



RATING CERTIFICATE

This is to certify that

RED STAR EXPRESS PLC

Has successfully completed the Corporate Governance Rating System Assessment

Certified:

This 22nd day of February 2018

Valid* Till: The 21st day of February 2021 Glance fel.

Soji Apampa Chief Executive Officer The Convention On Business Integrity

Scar N. Onyema, oon Chief Executive Officer The Nigerian Stock Exchange

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CORPORATE PROFILE



Red Star Express remains the flagship, continuing 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

DR PETER OLUSOLA OBABORI Group Managing Director/Chief Executive Officer

Ownership Structure

Public Quoted Company

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 1,900 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 wellmotivated team oriented workforce, sharing common ideals and values.

ETHICAL PRACTICE:

Our Company shall play by the values, 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 customer will remain absolute with adequate management of all effects entrusted to us.

ENTREPRENEURSHIP:

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

EXCELLENCE:

Red Star Express will promote excellence through optimal productivity of its staff at all time and ensure that performances and the achievement of goals will direct its reward system.

RED STAR EXPRESS SUBSIDIARIES



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

Red Star Freight



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 airpot-todoor

Red Star Logistics



This is the grand 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 providing 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 Support Services



This is the outsourcing arm, providing human capital and assets to organizations 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 Management Services.

CORPORATE INFORMATION

1

BOARD OF DIRECTORS: Dr. Mohammed.H. Koguna Chairman Retired 31/10/2018

Suleiman Barau Chairman

airman Appointed 01/11/2018

Peter Olusola Obabori Managing Director/CEO Victor Enobong Ukwat Executive Director Auwalu Badamasi Babura Executive Director

Isaac Orolugbagbe Non-Executive Director Resigned 26/06/2018

Sule Umar Bichi Non-Executive Director Aminu Dangana Non-Executive Director Sulaiman L. Koguna Non-Executive Director

Chris Ogbechie Non-Executive Director Resigned 01/09/2018 Chioma Sideso Non-Executive Director Appointed 26/06/2018

REGISTERED OFFICE: 70, International Airport Road, Lagos.

Tel: 01-2715670-6

Email: enquiries@redstarplc.com

http://www.redstarplc.com

REGISTERED NUMBER: RC No. 200303

FRC NUMBER: FRC/2012/0000000000253

SECRETARIES: Frances Ndidi Akpomuka

AUDITORS: Ernst & Young

10th & 13th Floor, UBA House,

Marina, Lagos.

REGISTRARS: United Securities Limited

Plot 09, AmoduOjikutu Street

Victoria Island, Lagos.

SOLICITORS: Uwensuyi Edosomwan & Co.

195A, Corporation Drive Dolphin Estate, Ikoyi, Lagos.

BANKERS: Guaranty Trust Bank Plc

Zenith Bank Plc Access Bank Plc

Stanbic IBTC Bank Plc Polaris Bank Limited First Bank of Nigeria Plc

Fidelity Bank Plc

United Bank for Africa Plc

Ecobank Plc Sterling Bank Plc

First City Monument Bank Plc

Wema Bank Plc

Union Bank of Nigeria Plc

Jaiz Bank Plc Unity Bank Plc Heritage Bank Plc Keystone Bank Limited

BOARD OF DIRECTORS

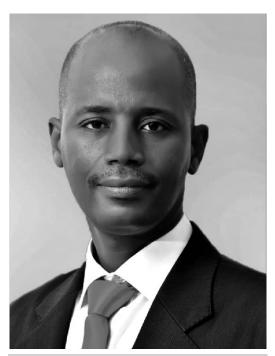




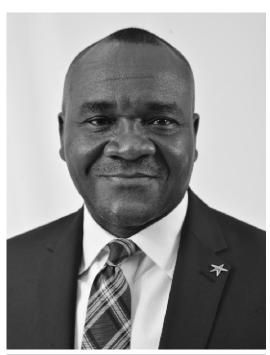
SULEIMAN BARAU (OON) Chairman



PETER OLUSOLA OBABORI Group Managing Director/CEO



AUWALU BADAMASI BABURA
Executive Director,
FINANCE AND ADMINISTRATION



VICTOR ENOBONG UKWAT
Executive Director,
SALES AND MARKETING

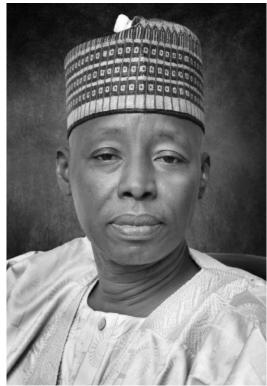
BOARD OF DIRECTORS

continued





SULE UMAR BICHI Non-Executive Director



ALHAJI AMINU DANGANA Non-Executive Director



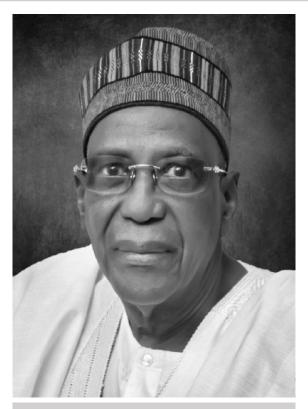
SULAIMAN LAWAN KOGUNA Non-Executive Director



CHIOMA SIDESO
Non-Executive Director

RETIRED/RESIGNED

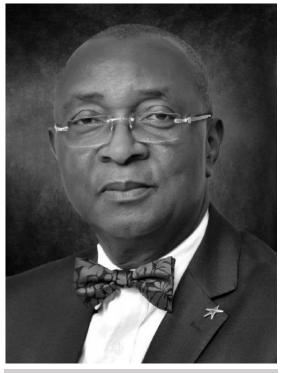




DR. MOHAMMED H. KOGUNA Retired on October 31st, 2018



ISAAC OROLUGBAGBE With Effect From June 26th, 2018



CHRIS IKE OGBECHIE With Effect From September 1st, 2018

PROFILE OF DIRECTORS FOR RE-ELECTION





MR. SULEIMAN BARAU (OON)

r. 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 has attended over 3 dozen courses in major institutions such as Euro money, In sead, 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.

rs. Chioma Sideso is 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 from 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. She also served as Managing Director of NSIA Insurance Limited.



MRS. CHIOMA SIDESO

NOTICE OF ANNUAL GENERAL MEETING

For the Year ended 31 March 2019



OTICE IS HEREBY GIVEN that the Twenty-Sixth 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 8, 2019 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, 2019, the Report of the Directors, Auditors and Statutory Audit Committee thereon.
- 2. To declare a Dividend.
- 3. To re-elect the following Directors retiring by rotation
 - a. Mr. Suleiman Barau as Non-Executive Director
 - b. Mrs. Chioma Sideso as Non-Executive Director
- 4. To authorize the Directors to fix the remuneration of the Auditors:
- 5. To elect members of the Audit committee.

SPECIAL BUSINESS

- 6. To consider and if thought fit, pass the following Ordinary Resolution: "That the Directors' fees for the Financial Year ending March 31, 2020 be approved."
- 7. That subject to the approval of the relevant regulatory authorities, the Company be authorized to put in place an Employee Equity Benefit Scheme (the "Scheme"), for its Executive Directors, that may be structured such as the Board of Directors of the Company may from time to time determine;
 - a. That the Board of Directors be and are hereby authorized to allot such number of shares from the unissued shares of the Company to the Scheme on such terms and subject to such conditions as the Board of Directors may deem fit to drive the long term objectives of the Company.
 - b. That the Board of Directors of the Company be and are hereby authorized to appoint such professional advisers, stockbrokers and other parties to the transaction mentioned above, and perform all such other acts and do all such other things as may be necessary for and/or incidental to effecting the above resolutions.
 - c. That all acts carried out by the Board and Management of the Company hereto in connection with the above be and are hereby ratified.

BY ORDER OF THE BOARD

FRANCES NDIDI AKPOMUKA

Company Secretary

FRC/2013/ICSAN/00000002640

July 4, 2019

Lagos, Nigeria

NOTICE OF ANNUAL GENERAL MEETING

continued



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 15th August 2019, at the rate of 43 Kobo per every 50 Kobo ordinary share, to shareholders whose names appear in the Register of members at the close of business on 16th July, 2019. 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 17th to 19th July 2019, 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 guests, ladies and gentlemen.

I am delighted to welcome you to the 26th Annual General Meeting of our Company, Red Star Express Plc., to present the reports and Financial Statements for the year ended March 31, 2019 and a review of the Company's performance during the financial year.

I am particularly delighted because this is the first time we will be having another Chairman in the last 25 years, after the former Chairman, Dr Mohammed Koguna stepped down last year. We thank you for your usual support and pray this will continue now and always.

OPERATING ENVIRONMENT

The Nigerian business terrain remains one of the most challenging in Africa. In the year 2018, the business environment was characterized by uncertainties in the political climate, especially because of the elections into various offices in the Country.

SULEIMAN BARAU (OON)

Even though, the economy witnessed a fairly stable exchange rate, inadequate power supply, poor access/high cost of funding and high transportation cost, arising from deplorable road conditions, especially the ones leading to the ports remained challenging through out the year. In the manufacturing sector, operators complained of high cost of doing business and the sluggishness of manufacturing activities.

A recent report by Manufacturers Association of Nigeria (MAN) indicates that companies have continued to record increase in unsold inventory owing to the decline in aggregate demand of the average Nigerian consumer. However, for businesses to thrive, experts insist that there must be enhanced fusion of fiscal and monetary policies that will create a friendly business environment. This would in turn, trigger a trickle down effect in the disposable income of Nigerians, create more jobs and reduce poverty, thereby, leading to economic growth and development.

Furthermore, the Nigerian Gross Domestic Product report by the National Bureau of Statistics showed the country's economy grew by 2.01 percent (year-on-year) in real terms, higher than 0.82% recorded in 2017. Despite this recovery in the GDP, the Nigerian economy is still growing slower than the growth rate of its population. This means that the economy is not expanding in such a way that can create enough prosperity and job opportunities for the unemployed population, which the NBS put at 21 million as at Q3 2018.

In spite of these challenges, I am happy to inform you that the last financial year was successful as the Company reported impressive figures across all performance indicators.

FINANCIAL PERFORMANCE REVIEW

Our Company posted an impressive turnover of N10billion in the year under review which is 20% higher than the preceding year. You will recall that we posted N8.4billion last financial year. The increase was made possible as a result of some growth platforms which were established, including the West African expansion initiatives.

CHAIRMAN'S STATEMENT

continued



DIVIDEND

Our company has upheld its promise on the creation of wealth for Shareholders in appreciation of their support at all times. To this end, the Board of Directors is pleased to recommend to the shareholders the payment of N253 million at 43kobo for every 50kobo per share, subject to withholding tax.

CORPORATE SOCIAL RESPONSIBILITIES

Red Star Express has remained steadfast in her policy of ensuring that the social and economic welfare of its stakeholders are preserved and sustained through the Red Star Foundation. The Company has constantly reviewed the activities of the Foundation and has expanded into other areas.

To show our commitment, during the year under review, the Company awarded additional scholarships to secondary school students from various parts of Nigeria.

We also donated boreholes to some areas in the north where clean and portable water have been a challenge.

CHANGE IN BOARD STRUCTURE

In the course of the year under review, the Board and Management took a critical look at its business with a view to reposition the Company as a leader in the logistics industry and to optimize emerging business opportunities in the domestic and international business environment.

The Board experienced a change in leadership with the retirement of the former Chairman, Dr Mohammed Koguna and two other Non-Executive Directors, Mr. Isaac Orolugbagbe and Prof Chris Ogbechie, and the appointment of Mrs. Chioma Sideso and myself. I was eventually appointed Chairman by my fellow Directors.

I thank the Board for the confidence reposed in me and promise to keep the flag flying. On behalf of the Board and Management, we wish the erstwhile Directors well in their endeavours.

FUTURE OUTLOOK

It is the desire of the Board and Management of Red Star Express to continuously explore new opportunities for revenue generation and expansion and to invest wisely in appropriate resources.

Let me seize this opportunity to inform you that further to approval obtained at the Annual General Meeting held on August 31, 2017, to raise capital, a Rights Issue has been put together and will open in a couple of weeks. Rights will be issued on the basis of one (1) new ordinary share for every two (2) ordinary shares held.

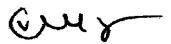
The purpose of the Rights Issue is to enable the Company expand its current operations, implement new growth opportunities already identified, and optimize its use of technology.

I therefore enjoin you all to take up your Rights to enable the Company achieve its goals and create more wealth for shareholders.

We will continually ensure that a conducive working environment is put in place to encourage the entire staff of the Company, express their innate potentials.

In all these, our commitment to our shareholders and all stakeholders will be better as we would continually ensure their best interests are given topmost importance always.

On a final note, a tranquil economy is a determinant for greater success as a country and as a Company. It is our prayer that peace and tranquility will continually reign supreme in our country and that God would grant us safety in all our journeys as we independently and jointly focus on the appropriate actions that will take our nation and Company, to greater heights.



SULEIMAN BARAU (OON)

Chairman





The Directors are delighted to present to members their Annual Report together with the financial statements of the Company and its subsidiaries, (together the consolidated or Group) for the year ended March 31, 2019.

Legal Form

Red Star Express Plc was incorporated as a Private Limited Company on July 10, 1992 under the name, **Red Star Express Nigeria Limited** and commenced business operations on 12th of October 1992. The Company was subsequently converted to a Public Company in July 2007 and had its shares listed on the Nigerian Stock Exchange on November 14, 2007.

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

Principal Activities

During the year under review, the activities of the Company expanded beyond the provision of courier, freight forwarding and logistics services, mailroom management services, warehousing, e-commerce services and general haulage to include movement of agricultural products as well as printing & packaging.

Board Responsibilities

The Board of Directors have the final responsibility for management, direction and performance of the Company and has the power, authority and duty vested in it by the relevant laws and regulations of the Federal Republic of Nigeria and the Articles of Association of Red Star Express Plc. The Board has overall responsibility for the management of risk and for reviewing the effectiveness of the internal control and risk management system within the Company.

Operating Results

The table below is a representation of the Company's Operating Results:

	${\bf TheGroup}$		The Co	mpany
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Revenue	10,066,576	8,407,507	5,849,869	4,406,118
Profit before taxation	743,469	610,589	658,599	486,487
Taxation	(277,221)	(263,031)	(243, 826)	(151,715)
Profit after taxation	466,248	347,558	414,773	334,772
i ioni aitei taxation	400,246	34 <i>1</i> ,556	414,775 ======	554,772 =======

continued



Dividend

The Directors are pleased to recommend, subject to approval at the forthcoming Annual General Meeting, the payment of the sum of N253million which represents a dividend of 43kobo per ordinary share. If the proposed dividend is approved, it will be subject to deduction of withholding tax at 10% and dividend would become payable on the 15th of August 2019 to all shareholders whose names appear on the Company's Register at the close of business on the 16th of July 2019.

Directors

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

1. 2.	Dr. Mohammed.H. Koguna Suleiman Barau	Chairman Chairman	Retired 31/10/2018 Appointed 26/06/2018 Became Chairman 01/11/2018
	Peter Olusola Obabori	Managing Director/CEO	
	Victor Enobong Ukwat	Executive Director	
	Auwalu Badamasi Babura	Executive Director	
	Isaac Orolugbagbe	Non-Executive Director	Resigned 26/06/2018
	Sule Umar Bichi	Non-Executive Director	
	Aminu Dangana	Non-Executive Director	
	Sulaiman L. Koguna	Non-Executive Director	
	Chris Ogbechie	Non-Executive Director	Resigned 01/09/2018
	Chioma Sideso	Non-Executive Director	Appointed 26/06/2018

In the financial year under review, three (3) Non-Executive Directors; Dr. Mohammed Koguna (Chairman), Mr. Isaac Orolugbagbe and Prof. Chris Ogbechie left the Board. In view of the vacuum created, two (2) new Non-Executive Directors Mr Suleiman Barau and Mrs. Chioma Sideso were appointed, with Mr. Barau emerging as the new Chairman.

