optimal performance on their jobs and various assignments.
We also make certain that training needs as identified, are given adequate attention which guarantees that our Company at all times have qualified people with the right capabilities.

FUNDAMENTAL HUMAN RIGHTS

There is a serious commitment for fundamental Human Right at Red Star Express Plc and to this end, appropriate policies and guidelines have been put in place to ensure that these salient rights are in no way breached.

DISCRIMINATION

At Red Star Express Plc., we do not tolerate discrimination, harassment, bullying or abuse; we comply with wage and work hours laws; we ensure equal remuneration for women and men; we respect our employees’ decision to join or not join a union; and we do not tolerate child labour or forced labour and we refuse to work with anyone who does not adopt or support these values.

WHISTLE BLOWING MECHANISM/CODE OF BUSINESS CONDUCT

We also have an independent whistle blowing system for employees to report conduct which they believe violate their human rights or our Code of Business Conduct, Policies or Standards. Issues reported through this medium at whistlebox@redstarplc.com are investigated by the Head, Internal Audit and remedied.

BRIBERY AND CORRUPTION

Our employees are aware that we do not give or receive bribes or other improper advantages for business gain. This prohibition applies to any form of bribe of any value, and is not limited to cash. We also take special care to ensure that our actions are not interpreted as bribery, particularly in the areas of gifts, hospitality, entertainment, expense, customer travel, charitable donations and sponsorship. All such are recorded in our accounting and financial records to avoid the risk of inadvertently facilitating an act of bribery.

Conclusion

As we look to the future, we recognize that the society which we live and work is a dynamic one, we most certainly have to strive to make sure that the change brought about by this dynamism is a positive one and one can be rest assured that Red Star Express Plc shall in its own little way champion this positive change.

Sustainability for us is a work in progress, hence we would continually improve on our efforts to make our CSR initiative bigger and better every year.

MANDATE FOR E-DIVIDEND PAYMENT

DATE: (DD/MM/YYYY)

The Registrar
United Securities Limited
Plot 009 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 datails as supplied hereunder

SURENAME/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

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 LIMITED hereby disclaims liability or responsibility for any errors/omissions/misstatements in any document transmitted electronically”

Certification No. 0000076

STANDARDS ORGANISATION OF NIGERIA
CAP S9 LAW OF FEDERATION OF NIGERIA 2004

Certificate

STANDARDS ORGANISATION OF NIGERIA
SON
CERTIFICATION MARK

This is to certify conformity of the

Quality Management System

Entity

With NIS ISO 9001: 2008

Specification/Standard

For RED STAR EXPRESS PLC
[PICK-UP AND DELIVERY OF PARCELS AND DOCUMENTS]

Organisation/Person

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

5 Oct. 2015

DIRECTOR GENERAL
STANDARDS ORGANISATION OF NIGERIA

Date of issue

SHAREHOLDER'S DATA UPDATE

DATE: (DD/MM/YYYY)

The Registrar
United Securities Limited
Plot 09 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

Surename/Company Name:

Other Names (for individual Shareholder)

Present Postal Address

2. E-BOMUS 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 be transferred to CSCS electronically.

CLEARING HOUSE NUMBER C

NAME OF STOCKBROKER

ACCOUNT NUMBER

3. E-CONTACT DETAILS

E-mail Address

Mobile (GSM) Phone Number

4. E-CDIVIDEND 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 indemnity United Securities Limited against any loss that may arise from their adoption of the details as supplied.

Shareholder's Signature or Thumbprint

Shareholder's Signature or Thumbprint

Company Seal/Incoporation Number (Corporate Shareholder)

AUTHORISED SIGNATURE AND STAMP OF BANKERS

5. **Note: Shareholders 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, 09, Amodu Ojikutu Street, off Saka Tinubu Street, Victoria Island. P.M.B 12753 Lagos, Nigeria.
Website: www.unitedsecuritieslimited.com | Email: info@ unitedsecuritieslimited.com or the completed update form can also be submited through any Access Bank Plc branch nearest you.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