The Board of Directors at present is made up of five (5) Non-Executive Directors (which includes the Chairman) and three (3) Executive Directors.

The Directors to retire by rotation at the forthcoming Annual General Meeting in conformity with the Articles of Association, and who, being eligible, have offered themselves for re-election at the meeting are: Mr. Suleiman Barau and Mrs. Chioma Sideso.

Records of Directors' Attendance At Board and Committee Meetings

In accordance with the provisions of Section 258(2) of the Companies and Allied Matters Act, Cap C.20 Laws of Federation 2004, the record of the Directors' attendance at Directors' meetings during the year under review are hereby disclosed.

The Directors have a formal schedule of meetings and met a total of six (6) times in the year under review. The table below shows the number of meetings (including Board and Board Committees) attended by each Director.



continued

Board Meetings Attendance

Directors	26/4/18	26/6/18	30/8/18	25/10/18	28/2/19	14/3/18	Total
Dr M.H Koguna	✓	✓	✓	✓	X	X	4
Peter Olusola Obabori	✓	✓	✓	✓	✓	✓	6
Victor Enobong Ukwat	✓	✓	✓	✓	✓	✓	6
Auwalu Badamasi Babura	✓	✓	✓	✓	✓	✓	6
Isaac Orolugbagbe	✓	✓	X	X	X	X	2
Aminu Dangana	✓	✓	✓	✓	✓	✓	6
Sulaiman Koguna	✓	✓	✓	✓	✓	✓	6
Chris Ogbechie	✓	✓	✓	X	X	X	3
Sule Umar Bichi	✓	✓	✓	✓	✓	✓	6
Suleiman Barau	XX	XX	✓	✓	✓	✓	4
Chioma Sideso	XX	XX	AB	√	✓	✓	3

Strategy & Business Development Attendance

Directors	26/4/18	15/11/18	10/12/18	21/2/19	Total
Isaac Orolugbagbe	✓	X	X	X	1
Aminu Dangana	XX	✓	✓	✓	3
Sulaiman Koguna	✓	✓	✓	✓	4
Chris Ogbechie	✓	X	X	X	1
Sule Umar Bichi	XX	✓	✓	✓	3
Chioma Sideso	XX	✓	✓	✓	3
Peter Olusola Obabori	✓	✓	✓	✓	4
Victor Enobong Ukwat	✓	✓	✓	✓	4
Auwalu Badamasi Babura	✓	✓	✓	✓	4

Governance, Nomination & Remuneration Attendance

Directors	21/6/18	25/6/18	20/2/19	27/2/19	13/3/19	Total
Isaac Orolugbagbe	✓	X	X	X	X	1
Aminu Dangana	✓	✓	✓	✓	✓	5
Sule Umar Bichi	✓	✓	✓	✓	✓	5
Chioma Sideso	XX	XX	✓	✓	✓	3

 $\begin{array}{cccc} X & \text{-} & \text{have left the Board} \\ Xx & \text{-} & \text{Not yet appointed} \\ AB & \text{-} & \text{absent with apology} \end{array}$

*

continued

Risk Management Attendance

Directors	20/2/19	13/3/19	Total
Aminu Dangana	✓	✓	2
Sulaiman Koguna	✓	✓	2
Sule Umar Bichi	✓	✓	2
Peter Olusola Obabori	✓	✓	2
Victor Enobong Ukwat	✓	✓	2
Auwalu Badamasi Babura	✓	✓	2

Audit Committee

Name	21/6/18	23/7/18	24/10/18	22/1/19	Total
Moses Ayodele Ogundeji***	✓	✓	✓	✓	4
Chief Cyril Ugwummadu***	✓	✓	✓	✓	4
Kolawole Ganiyu Amoo***	✓	✓	✓	✓	4
Sulaiman Koguna	✓	✓	✓	✓	4
Isaac Orolugbagbe	✓	X	X	X	1
Sule Umar Bichi	✓	✓	✓	✓	4
Chioma Sideso*	XX	XX	XX	✓	1

^{***}Shareholders Representative

Directors' Shareholding

The direct and indirect interest of Directors in the issued share capital of the Company as recorded in the Register of Directors' shareholding 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 Federation 2004 and in compliance with the listing requirements of the Nigerian Stock Exchange are as follows:

S/N	SHAREHOLDER NAME		SHAREHO AT MARC		SHAREHOLDING AT AT MARCH 31, 2019		
			HOLDINGS	% HOLDINGS	HOLDINGS	% HOLDINGS	
1	ALHAJI MOHAMMED H.KOGUNA	DIRECT	109,419,912	18.56	109,419,912	18.56	
	KOGUNA BABURA INSURANCE	INDIDECE	04.000.000	1441	00 701 150	15.05	
	BROKERS LTD	INDIRECT	84,966,028	14.41	88,701,159	15.05	
2	KOGUNA SULAIMAN	DIRECT	4,020,430	0.68	4,020,430	0.68	
2	BICHI, SULE, UMAR	"	5,416,680	0.92	5,416,680	0.92	
3	SOLA OBABORI	66	356,896	0.06	356,896	0.06	
4	VICTOR UKWAT ENOBONG	"	54,377	0.01	54,377	0.01	
5	AUWALU BADAMASI BABURA	"	112,178	0.02	112,178	0.02	
6	ISAAC OROLUGBAGBE	66	12,552,959	2.13	N/A	N/A	
7	ALHAJI AMINU DANGANA						
	MOHAMMED	66	110,000	0.02	110,000	0.02	
9	CHRIS IKE OGBECHIE	46	4,200,000	0.71		N/A	
10	BARAU SULEIMAN	66	0	0.00	4,000,000	0.68	
11.	CHIOMA SIDESO	"	0	0.00	0	0.00	

continued



Board Appointment and Evaluation Process

Red Star Express Plc appoints Directors in line with its Board recruitment process which devolves from its Code of Governance and Business Policies.

The basic principle underlining the process of recruitment of Directors in Red Star Express Plc. are the qualifications, ability, expertise and skills required for the role and the ability to make visible and independent contribution to the governance of the Company.

Directors' Interest in Contracts

For the purpose of Section 277 of the Companies and Allied Matters Act Cap C20 LFN 2004, none of the Directors have notified the Company of any declarable interest in contracts in which the Company was involved during the year.

Share Capital History

The Company's initial authorized share capital was N7Million comprising of 7 million ordinary shares of N1.00 each and subsequently increased at various stages. The shares were sub-divided into ordinary shares of 50 kobo each in 2006. The Company's authorized share capital is presently N500Million, comprising 1 Billion ordinary shares of 50kobo 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 and Fully I	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	7,000,0000	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	-

continued



Analysis Of Shareholdings

According to the register of members, the spread of shareholding in the Company as at 31st March 2019 was as follows:

Share Rang	(e	Number of Shareholders	% of Shareholders	Number of % Holdings	shareholding
1	1,000	1,183	26.48	505,680	0.09
1,001	5,000	1,076	24.09	3,472,433	0.59
5,001	10,000	642	14.37	5,404,598	0.92
10,001	50,000	1,116	24.98	28,867,960	4.90
50,001	100,000	212	4.75	16,323,689	2.77
100,001	500,000	171	3.83	37,664,166	6.39
500,001	1,000,000	25	0.56	18,259,800	3.10
1,000,001	5,000,000	28	0.63	63,706,105	10.81
5,000,001	10,000,000	6	0.13	44,113,448	7.48
10,000,001	1,000,000,000	8	0.18	371,178,881	62.97
TOTAL		4,467	100	589,496,760	100

For The Year Ended 31 March 2018

Share Rang	e	Number of Shareholders	% of Shareholders	Number of % Holdings	shareholding
1	1,000	1,064	24.4317	479,006	0.08
1,001	5,000	1,058	24.2939	3,435,212	0.58
5,001	10,000	644	14.7876	5,408,560	0.92
10,001	50,000	1,137	26.1079	29,470,746	5.00
50,001	100,000	213	4.8909	16,187,572	2.75
100,001	500,000	173	3.9724	38,278,875	6.49
500,001	1,000,000	25	0.5741	19,033,813	3.23
1,000,001	5,000,000	28	0.6429	64,128,001	10.88
5,000,001	10,000,000	4	0.0918	29,937,925	5.08
10,000,001	1,000,000,000	9	0.2067	383,137.050	64.99
TOTAL		4,355	100	589,496,760	100





The Shareholders that have more than 5% holding are as follows:

NAME	2019	%	2018	%
KOGUNA, MOHAMMED HASSAN	109,409,912	18.56	109,419,912	18.6
KOGUNA BABURA INSURANCE BROKERS				
LIMITED	88,701,159	15.05	84,966,028	14.4
STANBIC IBTC NOMINEES LTD	64,067,417	10.87	151,257,636	25.7
PETRA PROPERTIES LIMITED	59,553,504	10.10	-	-

We hereby declare that apart from the above listed names, no other Shareholder(s) holds five percent (5%) and above of the Company's issued and fully paid up shares.

Share Dealing Policy

In accordance with the Post-Listings Rules of the Nigerian Stock Exchange, Red Star Express Plc., has in place a share dealing policy which regulates securities transactions by its Directors, Employees and other Insiders on terms which are no less exacting than the required standard set out in the Nigerian Stock Exchange Rules. The Policy and Closed Periods are communicated periodically to drive compliance.

E-Dividends

The introduction of the e-dividend mandate Form by the Securities and Exchange Commission (SEC) has reduced the number of unclaimed dividend warrants as shareholders are expected to complete and submit copies of the form to the Registrars for direct credit of their respective bank accounts. Any shareholder who is yet to fill the form can download same from the Registrars website www.unitedsecuritieslimited.com or visit their office, United Securities Limited Plot 09, Amodu Ojikutu Street Victoria Island Lagos or contact the Company Secretary.

Service Contract Agreements

The Company has a contract agreement with Federal Express Europe Inc. and Co. (FedEx) under the Global Service Participant Scheme of FedEx and with TNT Management (Bahrain) E.C. Both Agreements provide for the movement of sensitive documents and parcels worldwide and supported with trading and information technology.

Compliance with the Law

In the course of the year under review, the Company complied substantially with the substantive laws, corporate governance guidelines and regulatory policies in carrying out its business activities some of which are listed hereunder:

- The Nigerian Stock Exchange Post-listing Rules
- The Securities and Exchange Commission's Code of Corporate Governance for Public Companies
- The Companies and Allied Matters Act Cap C20, LFN 2004
- Financial Reporting Council of Nigeria Act No 6, 2018





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

Donations/Charitable Gifts

• Beneficiaries	2019 (N)	2018 (N)
US Embassy	-	363,000.00
General Resource Group (CSR) Let's Talk Depression	-	100,000.00
Federal Road Safety Corps	-	100,000.00
Nigerian Association Of Small Scale Industries	250,000.00	-
North East Children Trust Fund	250,000.00	-
African Centre For Supply Chain	80,000.00	-
TOTAL	580,000.00	563,000.00

Taxation

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

Property, Plant and Equipment

Information relating to changes in property, plant and equipment is given in Note 11 to the consolidated and separate financial statements. In the considered 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

Every application for employment is duly considered to ensure that there is no discrimination and everyone is given equal opportunity to develop their expertise and knowledge as well as qualify for promotion in furtherance of their careers. It is the policy of Red Star Express Plc to provide equal employment opportunities for all persons including those that are physically challenged in any way and where staff become disabled, efforts are geared towards ensuring that their employment continues. As at 31 March 2019, no disabled person applied or was employed by the Group and the Company.

Employee Involvement and Training

Red Star Express Plc is committed to providing its employees with the best opportunities for learning and development and these programmes are designed to challenge our people whilst empowering them to be more professional as it relates to their respective careers and personal lives. This is achieved by a combination of internal and external trainings which is supported by our experienced in-house Training Faculty, periodic job rotations and mentoring to ensure our people are well equipped with the requisite skills to effectively carry out their various assignments.





Health, Safety and Welfare of Employees

We ensure that our staff and members of their immediate families have access to free medical healthcare, under the Health Management Organization (HMO) scheme.

The Company also maintains a safe and healthy workplace with fire prevention and fire-fighting equipment installed at strategic locations within the Company's offices whilst also maintaining a Group Personal Accident and NSITF insurance schemes, as well as a Contributory Pension Scheme for the benefit of the staff.

Events After The Reporting Date

There have been no material events after the reporting date, which could have had a material effect on the financial statements of the Group and the Company as at March 31, 2019 and the profit for the year ended on that date which have not been adequately provided for or recognized.

Auditors

The current auditors, Messrs Ernst & Young have indicated their willingness to continue in office pursuant to section 357(2) of the Companies and Allied Matters Act Cap. C20 LFN 2004. A resolution approving same would be passed at the Annual General Meeting.

FRANCES NDIDI AKPOMUKA

COMPANY SECRETARY FRC/2013/ICSAN/00000002640 Lagos, Nigeria

28 JUNE 2019

CORPORATE GOVERNANCE





GOVERNANCE STRUCTURE

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

DIRECTORS AND OTHER KEY PERSONNEL

The Directors and key personnel complied with the Securities and Exchange Commission (SEC) Code of Corporate Governance as well as other disclosure requirements of the Nigerian Stock Exchange and Financial Reporting Council Code of Corporate Governance in the year/period under review.

SHAREHOLDING

The Company maintains a varied shareholding structure.

THE BOARD GOVERNANCE STRUCTURE

a. Board of Directors

The Board is currently constituted of eight (8) Directors with the relevant knowledge and expertise required to oversee the activities of the Company. The Board's main responsibility is to determine the strategic direction for the Company and is composed of a Non-Executive Director Chairman, Four (4) Non-Executive Directors and three (3) Executive Directors.

The other responsibilities of the Board are as contained in the duly approved Board Charter.

b. Board Membership

1.	Dr Mohammed Hassan Koguna	-	Chairman (Retired wef Oct 31 2018)			
2.	Suleiman Barau	-	Chairman (appointed NED wef June 26, 2018			
			and Chairman wef Nov. 1, 2018)			
3.	Peter Olusola Obabori	-	Group Managing Director/CEO			
4.	Victor Enobong Ukwat	-	Executive Director			
5.	Auwalu Badamasi Babura	-	Executive Director			
6.	Isaac Orolugbagbe	-	Non-Executive Director (Resigned wef			
			June 26, 2018)			
7.	Prof. Chris Ogbechie	-	Non-Executive Director (Resigned wef			
			Sept. 1, 2018)			
8.	Aminu Dangana	-	Non-Executive Director			
9.	Sulaiman Lawan Koguna	-	Non-Executive Director			
10.	Sule Umar Bichi	-	Non-Executive Director			
11.	Chioma Sideso	-	Non-Executive Director (appointed NED wef			

June 26, 2018)

BOARD COMMITTEES

The Board carries out its oversight functions via its Committees governed by Charters and definite Terms of Reference. There are four (4) Board Committees namely; Governance, Nomination and Remuneration Committee, Strategy & Business Development Committee, Risk Management Committee and the Statutory Audit Committee.

CORPORATE GOVERNANCE

continued



Below are the compositions of the various Committees during the period under review as at 31st March 2019:-

Governance, Nomination and Remuneration Committee

This committee is comprised solely of Non-Executive Directors. The Committee's terms of reference are in line with SEC Code of Corporate Governance 2011.

This committee is comprised of three (3) Non-Executive Directors:-

- Alhaji Aminu Dangama - Chairman

Sule Umar Bichi
 Chioma Sideso
 Non-Executive Director
 Non Executive Director

Strategy and Business Development Committee

This committee is comprised of seven (7) members: four (4) Non-Executive Directors and three (3) Executive Directors:-

- Chioma Sideso - Chairman

Sulaiman Koguna
 Alh Aminu Dangana
 Sule Umar Bichi
 Peter Olusola Obabori
 Victor Englong Ukwat
 Non- Executive Director
 Group Managing Director
 Executive Director

Victor Enobong Ukwat
 Auwalu Badamasi Babura
 Executive Director
 Executive Director

Risk Management Committee

This committee is comprised of six (6) members: three (3) Non-Executive Directors and three (3) Executive Directors:-

- Sule Umar Bichi - Chairman

Alh Aminu Dangana
 Sulaiman Koguna
 Peter Olusola Obabori
 Victor Enghang Illered
 Executive Director
 Group Managing Director
 Executive Director

Victor Enobong Ukwat
 Auwalu Badamasi Babura
 Executive Director
 Executive Director

Audit Committee

This committee is comprised of six (6) members: three (3) Shareholders' representatives and three (3) Non-Executive Directors:-

- Mr Moses Ayodele Ogundeji - Chairman/Shareholders Representative

Chief Cyril Ugwumadu
 Mr Kolawole Ganiyu Amoo
 Sule Umar Bichi
 Sulaiman Koguna
 Shareholders Representative
 Non- Executive Director
 Non- Executive Director

- Chioma Sideso - Non- Executive Director

CORPORATE GOVERNANCE

continued



GROUP EXECUTIVE COMMITTEE (GEC)

The Group Executive Committee is the highest governing body of Management and meets biweekly or as business needs demand to deliberate on implementation of Board approved strategies as well as ensure that the Company's resources are efficiently and effectively deployed. The Committee is headed by the Group Managing Director/CEO ably supported by the Executive Directors, Divisional Managing Directors, and Departmental Heads.

RELATIONSHIP WITH SHAREHOLDERS

The Company maintains a cordial relationship with Shareholders and all shareholders are treated equally regardless of number of shares or social position. Financial and other mandatory information are promptly communicated to shareholders through appropriate media, including quarterly publication of the Group performance in the newspapers and requisite filings with the regulatory authorities.

SHAREHOLDERS COMPLAINT POLICY

In furtherance to the directive of the Securities and Exchange Commission (SEC), the Company has in place a Shareholders Complaint Management Policy, geared at standardizing the procedure for shareholders to bring to the attention of the Company, complaint regarding their shareholding and how these may be resolved and/or addressed. The policy is available on the Company's website www.redstarplc.com

INSIDER TRADING AND PRICE SENSITIVE INFORMATION

Directors, insiders and other 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 other related persons are also 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.

DIRECTORS REMUNERATION POLICY

The Company's Directors remuneration policy takes into consideration the industry in which it operates as well as the performance of the Company at the end of each financial year. The component of the policy includes:-

For Non-Executive Directors:

- Payment of Directors annual fees, sitting allowances;
- Sponsorship for training programmes which are required to enhance individual performance of assigned responsibilities.

For Executive Directors

- Fixed remuneration in line with competitive remuneration paid for comparable positions in the industry
- Variable remuneration based on performance and attainment of set targets.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2019



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 consolidated and separate 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 and the Company will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE DIRECTORS BY

SULEIMAN BARAU CHAIRMAN

FRC/2015/ICENNIG/00000011559

Ser.

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

28 June 2019

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 March 31, 2019 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 For the Chairman, Audit Committee

28JUNE2019

Members of the Audit Committee

Mr. Moses Ayodele Ogundeji Mr. Kolawole Ganiyu Amoo Chief Cyril I. Ugwumadu Mr. Sulaiman Koguna Mr. Sule Umar Bichi Mrs. Chioma Sideso Independent shareholder (Chairman)

Independent shareholder Independent shareholder Non-Executive Director Non-Executive Director Non-Executive Director

Secretary

Frances N. Akpomuka

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 2019, 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 2019, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

continued



Key Audit Matters

Calculation of Expected Credit Losses on Financial assets

During the year, the Group's financial assets made up of trade receivables and short term deposits were subjected to impairment review in line with the requirements of IFRS 9

The financial assets of N2.73 billion were partially impaired with an impairment loss of N204million.

The determination of the expected credit loss on the financial assets involves management judgment and consideration for factors in determining the Probability of Default (PD), the Loss Given Default (LGD), the Recovery Rate and the Exposure at Default (EAD), forward looking information in the model building process and certain micro and macro-economic variable such as:

- GDP growth rate
- Exchange rates
- Inflation rates

The determination of the expected credit loss of financial assets is a key audit matter as it requires the use of management's judgement in determining the extent to which each of the financial assets are impaired; and also the total sum of financial assets is considered significant.

The policy on impairment of financial assets is set out in Note 3.6 while the disclosure of impairment of financial assets is set out in Note 17 to the consolidated and separate financial statements.

How the matter was addressed in the audit

Our audit procedures in relation to impairment of financial assets include:

- We tested the financial assets in accordance with the entity's accounting policies and applicable financial reporting framework.
- We ascertained that the financial assets are measured at amortised cost using the effective interest rate method less allowance for impairment.
- We reviewed the IFRS 9 model prepared by Management for computation of impairment of financial assets in line with the requirements of IFRS 9.
- We reviewed the qualitative and quantitative disclosures for reasonableness to ensure conformity with IFRS 7 Financial Instruments Disclosures.

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 disclosure of the estimates on defined benefit plan is set out in Note 23 to the consolidated and separate

With the involvement of our actuarial specialist, we have performed the following procedures on the actuarial valuation of defined benefit obligation:

- We obtained the actuarial valuation report of the Group which was computed by an Independent Specialist.
- 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 reviewed the basis of management's judgements for each financial assets as well as periodic reports prepared to validate management's position.
- We performed our audit reasonableness tests calculation on expected credit losses and compared with the Company's estimates.

continued



Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors, Corporate Governance, Report of the Audit Committee, Statement of Value Added and Five-Year Financial Summary as required by the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditors' report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

continued



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.

continued



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.

مستبد

Yusuf Aliu, FCA FRC/2012/ICAN/0000000138

For: Ernst & Young Lagos, Nigeria

28 JUNE 2019



CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*

FOR THE YEAR ENDED 31 MARCH 2019

	Note	The Group 2019 2018		The Company 2019 2018	
	Note	N '000	N '000	N '000	N '000
Revenue	4		8,407,507		4,406,118
Cost of Sales			(5,625,188)		
GROSS PROFIT		2,776,515	2,782,319	1,868,511	1,473,882
Administrative expenses	6	(2,131,331)	(2,178,476)		(1,131,460)
Other operating income	5	119,397	11,088	134,044	123,876
Total operating profit			614,931		466,298
Finance income	7	12,794	23,318	10,131	20,189
Finance cost		(33,906)	(27,660)	-	-
PROFIT BEFORE TAXATION	8	743,469	610,589	658,599	486,487
TAXATION	9.1	(277,221)	(263,031)	(243,826)	(151,715)
PROFIT AFTER TAXATION		466,248	347,558	414,773	ŕ
Other comprehensive income not to be reclassified to profit or loss in subsequent periods. Re-measurement gain/(loss) on defined benefit plan	23.2	54,852	(23,172)		(23,172)
Tax effect	15.1	(16,456)	6,952		6,952
Other comprehensive income for the year, net of tax		38,396	(16,220)	38,396	(16,220)
Total comprehensive income for the year, net of tax		504,644 =====	331,338 =====	453,169 =====	318,552 =====
Profit attributable to ordinary equity holders	7	466,248 =====	347,558 =====	414,773 =====	334,772 =====
Total comprehensive income for the year attributable to ordinary equinolders		504,644 =====	331,338 =====	453,169 =====	318,552 =====
Earnings per share (kobo) Basic and diluted earnings per sh	10 are	0.79	0.59	0.70	0.57

See notes to the financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Note	The 2019 N'000	e Group 2018 N'000	The (2019 N'000	Company 2018 N'000
ASSETS		11 000	11 000	11 000	11 000
Non-current assets					
Property, plant & equipment	11	1,388,952	1,259,512	691,856	615,458
Intangible assets	12	47,508	32,668	47,508	32,668
Long term prepayments	13	90,149	32,456	17,861	32,456
Equity instrument at fair value					
through other comprehensive					
income	14.1	535	-	535	-
Available for sale financial					
instrument	14.2	-	477	-	477
Investment in subsidiary	14.3	-	-	374,065	374,065
Total non-current assets		1,527,144	1,325,113	1,131,825	1,055,124
Current assets					
Inventories	16	50,901	52,956	46,838	49,216
Trade and other receivables	10 17	3,354,230	2,930,854	2,720,177	2,297,336
Current prepayments	13	93,422	135,204	84,363	74,421
Cash and cash equivalents	19	522,334	549,868	395,797	391,029
cush and cush equivalents	10				
Total current assets		4,020,887	3,668,882	3,247,175	2,812,002
TOTAL ASSETS		5,548,031	4,993,995	4,379,000	3,867,126
		=====	=====	=====	=====
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		
Total equity		2,762,923	2,527,585	2,064,640	1,873,790
Liabilities					
Non-current liabilities					
Employee benefit liabilities	23.2	46,336	78,473	44,365	78,473
Deferred tax liabilities	15	172,274	181,313	50,380	29,693
Finance lease obligation	22.1	•	76,832	-	-
Total non-current liabilities		252,535	336,618	94,745	

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

continued

		The Group		The Company	
	Note	2019	2018	2019	2018
Current liabilities		N'000	N'000	N'000	N'000
Trade and other payables	24	2,151,422	1,808,983	1,996,721	1,718,607
Finance lease obligation	22.1	90,392	70,580	-	-
Income tax liabilities	9.2	290,759	250,229	222,894	166,563
Total current liabilities		2,532,573	2,129,792	2,219,615	1,885,170
Total liabilities		2,785,108	2,466,410	2,314,360	1,993,336
TOTAL EQUITY AND LIABILIT	ΓΙΕS	5,548,031 ======	4,993,995	4,379,000	3,867,126

The financial statements were approved by the Board on 25th June 2019 and signed on its behalf by:

Suleiman Barau

Chairman

28 JUNE 2019

FRC/2015/ICENNIG/00000011559

Servin

Peter Olusola Obabori

Group Managing Director

28 JUNE 2019

FRC/2016/IODN/00000015290

30 300

Auwalu Badamasi Babura

Finance Director

28 JUNE 2019

FRC/2016/ICAN/00000014402

See notes to the financial statements.

CONSOLIDATED AND SEPARATE STATEMENT **OF CHANGES IN EQUITY** FOR THE YEAR ENDED 31 MARCH 2019

The Group

	Issued Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Total N'000
As at 1 April 2018 Effect of adoption of new accounting	294,748	296,433	1,936,404	2,527,585
standards (Note 2.4.1.2)```			(33,664)	(33,664)
At 1 January 2018 as restated	294,748	296,433	1902,890	2,494,075
Profit for the year	-	_	466,248	466,248
Other comprehensive income: - Re-measurement gain on defined				
benefit plan	-	_	38,396	38,396
Dividend (Note 27)	-	-	(235,796)	(235,796)
As at 31 March 2019	294,748	296,433	2,171,742	2,762,923
Consolidated statement of change for the year ended 31 March 2018				
	Issued Share	Share	Retained	

Iss	ued Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Total 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:				
- Re-measurement 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	1,936,404	2,527,585

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

continued

The Company

Issued Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Total N'000
294,748	296,433	1,282,609	1,873,790
		(26,523)	(26,523)
294,748	296,433	1,256,086	1,847,267
-	-	414,773	414,773
fit plan -	-	38,396	38,396
-	-	(235,796)	(235,796)
294,748 ======	296,433 ======	1,473,459	2,064,640
	Capital N'000 294,748 294,748 - fit plan -	Capital Premium N'000 294,748 296,433 294,748 296,433	Capital N'000 Premium N'000 Earnings N'000 294,748 296,433 1,282,609 (26,523) 294,748 296,433 1,256,086 - 414,773 fit plan - 38,396 - (235,796) -

Statement of changes in equity for the year ended 31 March 2018

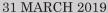
Issued Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Total N'000
294,748	296,433	1,199,858	1,791,039
-	-	334,772	334,772
-	-	(16,220)	(16,220)
-	-	(235,801)	(235,801)
294,748	296,433	1,282,609	1,873,790
	Capital N'000 294,748	Capital Premium N'000 N'000 294,748 296,433	Capital N'000 Premium N'000 Earnings N'000 294,748 296,433 1,199,858 - - 334,772 - (16,220) - (235,801)

CONSOLIDATED AND SEPARATE STATEMENT



		The G	roup	The Co	ompany
	Note	2019	2018	2019	2018
		N'000	N'000	N'000	N'000
CASHFLOW FROM OPERATING	A COTIVITY	IEC			
Cash received from customers	ACIIVII	9,762,597	7,515,467	5,561,072	4,012,044
Cash paid to suppliers and employees		(8,820,619)	(6,630,939)	(5,061,768)	(3,587,532)
Tax paid	9.2	(83,774)	(61,808)	(13,551)	(11,180)
Cash outflow from long term	0.2	(00,111)	(01,000)	(10,001)	(11,100)
prepayment	13	(120,417)	(220,890)	(108,979)	(189,510)
propaymone	10	(120,111)	(220,000)	(100,010)	(100,010)
Net cash provided by operating					
activities	26	737,787	601,830	376,774	223,822
CASHFLOW FROM INVESTING A	CTIVITI	FS			
Purchase of property, plant and		ES .			
equipment	11	(466, 243)	(413,695)	(213,742)	(184,489)
Purchase of intangible assets	12	(400,245) $(40,335)$	(30,060)	(40,335)	(30,060)
Proceeds from sale of property plant	12	(40,000)	(50,000)	(40,000)	(80,000)
and equipment	5	1,928	558	887	558
Refund from PPE Vendor	11	2,398	-	2,398	-
Interest received	7	12,794	23,318	10,131	20,189
Dividend received	5	12,701	20,010	87,517	116,062
Dividend received	9				
Net cash outflow from investing a	ctivities	(489,458)	(419,879)	(153,144)	(77,740)
CACHELOW EDOM EINANGING		TEC			
CASHFLOW FROM FINANCING A			114175		
Proceeds from finance lease obligation Dividend paid	27	48,300	114,175	(916 607)	(916 979)
Refund of unclaimed dividend from	41	(216,697)	(216,272)	(216,697)	(216,272)
registrars	27		13,556		13,556
Interest paid	41	(33,906)	(27,660)	-	15,550
Payment of finance lease obligation	22	(71,395)	(33,743)	-	-
rayment of imance lease obligation	44	(71,393)	(55,745)	-	-
Net cash outflow from financing a	ctivities	(273,698)	(150,044)	(216,697)	(202,716)
Net (decrease) /increase in cash a	nd				
cash equivalents		(25,369)	31,907	6,933	(56,634)
Net foreign exchange difference		(2,165)	4,300	(2,165)	4,199
Cash and cash equivalents at the		(, /	,	· //	., =
beginning of the year		549,868	513,661	391,029	443,464
Cash and cash equivalents at the	end				
of the year	19	522,334	549,868	395,797	391,029
02 0110 y 041	10	=======	=======	=======	========

See notes to the financial statements.





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. 10% of the issued share capital of the Company is held by Koguna Babura Insurance Brokers Limited and 90% by Nigerians.

The registered office is located at 70 International Airport Road, Lagos, 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 consolidated and separate 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.

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 and the accompanying disclosures. 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.

continued



Judgements

In the process of applying the group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

2.3.1 Revenue from Contracts with Customers

The group and the Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining the timing of rendering of services

The group and the Company concluded that revenue from contract with customers is to be recognised over time because the group's performance does not create an asset with alternative use to the group and the group has an enforceable right to payment for performance completed to date.

The group and the Company has determined that the output method is the best method in measuring progress because it can demonstrate that the invoiced amount corresponds directly with the value to the customer of the group's performance completed to date.

2.3.2 Financial Instruments

Provision for expected credit losses of trade receivables

The group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the group's historical observed default rates. The group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the group and the Company's trade receivables is disclosed inNote 17.

2.3.3 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.

continued



2.3.4 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.

2.3.5 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 14.2

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.

2.3.6 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 and the Company'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.

continued



2.3.7 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.

2.3.8 **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.

2.4 Changes in accounting policy and disclosures

2.4.1 New and amended standards and interpretations

The Company applied IFRS 15 and IFRS 9 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

2.4.1.1 IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be 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.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard

continued



requires extensive disclosures. The group and the Company adopted IFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 January 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The group and the Company elected to apply the standard to all contracts as at 1 January 2018.

The cumulative effect of initially applying IFRS 15 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under IAS 18 and related Interpretations. There is no material quantitative changes based on the adoption of IFRS 15 to the Group and the Company's revenue but the qualitative discloses have been updated in line with the application of IFRS 15.

2.4.1.2 IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 April 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group applied IFRS 9 retrospectively but with the modified approach, with an initial application date of 1 April 2018. The Group has not restated the comparative information, which continues to be reported under IAS 39. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings and other components of equity.

C----

The effect of adopting IFRS 9 as at 1 April 2018 was, as follows:

	Adjustments	Group 1 April 2018 N'000	Company 1 April 2018 N'000
Assets			
Trade receivables	a,b	(46,260)	(27,660)
Intercompany receivables		-	(8,441)
Short term deposits		(1,831)	(1,789)
Deferred tax assets	\mathbf{c}	14,427	11,367
Total assets		(33,664)	(26,523)
Liabilities			
Deferred tax Liabilities		-	-
Total Liabilities		-	-
Total adjustment on equit	cy:		
Retained earnings	(b),(c)	(33,664)	(26,523)
		=======	======
		(33,664)	(26,523)
		======	======

The nature of these adjustments are described below:

continued



(a) Classification and measurement

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Group's business model was made as of the date of initial application, 1 April 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of IFRS 9 did not have a significant impact to the Group. The following are the changes in the classification of the Group's financial assets:

Trade receivable, intercompany receivable, staff loans, and cash and cash equivalent classified as Loans and receivables as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost beginning 1 April 2018. The group has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's financial liabilities.

In summary, upon the adoption of IFRS 9, the Group and Company had the following required or elected reclassifications as at 1 April 2018.

Group			RS 9 Measurem	ent Category
	N'000	Fair Value through Profit/ Loss N'000	Fair Value through OCI N'000	Amortized cost N'000
IAS 39 measurement category	11 000	11 000	11 000	11 000
Loans and receivables* Cash and Short term deposits Trade receivables Intercompany receivables	298,064 1,993,762	• •		296,232 1,947,502
Available for sale- Quoted equity investments	477	477	-	-
	2,292,303	477	-	2,243,734
Company			RS 9 Measuren	nent Category
	N'000	Fair Value through Profit/ Loss N'000	Fair Value through OCI N'000	Amortized cost N'000
IAS 39 measurement category Loans and receivables*	2.000	21.000	1.000	2.000
Cash and Short term deposits Trade receivables Intercompany receivables	$226,539 \\ 1,197,127 \\ 655,405$	-	- - -	224,750 1,169,466 646,964
Available for sale- Quoted equity investments	$477 \\ 2,079,548$	$477 \\ 477$	-	2,041,180

^{*} The change in carrying amount is a result of additional impairment allowance. See the disclosure on impairment below.

continued



(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss.

Upon adoption of IFRS 9 the Group recognised additional impairment on the Group's Loans and receivables of N48 million which resulted in a decrease in Retained earnings of N33.6 million as at 1 March 2018.

Set out below is the reconciliation of the ending impairment allowances in accordance with IAS 39 to the opening loss allowances determined in accordance with IFRS 9:

Group

	Allowance for impairment under IAS 39 as at 31 March 2018	Re- measurement	ECL under IFRS 9 as at 1 April 2018
	of March 2010	N'000	N'000
Loans and receivables under IAS	S 39/	2.000	2.000
Financial assets at amortised cos			
Cash and cash equivalents -			
Short term deposits	-	1,831	1,831
Trade receivables	130,761	46,260	177,021
Intercompany receivables	-	-	-
AFS financial asset under IAS 3	9/Debt		
instruments at fair value throug	h profit or		
loss under IFRS 9	-	-	-
	130,761	48,091	178,852
	=====	=====	=====
Company	Allowance for	Re-	ECL under IFRS 9
Company	Allowance for impairment under		ECL under IFRS 9 as at 1 April 2018
Company		Re- measurement	
Company	impairment under		
Company	impairment under IAS 39 as at		
Company Loans and receivables under IAS	impairment under IAS 39 as at 31 March 2018	measurement	as at 1 April 2018
	impairment under IAS 39 as at 31 March 2018	measurement	as at 1 April 2018
Loans and receivables under IAS	impairment under IAS 39 as at 31 March 2018	measurement	as at 1 April 2018
Loans and receivables under IAS Financial assets at amortised cos Cash and cash equivalents - Short term deposits	impairment under IAS 39 as at 31 March 2018 S 39/ st under IFRS 9	measurement	as at 1 April 2018
Loans and receivables under IAS Financial assets at amortised cos Cash and cash equivalents - Short term deposits Trade receivables	impairment under IAS 39 as at 31 March 2018	neasurement N'000 1,789 27,661	as at 1 April 2018 N'000 1,789 101,437
Loans and receivables under IAS Financial assets at amortised cos Cash and cash equivalents - Short term deposits Trade receivables Intercompany receivables	impairment under IAS 39 as at 31 March 2018 S 39/ st under IFRS 9 - 73,776	measurement N'000	as at 1 April 2018 N'000
Loans and receivables under IAS Financial assets at amortised cos Cash and cash equivalents - Short term deposits Trade receivables Intercompany receivables AFS financial asset under IAS 38	impairment under IAS 39 as at 31 March 2018 S 39/ st under IFRS 9 - 73,776	neasurement N'000 1,789 27,661	as at 1 April 2018 N'000 1,789 101,437
Loans and receivables under IAS Financial assets at amortised cos Cash and cash equivalents - Short term deposits Trade receivables Intercompany receivables AFS financial asset under IAS 38 instruments at fair value throug	impairment under IAS 39 as at 31 March 2018 S 39/ st under IFRS 9 - 73,776	neasurement N'000 1,789 27,661	as at 1 April 2018 N'000 1,789 101,437
Loans and receivables under IAS Financial assets at amortised cos Cash and cash equivalents - Short term deposits Trade receivables Intercompany receivables AFS financial asset under IAS 38	impairment under IAS 39 as at 31 March 2018 S 39/ st under IFRS 9 - 73,776	neasurement N'000 1,789 27,661	as at 1 April 2018 N'000 1,789 101,437
Loans and receivables under IAS Financial assets at amortised cos Cash and cash equivalents - Short term deposits Trade receivables Intercompany receivables AFS financial asset under IAS 38 instruments at fair value throug	impairment under IAS 39 as at 31 March 2018 S 39/ st under IFRS 9 - 73,776	neasurement N'000 1,789 27,661	as at 1 April 2018 N'000 1,789 101,437

continued



(c) Other adjustments

In addition to the adjustments described above, other items such as deferred taxes and non-controlling interests were adjusted to retained earnings as necessary upon adoption of IFRS 9 as at 1 April 2018.

	Group	Company
Retained earnings	N'000	N'000
Closing balance under IAS 39 (31 March 2018)	1,936,404	1,282,609
Recognition of IFRS 9 ECLs	(48,091)	(37,890)
Deferred tax in relation to the above	$14,\!427$	11,367
Opening balance under IFRS 9 (1 April 2018)	1,902,740	1,256,086
Total change in equity due to adopting IFRS 9	(33,664)	(26,523)

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 Revenue from contracts with customers

Policy subsequent to 1 April 2018

The Group is principally engaged in the provision of courier services, mail management services, freight services, logistics, ware housing and general haulage. Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those services. The group has generally concluded that it is the principal in its revenue arrangements, because it has the right to payments at the point of sale. The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.

Definition of customer

A customer is a party that has contracted with an entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration. The group assesses the definition of customer in line with the requirement of IFRS 15 and conclude that its 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). Cash customers are walk in customers, payment is required from this set of customer before the service can be rendered.

Credit customers without service level agreement (SLA): For this set of customers, the company assist them to send their mails but invoice is tendered at the end of the month for payment. Credit customers with SLA: For this set of customers, a written agreement is entered into for the collection of mails over a specific period.

The services are entirely sold to the three categories of customers and the entities have the right to payments upon sale of the services.

continued



Identification of contracts with customer

The group has entered into a valid contract with customers through the approved Local Purchase Order, quotation or procurement agreement. Such valid contracts commence on performance. Specifically, the assessment of IFRS 15 criteria in line with the group's contracts reveals the following;

- (a) The group and its customers have approved contracts which are usually written and the parties are committed to performing their respective obligations.
- (b) The group and its customers understand their rights regarding the services being rendered as it is usually stated in the contracts.
- (c) The group have agreed payment terms with their customers as stated in the contracts.
- (d) The group contracts with their customers are those of commercial substance. This forms a basis for recognizing revenue and affects the timing of their cash flows.
- (e) The group always assesses the probability that it will collect the estimated transaction price from the customer prior to entering the agreement with its customers.

Collectability

IFRS 15 specifies that an entity shall account for a contract with a customer that is within the scope of this Standard only when it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. The group's revenue transaction and procedures shows that the arrangements will pass the collectability criterion as it is probable that it will collect the consideration to which it will be entitled in exchange for the services that will be transferred to a customer.

Contract enforceability and termination clauses

IFRS 15 states that some contracts with customers may have no fixed duration and can be terminated or modified by either party at any time. Other contracts may automatically renew on a periodic basis that is specified in the contract. An entity shall apply this Standard to the duration of the contract (i.e. the contractual period) in which the parties to the contract have present enforceable rights and obligations. The group has entered into valid contracts that remain binding on the contracting parties for the specified contract duration without any simple termination clause because all parties to the contract have present enforceable rights and obligations throughout the contract period.

By implication, the group and its respective customers cannot unilaterally terminate the contract. All parties are bonded by their respective contracts unless there is a material and adverse breach by any of the parties. The 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 the Group if unperformed and signifies a commitment by both parties to execute the contract.

The 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

continued



enforceable rights and obligations only for the notice period of termination. Therefore, the 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.

Combining contracts

IFRS 15 requires entities to combine contracts entered into at, or near, the same time with the same customer (or related parties of the customer) if they meet one or more of the following criteria:

- (a) the contracts are negotiated as a package with a single commercial objective;
- (b) the amount of consideration to be paid in one contract depends on the price or performance of the other contract; or
- (c) the goods or services promised in the contracts (or some goods or services promised in each of the contracts) are a single performance obligation.

The group assesses the criteria presented in IFRS 15.17 which shows that the group cannot combine contract with same customer because no future transaction is envisaged at the point of entering into a contract and consideration received from each contract is also independent of the performance obligation in another contract with the same customer. However, contracts with similar characteristics and different customers are combined by applying the portfolio approach practical expedient.

Identifying performance obligation

IFRS 15 that at contract inception, an entity shall assess the goods or services promised in a contract with a customer and shall identify as a performance obligation each promise to transfer to the customer either:

- (a) a good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer. The Group is principally engaged in the provision of courier services, mail room management services, outsourcing, freight services, and logistics, ware-housing and general haulage. The performance obligations are the promised services in the contracts. For cash customer and credit customer without SLA, each promised services represent separate performance obligations since the services are distinct (by themselves, or as part of a bundle of services). The 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.

continued



Distinct goods and services

Revenue from services rendered such as courier services, mail management services, freight services, logistics, ware housing and general haulage to customers is recognised overtime, using a measure of progress when control is transferred to the customer, generally as services are delivered to customers.

The group has assessed that the group's performance does not create an asset with alternative use to the group and the group has an enforceable right to payment for performance completed to date. Performance obligation relating to credit customers with SLA indicates that the promises are series of distinct service which are substantially the same and have the same pattern of transfer. Services rendered does not create an asset with alternative use and the group have a right to payment for performance completed to date.

The group would measure its progress toward satisfaction of the performance obligation using the same measure of progress for each distinct good or service in the series. The group determines the appropriate method for measuring progress by considering the nature of the service that was promised to transfer to the customer. By implication, the group measures progress using the output method by deciding to use the practical expedient in IFRS 15:B16 to apply the output method since it can demonstrate that the invoiced amount corresponds directly with the value to the customer of the Company's performance completed to date.

The group recognises revenue from goods sold over time, using an output method to measure progress towards completion using the output method, because the group's performance does not create an asset with alternative use to the group and the group has an enforceable right to payment for performance completed to date.

Contract and performance obligation relating to cash customers and credit customers without SLA indicates that the promises are distinct service and revenue can be recognised at a point in time.

The group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of goods, the group considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer.

Variable consideration

If the consideration in a contract includes a variable amount, the group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The group has assessed that there are no variable consideration in its contracts with customers.

continued



Significant financing component

Generally, the group receives short-term advances (deposits) from its customers. Using the practical expedient in IFRS15, the group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Also, for sales transactions, the receipt of the consideration by the group does not match the timing of the transfer of the good to the customer (e.g., the balance of the consideration is paid after the good has been delivered). Using the practical expedient in IFRS 15, the group does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

• Trade receivables

A receivable represents the group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets under financial instruments—initial recognition and subsequent measurement.

• Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the group performs under the contract.

i. Non-refundable upfront fees

The group on few accessions receive advance payment from customers for services to be provided in the future. These advances are non refundable. These contracts are wholly unperformed contracts as at the time of receipt of the advances, hence they create a contract liability. The group will continually recognise advance payment for future goods or services as contract liabilities. Revenue will be recognised when the goods or services are delivered or performed.

continued



Policy prior to 1 April 2018

Accounting policy on revenue recognition for comparative period

• Revenue recognition

Revenue is recognized to the extent it is probable that economic benefits will flow to the group and 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 returns, trade discounts and taxes. The group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The specific recognition criteria described below 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 haulage to 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.

3.2 Financial instruments - initial recognition and subsequent measurement

Policy subsequent to 1 April 2018

IFRS 9 Summary of significant accounting policies

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

i) Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition as, amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. Financial assets are subsequently measured at amortised cost, fair value through

continued



other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient, the group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient are measured at the transaction price determined under IFRS 15. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient, the group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies on revenue from contracts with customers. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The group's financial assets includes financial assets at amortised cost.

continued



Financial assets at amortised cost (debt instruments)

The group measures financial assets at amortised cost if both of the following conditions are met:

• The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The group's financial assets at amortised cost includes trade receivables and other receivable.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the group's statement of financial position) when:

• The rights to receive cash flows from the asset have expired Or

• The group has transferred its rights 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 (a) the group has transferred substantially all the risks and rewards of the asset, or (b) 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 rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Impairment of financial assets

The group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms (if any).

continued



ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, intergroup receivables (involving sales in the ordinary course of business) and contract assets, the group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For receivables from related parties (non-trade), and staff loans, the group applies general approach in calculating ECLs. It is the group's policy to measure ECLs on such asset on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

For receivables from related parties (non-trade), and staff loans, the group applies general approach in calculating ECLs. It is the group's policy to measure ECLs on such asset on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD The Probability of Default is an estimate of the likelihood of default over a given time horizon.
- EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise.
- LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the group would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the group considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs, EADs and LGDs. In its ECL models, the group relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Oil price
- Exchange rate
- Inflation rate

continued



Write-offs

The group's accounting policy under IFRS 9 remains the same as it was under IAS 39. Financial assets are written off either partially or in their entirety only when the group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to profit or loss.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

This category generally applies to interest-bearing loans and borrowings.

continued



Derecognition

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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

ii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

Policy prior to 1 April 2018

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 assets

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:

Loan 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.

continued



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 rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of 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 objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset 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, the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio passed the average credit period, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

continued



Financial assets carried at amortised cost.

For financial assets carried at amortised cost, the Group first assesses 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 has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. Loans and receivables together with the associated allowance are written off when there is no realistic prospect of future recovery. If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is recognised as other income in the profit or loss.

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.

continued



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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit and loss.

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.

3.3 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.

3.4 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.

continued



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 40 years

Improvement on building Remaining depreciable life

 $\begin{array}{lll} \mbox{Plants and Machinery} & 3-10 \mbox{years} \\ \mbox{Trucks} & 3-6 \mbox{years} \\ \mbox{Trailers} & 4-8 \mbox{years} \\ \mbox{Motor Vehicles} & 2-4 \mbox{years} \\ \mbox{Motor cycles} & 3 \mbox{years} \\ \mbox{Furniture, Fittings and Equipment} & 3-5 \mbox{years} \\ \mbox{Computer and other I.T Equipment} & 3 \mbox{years} \\ \end{array}$

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.

3.5 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.

continued



3.6 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.

3.7 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.

3.8 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.

3.9 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.

continued



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.

3.10 Borrowing costs

Specific borrowing costs on 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.

3.11 Revenue recognition

Policy prior to 1 April 2018

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

continued



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.

3.12 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.

3.13 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

continued



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).

3.14 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.

3.15 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.

continued



3.16 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.

3.17 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 2019.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intragroup balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends (if any) are eliminated in full.

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.

continued



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

3.18 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. IFRIC Interpretation 23 Uncertainty over Income Tax Treatment- 1 January 2019
- 2. IFRS 17 Insurance Contracts 1 January 2021
- 3. IFRS 16-Leases-1 January 2019
- 4. Amendments to IFRS 9: Prepayment Features with Negative Compensation-Effective 01 January 2019
- 5. IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.
- 6. Venture Amendments to IFRS 10 and IAS 28
- 7. Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
- 8. Annual Improvements 2015-2017 Cycle (issued in December 2017)
 Amendments to IAS 28: Long-term interests in associates and joint ventures

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 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.

continued



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.

Transition to IFRS 16

The Group plans to adopt IFRS 16 retrospectively to each prior reporting period presented. The Group will elect to apply the standard to contracts that were previously identified as leases applying IAS 17 and IFRIC 4. The Group will therefore not apply the standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4. The Group will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Group has leases of one year or less and as such has opted for the use of short term leases exemptions.

Subject to identification of leases with terms of more than 12 months and the decision of the Group not to use short-term lease and lease of low value asset exemption, the lease liability will be measured at the present value of the lease payments that are not paid at that date. The lease payments would have to be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate. The Group will have to recognise right of use assets (ROU) assets in its books. Such ROU asset will include the present value of the unpaid lease payment, payment made to the lessor at commencement of the lease (amount prepaid), the direct cost incurred initially and the cost of restoring the property to its original state.

On transition, it is expected that the impact will impact negatively retained earnings and also create deferred tax assets.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

continued



An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Group will apply the interpretation from its effective date.

Since the Group operates in a complex multinational tax environment, applying the Interpretation may affect its consolidated and separate financial statements. In addition, the Group may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and intereston the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective from 1 January 2019, with earlier application permitted. These amendments have no impact on the consolidated and separate financial statements of the Group.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Group will apply these amendments when they become effective.

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

continued



The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures. The amendments should be applied retrospectively and are effective from 1 January 2019, with early application permitted. Since the Group does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its consolidated and separate financial statements.

Annual Improvements 2015-2017 Cycle (issued in December 2017)

These improvements include:

IFRS 3 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments will apply on future business combinations of the Group.

IFRS 11 Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3.

The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments are currently not applicable to the Group but may apply to future transactions.

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.

continued



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 reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each year.



continued



4. Revenue from contracts with customers

4.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Segments	For the year ended 31 March 2019				
	Services	Logistics	Freight	Total	
	N'000	N'000	N'000	N'000	
Courier services	5,849,869	-	-	5,849,869	
Mail management services	1,370,090	-	-	$652,\!606$	
Freight services	-	-	872,121	· ·	
Logistics	-	1,623,645	-	1,623,645	
Warehousing	-	64,552	-	64,552	
General haulage	-	-	-	-	
Support services	286,299	-	-	286,299	
Total revenue from contracts					
with customers	7,506,258	1,688,197	872,121	10,066,576	
with customers	7,500,256	1,000,197	012,121	10,000,570	
Geographical markets					
Within Nigeria	6,626,713	1,688,197	872,121	9,187,031	
Outside Nigeria	879,545	-	-	879,545	
Total revenue from contracts					
with customers	7,506,258	1,688,197	872,121	10,066,576	
	======	=======	=======	=======	
Timing of revenue recognition					
Goods transferred at a point in time					
Services transferred over time	7,506,258	1,688,197	- 879 191	10 066 576	
bervices transferred over time	1,500,256	1,000,137	012,121	10,000,570	
Total revenue from contracts					
with customers	7,506,258	1.688.197	872,121	10,066,576	

continued



Segments	Fort	he year ended 8	31 March 201	8
	Services	Logistics	Freight	Total
	N'000	N'000	N'000	N'000
Courier services	4,406,118	-	-	4,406,118
Mail management services	1,409,257	-	-	1,409,257
Freight services	-	-	794,971	794,971
Logistics	-	1,492,765	-	1,492,765
Ware housing	-	70,694	-	70,694
General haulage	-	-	-	-
Support services	233,702	-	-	233,702
Total revenue from contracts				
with customers	6,049,077	1,563,459	794,971	8,407,507
	=======	=======	=======	=======
Geographical markets				
Within Nigeria	5,386,973	1,563,459	794,971	7,745,403
Outside Nigeria	662,104	-	-	662,104
Total revenue from contracts				
with customers	6,049,077	1,563,459	794,971	8,407,507
	=======	======	=======	=======
Timing of revenue recognition				
Goods transferred at a point in time	-	-	-	-
Services transferred over time	6,049,077	1,563,459	794,971	8,407,507
Total revenue from contracts				
with customers	6,049,077	1,563,459	794,971	8,407,507
	=======	=======	=======	=======

continued



4.3 Performance obligations

Information about the Company's performance obligations are summarised below:

Courier services

Performance obligation relating to the promises in the contracts are assessed as series of distinct goods that would be satisfied over time and payment is generally due within 30 to 90 days from delivery.

Mail management services

Performance obligation relating to the promises in the contracts are assessed as series of distinct goods that would be satisfied over time and payment is generally due within 30 to 90 days from delivery.

Freight services

Performance obligation relating to the promises in the contracts are assessed as series of distinct goods that would be satisfied over time and payment is generally due within 30 to 90 days from delivery.

Logistics

Performance obligation relating to the promises in the contracts are assessed as series of distinct goods that would be satisfied over time and payment is generally due within 30 to 90 days from delivery.

Ware housing

Performance obligation relating to the promises in the contracts are assessed as series of distinct goods that would be satisfied over time and payment is generally due within 30 to 90 days from delivery.

General haulage

Performance obligation relating to the promises in the contracts are assessed as series of distinct goods that would be satisfied over time and payment is generally due within 30 to 90 days from delivery.



continued



		r	The Group	The	e Company
		2019	2018	2019	2018
		N '000	N '000	N '000	N '000
4.4	Revenue from contract wit	th customers			
	Analysis by services				
	Courier	5,849,869	4,406,118	5,849,869	4,406,118
	Logistics (note 4i)	1,688,197	1,563,459	-	-
	Freight (note 4ii)	872,121	794,971	-	-
	Support services (note 4ii)	1,656,389	1,642,959	-	-
		10,066,576	8,407,507	5,849,869	4,406,118

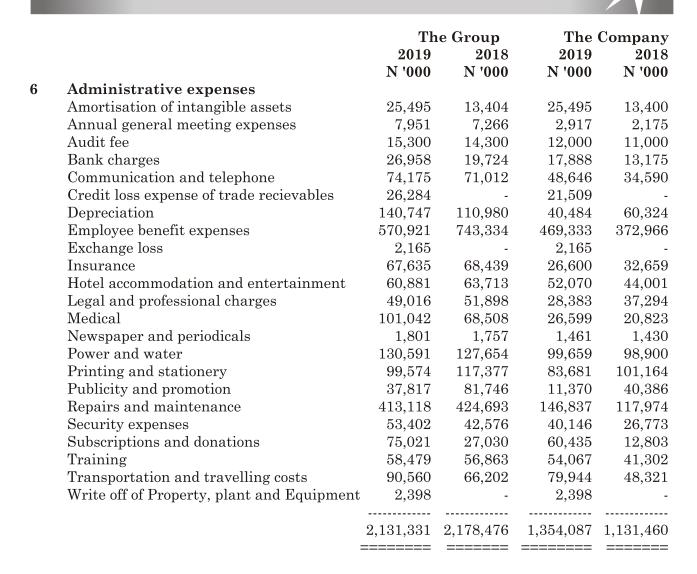
- 4.4i. Logistics relates to services involving warehousing and chain distribution services.
- 4.4ii Freight services is involved in clearing and forwarding of goods (importation and export services).
- 4.4iii.Support services relates to mail room management and other delivery services.
- 4.4iv Courier relates to the delivery of documents and parcels both locally and internationally

		$119,\!397$	11,088	134,044	123,876
	Gain on disposal of PPE	1,928	514	887	514
	Sundry income (note5i)	117,469	$6,\!274$	45,640	3,101
	Exchange gain	-	4,300	-	4,199
	Dividend from subsidiaries	-	-	87,517	116,062
5	Other operating income				

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



continued



6 i Credit loss expense

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit or loss:

	Group			Company		
	Stage 1	Simplified		Stage 1	Simplified	
\mathbf{C}_{0}	ollective	Model	Total	Collective	Model	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Trade receivables	-	26,536	26,536	-	21,542	21,542
Intercompany receivables	-	-	-	251	-	251
Short term deposits	(252)	-	(252)	(284)	-	(284)
	(252)	26,536	26,284	(33)	21,542	21,509
	=====	=====	=====	=====	======	=====

continued



		The C 2019 N '000	Group 2018 N'000	The 2019 N'000	Company 2018 N '000
7	Finance income Interest received from fixed deposit	12,794	23,318 ======	10,131	20,189
8	Profit before taxation was obtained After deducting:	l			
	Depreciation - Admin	140,747	110,980	40,484	60,324
	Depreciation Cost of sales	193,460	195,551	94,464	83,695
	Amortization of intangible assets	25,495	13,404	25,495	13,400
	Audit fee	15,300	14,300	12,000	11,000
	Profit on disposal of property, plant and		- 1,000	-	-
	equipment	(1,928)	(514)	(887)	(514)
	Directors emoluments	116,529	99,824	86,214	57,290
	Exchange loss/(gain)	2,165	(4,300)	2,165	(4,199)
	Dividend received	2,100	(1,500)	(87,517)	(116,062)
		======	======	======	======
		The G	_		ompany
		2019	2018	2019	2018
	m	N '000	N '000	N '000	N '000
9	Taxation				
9.1	Statement of Profit or loss				
	Income taxation	$240,\!569$	205,161	189,198	136,327
	Education tax	22,966	$20,\!228$	15,499	12,026
	Back duty charge	24,753	-	23,531	-
		288,288	225,389	228,228	148,353
	Deferred tax for the year	(11,067)	37,642	15,598	3,362
	·				
		277,221	263,031	243,826	151,715
		======	======	======	======
9.2	Statement of Financial Position				
	At the beginning of the year	250,229	206,444	166,563	109,418
	Current year tax provision	288,288	225,389	228,228	148,353
	Payment during the year	(83,774)	(61,808)	(13,551)	(11,180)
	Withholding tax credit utilized	(163,984)	(119,796)	(158, 346)	(80,028)
		290,759	250,229	222,894	166,563
		======	======	======	======

continued



9.3 Reconciliation of income tax expense

Non-deductible expenses for tax purpose				
Profit before tax	743,469	610,589	658,599	486,487
	=====	======	======	======
Nigeria's statutory income tax rate				
of 30%	223,041	183,177	197,580	145,946
Disallowable expenses	25,380	175,837	21,345	74,124
Impact of non-taxable income	(843)	(59,633)	(366)	(36,233)
Education tax	22,966	20,228	15,499	12,026
Back duty CIT charge	24,753	-	23,531	-
Tax credits carried forward	(18,076)	(56,578)	(13,763)	(44,148)
Income tax expense	277,221	263,031	243,826	151,715
	=====	======	=====	======
Effective tax rate	37%	43%	37%	31%

10. Earnings per share

Basic earnings per share amounts are calculated by dividing net profitfor 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.

	\mathbf{G}	roup	C	ompany
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Profit attributable to ordinary equity				
holders	466,248	347,558	414,773	334,772
	======	======	======	======
Weighted average number of ordinary				
shares for basic earnings per share	589,497	589,497	589,497	589,497
	======	======	======	======
Basic/diluted earnings per share	N0.79	N0.59	N0.70	N0.57
	======	======		======

continued

11. Property, plant and equipment

The Group - 31 March 2019

	Land N'000	Land Building N'000 N'000	Plant & Machinery N'000	$\begin{array}{c} {\rm Motor} \\ {\rm Vehicles} \\ {\rm N'000} \end{array}$	Motor Cycle N'000	Computer & Other IT Equipment N'000	Furniture & Fittings N'000	Capital work-in- -progress N'000	Total N'000
COSTS At 1 April 2017	167,543	439,080	68,994	901,709	384,833	300,315	80,408	9,140	2,352,022
Additions Transfer	36,398	56,802 6,050	9,172	204,997	35,132	35,426 90	10,564	25,204 (9,140)	413,695
Disposals Reclassification*	1 1	1 1	1 1	(8,084)	(7,920)	(562) 2,160	1 1		(16,566) $2,160$
At 31 March 2018	206,941	501,932	78,166	1,098,622	412,045	337,429	90,972	25,204	2,751,311
Additions Disposals Transfer Write off	93,968	26,517	8,205	201,470 (34,797)	77,796 (1,693)	44,109 (439)	13,323 (58)	855 - (198) (2,398)	466,243 (36,987) (198) (2,398)
At 31 March 2019	300,909	528,449	86,371	1,265,295	488,148	381,099	104,237	23,463	3,177,971
DEPRECIATION At 1 April 2017 Charge for the year Disposal	' '	57,855 54,357	39,422 18,212	436,877 186,705 (8,083)	379,018 26,493 (7,920)	237,306 10,160 (519)	51,312 10,604	1 1 1	1,201,790 306,531 (16,522)
At 31 March 2018		112,212	57,634	615,499	397,591	246,947	61,916	,	1,491,799

*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. There are no other contractual commitments in the acquisition of Property, plant and Equipment and no limitations in its realisability.

continued



11. Property, plant and equipment

The Group - 31 March 2018

	Land N'000	Building N'000	Plant & Motor Land Building Machinery Vehicles N'000 N'000 N'000		Computer Motor o Cycle 1 N'000	Motor & Other IT Cycle Equipment N'000 N'000	Capital & v Fittings -k	Capital & work-in- Fittings -progress N'000 N'000	Total N'000
Charge for the year Disposals	l	15,001	9,166		51,206 (1,693)	40,974 (439)	10903 (58)	1 1	334,207 (36,987)
At 31 March 2019		127,213	66,800	787,659	447,104	287,482	72,761	' 	1,789,019s ========
NET BOOK VALUE	EJ								
At 31 March 2019	300,909	401,236	19,571	477,636	41,044	93,617	31,476	23,463	1,388,952
At 31 March 2018	206,941	389,720	20,532		14,454	90,482	29,056	25,204	

Finance leases

186,175,400). Additions during the year include N48,300,000(2018: N114,175,400) of motor vehicle under finance leases The carrying value of motor vehicles held under finance leases at 31 December 2019 was N124,317,000 (2018: N contracts. Leased assets contracts are pledged as security for the related finance lease liabilities. There are no other contractual commitments in the acquisition of Property, plant and Equipment and no limitations in its realisability.

continued



11. Property, plant and equipment

The Company 31 March 2019

			•	ComputerFurniture	Furnitur	e Capital			
	[]	D.::14:	Plant &	Motor	Motor	Motor Motor & Other IT	W 38	& work-in-	
	Land N'000		Machinery vehicles N'000 N'000	venicies N'000	Cycle N'000	Equipment N'000	Fittings-progress N'000 N'000	rogress N'000	10tal N'000
COSTS									
At 1 April 2017	90,147	294,846	60,620	271,550	83,410	286,613	45,445	9,140 1,141,771	141,771
Additions	36,398	22,000	9,172		16,794	34,118	6,483	17,804 184,489	184,489
Transfer	3,000	6,050	•	•	•	06	•	(9,140)	٠
Reclassification*	•	ı	•	•	•	2,160	1	1	2,160
Disposal	1	1	1	(1,600)	(7,920)	(549)	1		(10,069)
At 31 March 2018	129,545	322,896	69,792	311,670	92,284	322,433	51,928	17,804 1,318,351	318,351
Additions	93,968	20,133	8,205	21,481	15,144	42,015	12,796	•	213,742
Disposal Wwite off			•	(10845)	(coc1)	(439)	(80)	(808 6)	(12,907)
ÉAt 31 March 2019	223,513	343,029	77,997	322,306	$\frac{1}{105,863}$	364,009	64,665	15,406 1,516,788	(2,939) $516,788$
DEPRECIATION									
At 1 April 2017	ı	39,318	32,979	165,174	73,202	228,265	29,803	1	568,741

*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.

There are no other contractual commitments in the acquisition of Property, plant and Equipment and no limitations in its realisability.





11. Property, plant and equipment

The Company – 31 March 2019

	Land N'000	Building N'000	Computer Plant & Motor Machinery Vehicles N'000 N'000	ComputerFurniture Motor Motor & Vehicles Cycle E N'000 N'000	Furnitur Motor Cycle N'000	e Capital & Other IT Equipment N'000	& work-in- Fittings-progress N'000 N'000	& work-in- gs-progress 00 N'000	Total N'000
Charge for the year Disposal	1 1	49,789	17,212	44,869 (1,600)	13,081 (7,762)	13,593	5,475	1	144,019 (9,869)
At 31 March 2018		89,107	50,191	208,443	78,521	241,351	35,278		702,891
Charge for the year Disposal	1 1	10,218	8,783	57,984 (10,845)	12,621 (1,565)	38,374 (439)	6,967		134,947 (12,907)
At 31 March 2019		99,326	58,973	255,583	89,577	279,286	42,187		824,932
Net Book Value									
At 31 March 2019	223,513	243,703	19,024		16,286	84,723	22,478		691,856
At 31 March 2018	129,545	233,789	19,601	103,227	13,763	81,082	16,650	17,804	615,458

There are no other contractual commitments in the acquisition of Property, plant and Equipment and no limitations in its realisability.



continued



12 Intangible assets

	GROUP	COMPANY
Cost:	N'000	N'000
At 1 April 2017	65,905	$65,\!405$
Additions	30,060	30,060
Reclassification*	(2,160)	(2,160)
At 1 April 2018	93,805	93,305
Additions	40,335	40,335
At 31 March 2019	134,140	133,640
Amortization:		
At 1 April 2017	47,733	47,237
Amortization charge for the year	13,404	13,400
At 1 April 2018	61,137	60,637
Amortization charge for the year	25,495	25,495
At 31 March 2019	86,632	86,132
Net Book Value:		
At 31 March 2019	47,508	47,508
	=====	=====
At 31 March 2018	32,668	32,668
	=====	=====

^{*}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 N134,140,000 investments on computer software and software licenses. This is being a mortised to profit or loss over a period of three years. There is no further contractual commitment to acquire intangible assets as at 31 March 2019.

13	Prepayment	The Group		The Company	
	-	2019	2018	2019	2018
		N'000	N'000	N'000	N'000
	Current portion	93,422	135,204	84,363	74,421
	Non-current portion	90,149	32,456	17,861	$32,\!456$
	At 31 March 2019	183,571	167,660	102,224	106,877
		======	======	======	=====
	Opening Balance	167,660	181,390	106,877	131,200
	Addition	$120,\!417$	220,890	108,979	189,510
	Utilised in the year	(104,506)	(234,620)	(115,070)	(213,833)
	Closing Balance	183,571	167,660	102,224	106,877

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.

continued



31 MARCH 2019

31 MI	ARCH 2019				
		The Group		p The Comp	
		2019	2018	2019 201	
		N'000	N'000	N'000	N'000
14.1	Equity instrument at fair value thi	rough profit	or loss		
	At 1 April	477	_	477	-
	Fair value gain	58	-	58	-
	At 31 March	535	-	535	-
		2019	2018	2019	2018
		N'000	N'000	N'000	N'000
14.2	Available-for-sale instruments				
	At 1 April	-	477	-	477
	Fair value loss	-	-	-	-
	At 31 March	-	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 on available-for-sale investments in quoted equity shares in 2018.

14.3 Investment in Subsidiaries

	The Group		The Company	
	$\boldsymbol{2019}$	2018	2019	2018
	N'000	N'000	N'000	N'000
Investment in subsidiaries				
measured at costs:				
*Investment in Red Star				
Freight Limited	-	-	100,000	100,000
Investment in Red Star				
Support Services Limited	-	-	49,065	49,065
Investment in Red Star				
Logistics Limited	-	-	225,000	225,000
	-	-	374,065	374,065
	====	====	======	======

continued



The Consolidated financial statement of the Group include:

The C	Consolidated financial	statement of the Gi	roup includ	e:	0/ • 4	• 4 4
				Country of	% equity interest	
Name		Principal Activit		Incorporation	2019	2018
	Star Freight Limited Star Supports Services	Freight and custor		Nigeria Nigeria	100% 100%	$100\% \\ 100\%$
Limit		Mail management despatch services	anu	Nigeria	100%	100%
	tar Logistics Limited	Haulage and ware services	housing	Nigeria	100%	100%
			Tì	ne Group	The Co	mpany
			2019	2018	2019	2018
			N'000	N'000	N'000	N'000
15.1	Deferred tax liabili					
	At the beginning of th	ie year	181,313	150,623	29,693	33,283
	Tax for the year	\ 1 .	(11,067)	37,642	15,598	3,362
	Tax income or (expense		10 450	(0.050)	10 450	(0.059)
	the period recognized Transition effect of ad		16,456	(6,952)	16,456	(6,952)
	(note $2.4.1.2$)	topting irits a	(14,427)	_	(11,367)	_
	(11000 2.1.1.2)		(11,127)		(11,007)	
	At the end of the year		172,274	181,313	50,380 =====	29,693
				e Group	The Com	
			2019 N'000	2018 N'000	2019 N'000	2018 N'000
15.2	Deferred tax relates t	o the following:	11 000	11 000	14 000	11 000
10.2	Accelerated depreciat	_				
	for tax purposes		217,009	242,766	76,470	74,108
	Provision for Defined	Benefit Obligation	(13,901)	(23,542)	(13,310)	(23,542)
	Impairment of receiva	_	(46,640)	(39,228)	(28,587)	(22,133)
	Exchange difference of	on trade				
	and other receivables		-	1,317	-	1,260
	Exchange difference of	on trade	()		()	
	and other payables	. •	(650)	-	(650)	-
	Effect of actuarial ass	umptions	10 450	(0.070)	10 450	(0.070)
	Recorded in OCI		16,456	(6,952)	16,456	(6,952)
	A 1		179 974	181,313	50,380	29,693
	At the end of the year		1/2.2/4			
	At the end of the year		172,274	=====	=====	======
16	At the end of the year Inventories		*	*	<i>'</i>	,
16	•		30,914	38,950	<i>'</i>	,
16	Inventories Stationeries and pack Fuel & Oil		30,914 10,362	38,950 9,457	26,883 10,362	35,713 9,457
16	Inventories Stationeries and pack		30,914	38,950 9,457 4,549	26,883	35,713
16	Inventories Stationeries and pack Fuel & Oil		30,914 10,362 9,625	38,950 9,457 4,549	26,883 10,362 9,593	35,713 9,457 4,046
16	Inventories Stationeries and pack Fuel & Oil		30,914 10,362	38,950 9,457 4,549	26,883 10,362 9,593	35,713 9,457

During 2019,N520,847,915 and N148,165,653 (2018: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 Receivable from Group companies	2,562,768	2,124,523	1,520,780	1,270,903
(note 25)	-	-	901,936	655,405
Other receivables (note 18)	995,019	937,092	420,440	444,804
	3,557,787	3,061,615	2,843,156	2,371,112
Allowance for expected credit losses	(203,557)	(130,761)	(122,979)	(73,776)
	3,354,230	2,930,854	2,720,177	2,297,336
	=====	======	=====	=====

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

The reconciliation of gross carrying value and impairment allowance are provided in much detail under credit risk note 31(a)

Allowance for expected credit losses

An analysis of changes in the aggregate ECL allowances (Trade receivables and receivables from related parties is, as follows:

	Group		Company	
	$\boldsymbol{2019}$	2018	$\boldsymbol{2019}$	2018
	N'000	N'000	N'000	N'000
As at 1 April	130,761	130,761	73,776	73,776
Adjustment upon application of IFRS 9	46,260	-	27,661	-
	177,021	130,761	$101,\!437$	73,776
Provision for expected credit losses	72,796	-	49,203	-
Write off reclassified		-		-
Unused amount reversed	(46,260)	-	(27,661)	-
As at 31 March	203,557	130,761	122,979	73,776
	======	======	======	======

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Other receivables relate to WHT receivables as regards the entity's invoices to their customers.

Advances are amounts provided to staff that are required to be retired by the staff.

Grading system for trade receivables, intercompany receivables, and contract assets and recognition of their Gross Carrying Amount and Expected Credit Losses are included under Credit Risk Note 31

continued



		The Group		The Company	
		$\boldsymbol{2019}$	2018	2019	2018
		N'000	N'000	N'000	N'000
18	Other receivables				
	Unutilized WHT receipts	715,776	616,179	262,810	272,351
	Staff advance	76,476	152,608	62,843	74,040
	Interest receivable	989	989	989	989
	Other staff and operational advances*	201,778	167,316	93,798	97,424
				100 110	
		995,019	937,092	420,440	444,804
		======	======	======	======

*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	
		$\boldsymbol{2019}$	2018	$\boldsymbol{2019}$	2018
		N'000	N'000	N'000	N'000
19	Cash and bank balances				
	Cash balances	881	751	801	723
	Cash -in- transit	41,847	27,117	40,401	26,518
	Bank balances	308,788	223,936	223,703	137,249
	Short term deposit	170,818	298,064	130,892	226,539
		522,334	549,868	395,797	391,029
		======	======	======	======

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	
		2019	2018	2019	2018
		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
	21111 02 01 00 11010 011011	=====	======	======	======
01	CI.	20.6.422	200 400	200 420	200 400
21	Share premium	296,433	296,433	296,433	296,433
		======	======	======	======

continued



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 2018 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 2018, 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.

i) Movement in total finance lease during the period is as follows:

	The Group		The Company	
	$\boldsymbol{2019}$	2018	2019	2018
	N'000	N'000	N'000	N'000
Opening balance	$147,\!412$	66,980	-	-
Addition	48,300	114,175	-	-
Interest expense	33,906	27,660	-	-
Payments	(71,395)	(33,743)	-	-
Interest paid	(33,906)	(27,660)	-	-
Total lease balance loan	124,317	$147,\!412$	-	-
	=====	=====	====	====
	The	Group	The Con	npany
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Long-term	33,925	76,832	-	-
Short-term	90,392	70,580	-	-
Total term loan	124,317	$147,\!412$	-	-
	=====	=====	====	====

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

continued



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 preparingproper 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	2019	2018	Nature
Investment Property	100,236,022	102,463,489	Buildings (Unquoted)
Investment in Shares	3,260,937	4,060,246	Quoted
FGN Bond	406,583,565	413,258,025	Quoted
Treasury bills	52,641,665	49,704,829	Quoted
Cash and Bank	88,403,814	14,668,413	Unquoted
Others*	74,165,440	86,517,464	Unquoted
Total	725,291,443	670,672,466	
	========	========	

^{*}Others represent Amount receivable from related companies as well as accrued income from FGN bonds.

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:

	Gro	up	Company		
	2019	2018	2019	2018	
Present value of Defined					
benefit obligation	N'000	N'000	N'000	N'000	
Fair value of plan assets	(771,628)	(749, 145)	((69,657)	(749, 145)	
	725,292	670,672	725,292	670,672	
Net employee defined benefit					
liabilities	(46, 336)	(78,473)	(44,365)	(78,473)	

continued

23.2 2019 changes defined benefit obligation

The principal assumptions used in determining employees' benefit obligations forthe Group'splans are shown below:

Group

	Pension c	Pension obligation charged to profit	larged to pro	ofit or loss			Re-measurement (gains)/losses in other comprehensive income	gains)/losses in	n other compi	rehensive inco	me
	1-Apr-18 N'000	Service cost	Net interest expense N'000	Sub-total included in profit of loss N'000	Benefits paid N'000	Actuarial changes arising from changes indemogra phic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustm ents N'000	Sub-total included in OCI N'000	Contribu tion by employer N'000	31 March 2019 N'0000
Defined benefit obligation		(749,145)	(82,986)	(82,986) (112,072)) (193,087)	(193,087)	44,153	ı	- 128	128,421 128,421	,421	(771,628)
Fair value of plan assets	29	670,672	•	101,541	101,541	(44,153)		- (73	(73,569) (73,	(73,569) 70.801	1 725,292
Benefit liability		(78,473)			(91,546)				54,852 54,852	54,852 70.801	1 (46,336)

Company

2019 changes defined benefit obligation

	Pension o	bligation ch	Pension obligation charged to profit or loss	fit or loss		Re	Re-measurement (gains)/losses in other comprehensive income	gains)/losses ii	n other comp	rehensiv	e income	
	1-Apr-18 N'000	Service cost N'000	Net interest expense N'000	Sub-total included in profit of loss N'000	Benefits paid N'000	Actuarial changes arising from changes indemogra phic assumptions N'000	Actuarial changes arising from changes in financial assumptions N'000	Experience adjustm ents N'000	Sub-total included in OCI N'000	Co	Contribu tion by employer	31 March 2019 N'000
Defined benefit obligation Fair value of	(749	(749,145)	(81,015)	(112,072)	(112,072) (193,087)	44,153		- 128	128,421			769,657)
plan assets).19	670,672	ı	101,541	101,541	(44,153)	'	- (73	(73,569) (73,	(73,569)	70.801	725,292
Benefit liability	'	(78,473)			(91,546)			!	54,852 54	54,852 70.801		(44,365)

continued



2018changes defined benefit obligation

Group and Company

	31 March 2018 N'000	(749,145)	670,672	(78,473)
nsive income	Contribu tion by employer N'000	'	82,954	63,142
Re-measurement (gains)/losses in other comprehensive income	Sub-total included in OCI N'000	- 75,210	- (98,382)	- (23,172)
gains)/losses in o	Experience adjustm ents	210	82)	72)
neasurement (g	Actuarial changes arising from changes in financial assumptions N'000	- 75,210	- (98,382)	- (23,172)
Re-1	Actuarial changes arising from changes indemogra phic assumptions	26,797	(26,797)	'
	Benefits paid N'000	(179,620)	90,540	(89,080)
fit or loss	Sub-total included in profit of loss N'000	(97,920)	90,540	
arged to profi	Net interest expense N'000	(81,700)	ı	
Pension obligation charged to pro	Service cost N'000	(671,532)	622,356	(49,176)
Pension	1-Apr-17 N'000	. 1 2		
		Defined benefit obligation Fair value of	plan assets	Benefit liability

continued



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

	2019	2018
	%	%
Discount rate	13.5	13.5
Future salary increases	5	5
Mortality rate	8	8

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

F	'uture sala	ry increases	Discou	nt rate	Mortal	ity rate
Sensitivity level	1%	1%		1%	1 year	1 year
	Increase	Decrease 1%	Increase I	Decreaseimp	rovement det	erioration
	N'000	N'000	N'000	N'000	N'000	N'000
2019						
Impact on defined						
benefit obligation	788,212	752,430	755,405	785,49	770,483	768,726
2018						
Impact on defined						
benefit obligation	764,394	734,881	734,289	$765,\!240$	750,111	$748,\!241$

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:

	2019	2018
	N'000	N'000
Within the next 12 months		
(next annual reporting period)	141,833	122,032
Between 2 and 5 years	425,910	366,449
Between 5 and 10 years	993,789	855,047
Beyond 10 years	1,135,758	977,197
Total expected payments	2,697,290	$2,\!320,\!725$
	=======	=======

The average duration of the defined benefit plan obligation at the end of the reporting period is 18 years (2018: 18.7 years).

	10 3 0012 (10 10. 13 0012).	The	Group	The Co	ompany
		2019 N'000	2018 N'000	2019 N'000	2018 N'000
24.	Trade and other payables	11 000	11 000	11 000	11 000
	Trade Creditors	708,924	520,434	699,710	515,215
	Other Creditors and accruals				
	(Note 24.1)	1,442,498	1,288,549	1,169,779	1,018,096
	Payable to related parties(Note 25)	-	-	$127,\!232$	185,296
		$2,\!151,\!422$	1,808,983	1,996,721	1,718,607
		=======	=======	=======	=======

continued



		The	e Group	The C	ompany
		2019 N'000	2018 N'000	2019 N'000	2018 N'000
24.1	Other creditors and accruals				
	Accruals	359,553	310,713	268,857	210,781
	Agent clearing charges	475,939	472,994	475,924	472,994
	Witholding taxes	98,313	76,975	83,579	69,698
	Valed Added Taxes	293,682	239,233	189,090	121,580
	Staff pension (note 24.2)	36,595	18,607	4,772	4,727
	Unclaimed dividend (Note 27)	97,063	101,539	97,063	101,539
	Sundrypayables	81,353	68,488	50,494	36,777
		1,442,498	1,288,549	1,169,779	1,018,096

Other payables relates to statutory payables and professional fees due to consultants.

•		The	e Group	The Co	ompany
		2019 N'000	2018 N'000	2019 N'000	2018 N'000
24.2	Staff pension accruals				
	At the beginning of the year	18,607	10,967	4,727	4,347
	Provision for the year	100,533	169,364	82,636	67,007
		119,140	180,331	87,363	71,354
	Payment during the year	(82,545)	(161,724)	(82,591)	(66,627)
	At the end of the year	36,595	18,607	4,772	4,727

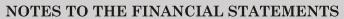
^{*}The Group's defined contribution pension plans is a final salary plan for the employees of Red Star Express Plc and its subsidiaries, which requires contributions to be made to separately administered funds.

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 2019, 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.

	Nature of transaction	Fransaction	Balance	Balance
		value	receivable/	receivable/
			(payable)	(payable)
			2019	2018
Related Companies:		N'000	N'000	N'000
Red Star Freight Ltd	Freight and custom clearar	nce. 196,337	241,690	112,000
Red Star Logistics Ltd	Haulage and warehousing	183,692	668,938	543,405
	services			
Red Star Support	Mail management and	133,147	(127,233)	(185,296)
Services Ltd	despatch services			



continued



26. Reconciliation of net profit to cash from operating activities

		The (2019 N'000	Group 2018 N'000	The Co 2019 N'000	ompany 2018 N'000
	Net profit before taxation	743,469	610,589	658,599	486,487
	Adjustment to reconcile net income to net cash provided by operating activities:				
	Depreciation of property, plant& equipment	334,207	306,531	134,948	144,019
	Amortisation of intangible assets	25,495	13,404	25,495	13,400
	Long term prepayment utilized	104,506	234,620	113,632	213,833
	Profit on disposal of fixed assets (note 5)	(1,928)	(514)	(887)	(514)
	Write off of property, plant and equipment	2,398	-	2,398	-
	Interest expense	33,906	27,660	-	-
	Interest income	(12,794)	(23,318)	(10,131)	(20,189)
	Expected Credit losses on financial assets	$26,\!284$	-	21,509	-
	Exchange difference	2,165	(4,300)	2,165	(4,199)
	Other income	(119,397)	(11,088)	(46,527)	(7,814)
	Changes in assets and liabilities:				
	Decrease/(Increase)in inventories	2,055	(5,600)	2,378	(5,723)
	Increase in trade and other receivables	(508,690)	(451,818)	(650,252)	(565,190)
	(Increase)/Decreasein prepayments	(15,911)	13,730	4,653	24,323
	Increase in trade and	` , ,	,	,	,
	other payables	342,439	159,065	278,114	141,105
	(Decrease)/Increase in employee benefits	(32, 137)	29,297	(32, 137)	29,297
		941,978	884,528	499,304	424,512
	Tax Paid	(83,774)	(61,808)	(13,551)	(11,180)
	Cash flow from long term prepayment	(120,417)	(220,890)	(108,979)	
	NT				
	Net cash flow provided by operating	505 505	601 000	956 554	000 000
	Activities	737,787 =====	601,830 ======	376,774 =====	223,822 ======
27.	Dividend distributions made and propose	d			
_,,	propose		2019	2018	
			N'000	N'000	
	Opening balance of unclaimed dividend		101,539	92,034	
	Final dividend proposed		235,796	235,801	
	Withholding tax on dividend proposed		(23,575)	(23,580)	
	Refund from Registrars		-	13,556	
			313,760	317,811	
			(010 001)	(040.55)	
	Dividend paid during the year			(212,221)	
	Payment from unclaimed dividend		(4,476)	(4,051)	
	Total Dividend Payments		216,697	216,272	
	Closing balance of unclaimed dividend			101,539	
			=======	========	



continued



14,936

15,540

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

Directors

	The Gr	oup	The Co	mpany
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Remuneration paid to the Directors was: Short-term employee benefit				
Fees and sitting allowances	10,418	14,220	7,697	10,507
Executive compensation	8,362	8,362	8,206	8,206
Other Directors expenses and benefits	26,021	21,371	26,021	21,371
Short term employee benefit Post-employment benefit	44,801	43,953	41,924	40,084
Total compensation	44,801	43,953	41,924	40,084
Fees and other emoluments disclosed abo	ove include a	amounts paid	to:	
			2019 N'000	2018 N'000
The Chairman			2,500	2,155

The number of Directors who received fees and other emoluments in the following ranges were:

The highest paid Director

	\mathbf{Number}	Number	\mathbf{Number}	Number
Below N1,000,000				
N 1,000,000 - N 2,000,000	3	5	3	5
N 2,000,001 - N 3,000,000	2	1	2	1
N 3,000,001 and above	3	3	3	3
	===	===	===	===

continued



29. Staff number and higher paid employees

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

	Γ	he Group	The Company		
	2019	2018	2019	2018	
	Number	Number	Number	Number	
Managerial	7	7	4	4	
Senior	50	39	34	30	
Supervisors	223	163	60	59	
Junior	1,690	1,721	176	177	
	1,970	1,930	274	270	
	=====	=====	===	===	

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

	Т	he Group	The Con	npany
	2019	2018	2019	2018
	Number	Number	Number	Number
N140,001 - N210,000	1,505	1,529	163	163
N210,001 - N360,000	407	344	66	67
N360,001 - N900,000	49	44	38	33
N 900,001 - N1,700, 000	6	10	4	4
N1,700,001 - N2,011,000	3	3	3	3
	1,970	1,930	274	270
	=====	=====	===	===

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.

continued

	Group	2018	N'000		8,407,507	23,318	(5,625,188)	11,088	(2,178,476)	(27,660)	610,589	(263,031)	347,558
	5	2019	N'000		10,066,576	12,794	(7,290,061) $(5,625,188)$	119,397	(2,131,331) $(2,178,476)$	(33,906)	743,469	(277,221)	466,248
	services	2018	N'000		1,642,959	-	1,300,936)	15,131	(246,973)	(12,570)	97,611	(34,366)	63,245
	Support services	2019	N'000		1,656,389	-		5,056	(328,329)	(16,767)	67,556	(8,889)	58,667
	Logistics	2018	N'000		1,563,459	3,130	1,246,181) (1,248,793) (2,252	(220,173)	(15,090)	87,397	(57,453)	29,944
	Γ_0	2019	N'000		1,752,746	2,663	(1,475,227)	17,387	(211,885)	(17,140)	68,544	(10,096)	58,448
	$\operatorname{Freight}$	2018	N'000		794,971	-	(649,233)	136	(60,569)		55,305	(19,497)	35,808
		2019	N'000		872,121	-	(746,199)	5,648	(94,370)		37,200	(14,411)	22,789
	ier	2018	N'000		4,406,118	20,189	(2,932,236)	123,876	(1,131,460)		486,487	(151,715)	334,772
	Courier	2019	N'000		5,849,869	10,131	(3,981,358) $(2,932,236)$	134,044	(1,354,087) $(1,131,460)$	•	658,289	(243,826)	414,773
Segment statement of	comprehensive income			Revenue (External	customer)	Finance income	Cost of sales	Other Income	Admin expenses	Finance Cost	Profit before taxation	Taxation	Profit after taxation

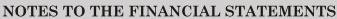
^{*}The total of finance income in the group account is net of dividend received by the Parent company (Courier) from its subsidiaries.

	Segment statement of									
Financial position	Cor	Courier	$\operatorname{Freight}$	ght	Log	Logistics	Support services	ervices	Gr	Group
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Total Non-current										
assets	1,131,825	1,055,124	3,479	6,147	528,845	485,785	164,770	152,123	1,527,144	1,325,113
Current assets	3,247,175	2,812,002	498,756	381,419	1,018,972	948,825	356,140	367,492	4,020,887	3,668,882
Total assets	4,379,000	3,867,126	502,235	387,566	1,547,817	1,434,610	520,910	519,615	5,548,031	4,993,995
Ordinary share capital	294,748	294,748	100,000	100,000	225,000	225,000	49,065	49,065	294,748	294,748
Share premium	296,433	296,433	-	1	-		1		296,433	296,433
Retained earnings	1,473,459	1,282,609	101,677	107,136	295,677	265,438	293,560	281,386	2,171,742	1,936,404
Non-current liabilities	94,745	108,166	259	910	116,025	174,162	37,003	71,733	252,535	336,618
Current liabilities	2,219,615	1,885,170	300,299	179,520	911,115	770,010	141,282	117,431	2,532,573	2,129,792
Total equity and Liabilities	4,379,000	3,867,126	502,235	387,566		1,547,817 1,434,610	520,910	519,615	5,548,031	4,993,995

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, First City Monument Bank.



continued



Segment statement of										
financial position	Con	Courier	Freight	ght	Logistics	tics	Support services	ervices	Gr	Group
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Total Non-current assets	1,131,825	1,055,124	3,479	6,147	528,845	485,785	164,770	152,123	1,527,144	1,325,113
Current assets	3,247,175	2,812,002	498,756	381,419	1,018,972	948,825	356,140	367,492	4,020,887	3,668,882
Total assets	4,379,000	3,867,126	502,235	387,566	1,547,817	1,434,610	520,910	519,615	5,548,031	4,993,995
Ordinary share capital	294,748	294,748	100,000	100,000	225,000	225,000	49,065	49,065	294,748	294,748
Share premium	296,433	296,433	•	•	•	1	-	-	296,433	296,433
Retained earnings	1,473,459	1,282,609	101,677	107,136	295,677	265,438	293,560	281,386	2,171,742	1,936,404
Non-current liabilities	94,745	108,166	259	910	116,025	174,162	37,003	71,733	252,535	336,618
Current liabilities	2,219,615	1,885,170	300,299	179,520	911,115	770,010	141,282	117,431	2,532,573	2,129,792
Total equity and liabilities 4,379,000	4,379,000	3,867,126	502,235	387,566	1,547,817	1,434,610	520,910	519,615	5,548,031	4,993,995

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

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, First City Monument Bank. 30 (c)

continued



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 responsibility to 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:

31 (a) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Group's maximum exposure to credit risk for the components of the statement of financial position is its carrying amount.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 23. The Group does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the

continued



calculation of impairment. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Deposits with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Surplus funds are spread amongst reputable commercial banks and funds must be within treasury limits assigned to each of the counterparty. Counterparty treasury limits are reviewed by the Group's Financial Controller periodically and may be updated throughout the year subject to approval of the Financial Controller. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The Group's maximum exposure to credit risk for the components of the statement of financial position is its carrying amount.

Impairment losses

Nigeria Mapping Table

Global-scale long term local currency rating	National scale long term rating	National scale short term rating	Agusto rating	Implied S&P rating class (without modifiers)	Implied S&P rating categories (with modifiers)
BB+ and above	ngAAA	ngA-1	AAA	В	B+
BB	ngAA+	ngA-1	AA	В	В
BB-	ngAA, ngAA-	ngA-1	AA	В	В
B+	ngA+, ngA, ngA-	ngA-1, $ngA-2$	A	В	В
В	ngBBB+, ngBBB,ngBBB-	ngA-2, $ngA-3$	BBB	В	В-
В-	ngBB+, ngBB	ngB	BB	В	В-
CCC+	ngBB-, ngB+	ngB	В	CCC	CCC+
CCC	ngB, ngB-, ngCCC+	ngC	В	CCC	CCC
CCC-	ngCCC, ngCCC-	ngC	CCC	CCC	CCC-
CC	ngCC	ngC	$^{\rm CC}$	CC	CC
C	ngC	ngC	\mathbf{C}	\mathbf{C}	C
R	R	R	D	D	D
SD	SD	SD	D	D	D
D	D	D	D	D	D

continued



In assessing the Company's internal rating process, the Company's customers and counter parties are assessed based on a credit scoring model that takes into account various historical, current and forward-looking information such as:

- Any publicly available information on the Company's customers and counter parties from external parties. This includes external rating grades issued by rating agencies, independent analyst reports, publicly traded bond or press releases and articles.
- Any macro-economic or geopolitical information, e.g., GDP growth relevant for the specific industry and geographical segments where the client operates.
- Any other objectively supportable information on the quality and abilities of the client's management relevant for the company's performance.

The table below shows the Company's internal credit rating grades.

Internal rating	Internal rating	$12\mathrm{month}\mathrm{PD}$	Implied S&P
grade	description	range	rating
1	High grade	0.00% - $0.58%$	Very Good+
2	High grade	0.58% - $1.42%$	Very Good
3	High grade	1.42% - $2.43%$	Very Good-
4	Standard grade	2.43% - $16.3%$	Good+
5	Standard grade	16.3% - $28.05%$	Good
7	Sub-standard grade	28.05%-41.03%	Average+
8	Past due but not impaired	41.03% - 100	Bad
Non-performing			
9	Individually impaired		100%Very Bad

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are as shown above.

Trade receivables

The significant changes in the balances of trade receivables are disclosed in Note 19.3 while the information about the credit exposures are disclosed in Note 19.3.

	1	Group	Company		
	2019	2018	2019	2018	
External grading system	Simplified	Simplified	Simplified	Simplified	
	Model	Model	Model	Model	
	N'000	N'000	N'000	N'000	
Standard grade	2,536,223	2,124,522	1,494,234	1,270,902	
	2,536,223	2,124,522	1,494,234	1,270,902	



continued



Gross carrying amount for trade receivables

Gross carrying amount				
as at 1-Apr-18	2,124,522	2,124,522	1,270,902	1,270,902
New assets originated or purchased	2,536,223	2,536,223	1,498,234	1,498,234
Assets derecognised or repaid	(2,124,522)	(2,124,522)	(1,270,902)	(1,270,902)
(excluding write offs)				
	2,536,223	2,536,223	1,498,234	1,498,234
	======	=======	=======	=======

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	(Group	Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
As at 1 January	130,761	130,761	73,776	73,776
Adjustment upon application of IFRS 9	$46,\!260$	-	27,661	-
	177,021	130,761	101,437	73,776
Provision for expected credit losses	72,796		49,203	-
Write off			-	-
Unused amount reversed	(46,260)		(27,661)	-
As at 31 December	203,557	130,761	122,979	73,776
		=======		

continued



Intercompany receivables

The significant changes in the balances of Intercompany receivables are disclosed in Note 19.3 while the information about the credit exposures are disclosed in Note 19.3.

		Group	Com	pany
External grading system	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Standard grade	-	-	901,936	655,405
	-	-	901,936	655,405
	=======	=======	=======	=======

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

	Group	Con	npany
Stage 1	Total	Stage 1	Total
Collective N'000	N'000	Collective N'000	N'000
-	-	655,405	655,405
-	-	901,936	901,936
-	-	(655,405)	(655,405)
-	-	901,936	901,936
======	======	======	======
		Group	Company
		Stage 1	Stage 1
		N'000	N'000
			8,441
		-	8,347
ng write offs)		-	(8,441)
		-	345
		-	8,692
	Collective N'000	Collective N'000 N'000	Stage 1 Total Stage 1 Collective N'000 N'000 - - 655,405 - - 901,936 - - 901,936 - - 901,936 - - 901,936 - - Stage 1 N'000 N'000

Short term deposits

The significant changes in the balances of short term deposits are disclosed in Note 19.3 while the information about the credit exposures are disclosed in Note 19.3.

	Group 2019 N'000	2018 N'000	Company 2019 N'000	2018 N'000
External grading system Standard grade	170,818	298,064	130,892	226,539
	170,818	298,064	130,892	226,539





An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

	(Group	Com	pany
Gross carrying amount	Stage 1	Total	Stage 1	Total
for short term deposits	Collective N'000	N'000	Collective N'000	N'000
Gross carrying amount as at				
1 April 2018	298,064	298,064	226,539	226,539
New assets originated or purchased Assets derecognised or repaid	170,818	170,818	130,892	130,892
(excluding write offs)	(298,064)	(298,064)	(226,539)	(226,539)
	170,818	170,818	130,892	130,892
	======	======	======	======
			Group	Company
			Stage 1	Stage 1
			N'000	N'000
ECL allowance as at 1 April 2018			1,831	1,789
New asset purchased			$1,\!567$	1,493
Asset derecognised or repaid (excluding (1,789)	ng write offs)			(1,831)
Unwind of discount			12	12
At 31 March 2019			1,579	1,505

Impairment of financial assets

i. Trade receivables

For trade receivables, the Group applied the simplified approach in computing ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables as at 31 December 2018 using a provision matrix:

continued

31 March 2019				Trade 1	Trade receivables			
				Days past due	ast due			
	Current	06 - 0	91 - 180	180 - 270	271 - 360	>360	Credit	Total
		days	days	days	days		impaired	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Expected credit loss rate	0.94%	0.94%	0.94%	0.94%	0.94%	19.50%	100.00%	
Estimated total gross								
carrying amount at default	1,163,520	337,024	98,154	77,440	223,772	85,801	550,511	2,536,223
Expected credit loss	10,887	3,155	920	727	2,096	803	184,969	203,557
1 April 2018								
	Current	06 - 0	91 - 180	180 - 270	271 - 360	>360	Credit	Total
		days	days	days	days		impaired	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Expected credit loss rate	2.44%	2.44%	2.44%	2.44%	2.44%	2.44%	100.00%	
Estimated total gross								
carrying amount at default	1,080,858	344,495	119,259	66,129	377,801	•	135,980	2,124,522
Expected credit loss	25,182	7991.2568	2768.093	1,575	8,743	0	130,761	177,021

NOTES TO THE FINANCIAL STATEMENTS continued

31 March 2019				Trade 1	Trade receivables			
				Days pa	Days past due			
	Current	06 - 0	91 - 180	180 - 270	271 - 360	>360	Credit	Total
		days	days	days	days		impaired	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Expected credit loss rate	0.94%	0.94%	0.94%	0.94%	0.94%	75.16%	100.00%	
Estimated total gross								
carrying amount at default	705,256	229,468	33,996	7,977	46,320	•	471,217	1,498,234
Expected credit loss	6,597	2,147	318	75	433	•	113,409	122,979
1 April 2018								
	Current	06 - 0	91 - 180	180 - 270	271 - 360	>360	Credit	Total
		days	days	days	days		impaired	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Expected credit loss rate	2.31%	2.31%	2.31%	2.31%	2.31%	2.31%	100.00%	
Estimated total gross								
carrying amount at default	561,361	197,479	71,782	47,927	318,577	1	73,776	1,270,902
Expected credit loss	12,971	4,563	1,659	1,107	7,361	•	73,776	101,437

Company

continued



Expected credit loss measurement - other financial assets

The Group applied the general approach in computing expected credit losses (ECL) for intercompany receivables and short term deposits. The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation—such as how the maturity profile of the PDs, etc. are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The reconciliation of these balances are as stated above.





The following tables outline the impact of multiple scenarios on the allowance:

Stage 1 31 March 2019		Group			Company	
	Short term deposits	Intercompany receivables	Total	Short term deposits	Intercompan receivables	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Upside (109	%) 157	-	158	150	869	1,020
Base (80%)	1,263	-	1,263	1,204	6,953	8,157
Downside	(10%) 157	-	158	150	869	1,020
Total	1,579		$1,\!579$	1,505	8,692	10,196
	=====	=====	=====	=====	=====	=====
1 April 2018						
	Short term	Intercompany	Total	Short term	Intercompan	Total
	deposits	receivables		deposits	receivables	
	N'000	N'000	N'000	N'000	N'000	N'000
Upside (119	%) 201	-	201	197	928	1,125
Base (79%)	1,447	-	1,447	1,413	6,668	8,081
Downside	(10%) 183	-	183	179	844	1,023
Total	1,831	-	1,831	1,789	8,441	10,230

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 2. 2.1 Summary of significant accounting policies and in Note 2.4 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Central Bank of Nigeria, Standards and Poor's etc.) and a team of expert within its credit risk department verifies the accuracy of inputs to the Company's ECL models including determining the weights attributable to the multiple scenarios. The following tables set out the key drivers of expected loss and the assumptions used for the Company's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 March 2018 and 31 March 2019.

continued



The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for "Subsequent years" represent a long-term average and so are the same for each scenario.

Group and Company

91	March.	901	a
$oldsymbol{1}$	march.	201	y

Key drivers EDTF 3	\mathbf{ECL}						
EDIF 3	Scenario	2019	2020	2021	2022	2023	Subsequent
							years
GDP growth							
	Upturn	0.26	0.29	0.32	0.35	0.38	0.41
	Base	0.20	19.00	0.15	0.16	0.14	0.15
O:1 D.:: 0/	Downturn	0.14	0.11	0.08	0.05	0.02	-0.01
Oil Price %	Untum	56.00	50.00	62.00	65 OO	68.00	71.00
	Upturn Base	$56.00 \\ 55.00$	$59.00 \\ 57.00$	62.00 62.00	$65.00 \\ 54.00$	56.00	71.00 57.00
	Downturn	44.00	41.00	38.00	35.00	32.00	
Exchange rate		44.00	41.00	56.00	55.00	52.00	29.00
Exchange rate	Upturn	180.00	175.00	170.00	165.00	160.00	155.00
	Base	199.50	209.48	219.95	230.95	242.49	254.62
	Downturn	204.75	214.99	225.74	237.02	248.87	261.32
Inflation rate %		201.10	211.00	220.11	201.02	210.01	201.02
	Upturn	26.00	24.00	22.00	20.00	18.00	16.00
	Base	31.00	32.00	33.00	34.00	35.00	36.00
	Downturn	34.00	36.00	38.00	40.00	42.00	44.00
Group and Con	nany						
Group and Con	iipaiiy						
1 April, 2018							
Key drivers	ECL						
	ECL Scenario	2019	2020	2021	2022	2023	Subsequent
Key drivers		2019	2020	2021	2022	2023	Subsequent years
Key drivers EDTF 3		2019	2020	2021	2022	2023	-
Key drivers	Scenario						years
Key drivers EDTF 3	Scenario Upturn	0.23	0.26	0.29	0.32	0.35	years 0.38
Key drivers EDTF 3	Scenario Upturn Base	0.23 0.20	0.26 0.20	0.29 19.00	0.32 0.15	0.35 0.16	0.38 0.14
Key drivers EDTF 3	Scenario Upturn	0.23	0.26	0.29	0.32	0.35	years 0.38
Key drivers EDTF 3	Scenario Upturn Base Downturn	0.23 0.20 0.17	0.26 0.20 0.14	0.29 19.00 0.11	0.32 0.15 0.08	0.35 0.16 0.05	0.38 0.14 0.02
Key drivers EDTF 3	Scenario Upturn Base	0.23 0.20	0.26 0.20	0.29 19.00	0.32 0.15	0.35 0.16	0.38 0.14
Key drivers EDTF 3	Scenario Upturn Base Downturn Upturn	0.23 0.20 0.17 53.00	0.26 0.20 0.14 56.00	0.29 19.00 0.11 59.00	0.32 0.15 0.08 62.00	0.35 0.16 0.05 65.00	0.38 0.14 0.02 68.00
Key drivers EDTF 3	Upturn Base Downturn Upturn Base Downturn	0.23 0.20 0.17 53.00 50.00	0.26 0.20 0.14 56.00 55.00	0.29 19.00 0.11 59.00 57.00	0.32 0.15 0.08 62.00 62.00	0.35 0.16 0.05 65.00 54.00	0.38 0.14 0.02 68.00 56.00
Key drivers EDTF 3 GDP growth Oil Price %	Upturn Base Downturn Upturn Base Downturn	0.23 0.20 0.17 53.00 50.00	0.26 0.20 0.14 56.00 55.00	0.29 19.00 0.11 59.00 57.00	0.32 0.15 0.08 62.00 62.00	0.35 0.16 0.05 65.00 54.00	0.38 0.14 0.02 68.00 56.00
Key drivers EDTF 3 GDP growth Oil Price %	Upturn Base Downturn Upturn Base Downturn	0.23 0.20 0.17 53.00 50.00 47.00	0.26 0.20 0.14 56.00 55.00 44.00	0.29 19.00 0.11 59.00 57.00 41.00	0.32 0.15 0.08 62.00 62.00 38.00	0.35 0.16 0.05 65.00 54.00 35.00	0.38 0.14 0.02 68.00 56.00 32.00
Key drivers EDTF 3 GDP growth Oil Price %	Upturn Base Downturn Upturn Base Downturn Upturn Base Downturn Upturn Bose Downturn	0.23 0.20 0.17 53.00 50.00 47.00	0.26 0.20 0.14 56.00 55.00 44.00	0.29 19.00 0.11 59.00 57.00 41.00	0.32 0.15 0.08 62.00 62.00 38.00	0.35 0.16 0.05 65.00 54.00 35.00	0.38 0.14 0.02 68.00 56.00 32.00
Key drivers EDTF 3 GDP growth Oil Price %	Upturn Base Downturn Upturn Base Downturn Upturn Base Downturn	0.23 0.20 0.17 53.00 50.00 47.00 185.00 190.00 195.00	0.26 0.20 0.14 56.00 55.00 44.00 180.00 199.50 204.75	0.29 19.00 0.11 59.00 57.00 41.00 175.00 209.48 214.99	0.32 0.15 0.08 62.00 62.00 38.00 170.00 219.95 225.74	0.35 0.16 0.05 65.00 54.00 35.00 165.00 230.95 237.02	0.38 0.14 0.02 68.00 56.00 32.00 160.00 242.49 248.87
Key drivers EDTF 3 GDP growth Oil Price %	Upturn Base Downturn Upturn Base Downturn Upturn Base Downturn Upturn Base Downturn	0.23 0.20 0.17 53.00 50.00 47.00 185.00 190.00 195.00	0.26 0.20 0.14 56.00 55.00 44.00 180.00 199.50 204.75	0.29 19.00 0.11 59.00 57.00 41.00 175.00 209.48 214.99	0.32 0.15 0.08 62.00 62.00 38.00 170.00 219.95 225.74	0.35 0.16 0.05 65.00 54.00 35.00 165.00 230.95 237.02	0.38 0.14 0.02 68.00 56.00 32.00 160.00 242.49 248.87
Key drivers EDTF 3 GDP growth Oil Price %	Upturn Base Downturn Upturn Base Downturn Upturn Base Downturn	0.23 0.20 0.17 53.00 50.00 47.00 185.00 190.00 195.00	0.26 0.20 0.14 56.00 55.00 44.00 180.00 199.50 204.75	0.29 19.00 0.11 59.00 57.00 41.00 175.00 209.48 214.99	0.32 0.15 0.08 62.00 62.00 38.00 170.00 219.95 225.74	0.35 0.16 0.05 65.00 54.00 35.00 165.00 230.95 237.02	0.38 0.14 0.02 68.00 56.00 32.00 160.00 242.49 248.87

continued



(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 2019, the Group had 223 customers (2018: 276 customers) that owed the Group more than N1,000,000 each and accounted for approximately 59% (2018: 68%) of all receivables.

There were 18customers (2018: 14 customers) with balances greater than N10 million accounting for over 26% (2018: 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 as at $31 \, \text{March} 2019$ and 2018 is the carrying amounts as illustrated below:

	$\operatorname{Th}\epsilon$	The Company		
	2019	2018	$\boldsymbol{2019}$	2018
	N'000	N'000	N'000	N'000
Trade and other receivables	3,354,230	2,930,854	2,720,177	2,297,336
Cash and cash equivalents	522,334	549,868	395,797	391,029
	3,876,564	3,480,722	3,115,974	2,688,365
	3,876,564	3,480,722	3,115,974	2,688,365
	=======	=======	=======	=======

continued



31(b) 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 2019 Trade and other payables	On Demand N'000 642,941	Less than 3 months N'000 896,123	3 to 12 months N'000 612,358	1 to 5 years N'000	Total N'000 2,151,422
Finance lease obligation	-	30,456 ======	59,936 =====	33,925 =====	124,317 ======
Year ended 31 March 2018 Trade and other payables	On Demand N'000 540,588	Less than 3 months N'000 753,505	3 to 12 months N'000 514,890	1 to 5 years N'000	Total N'000 1,808,983
Finance lease obligation	-	13,121 ======	65,604 =====	====== 68,687 ======	194,712 ======

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

Year ended 31 March 2019 Trade and other payables	On Demand N'000 596,691 ======	Less than 3 months N'000 831,704 ======	3 to 12 Months N'000 568,326 =====	1 to 5 years N'000	Total N'000 1,996,721 =====
Year ended 31 March 2018	On Demand	Less than 3 months	3 to 12 Months	1 to 5 years	Total
Trade and other payables	N'000 521,489 =====	N'000 682,228 =====	N'000 514,890 =====	N'000 - =====	N'000 1,718,607 ======

continued



31(c) Marketrisk

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 consolidated and separate financial statements of Red Star Express Plc.

The following significant exchange rates were applied during the year:

	Average rate during the year	Repo	rting date spo	trate
	2019	2018	2019	2018
	${f N}$	\mathbf{N}	${f N}$	N
Pound (GBP)	468.33	429.53	468.33	499.56
US\$ 1	306.68	305.15	360.68	356.03

Effect on cash and cash equivalent Changes in US Dollars Rate

S			Group N'000	Company N'000
	2019	(+5%)	3,641	3,641
		(-5%)	3,641	(3,641)
	2018	(+5%)	3,468	3,148
		(-5%)	(3,468)	(3,148)
Changes in Pounds				
	2019	(+5%)	1.78	1.78
		(-5%)	(1.78)	(1.78)
	2018	(+5%)	1.73	1.73
		(-5%)	(1.73)	(1.73)
Effect on trade recievables Changes in US Dollars Rate				
			Group	Company
	2019	(+5%)	42,345	25,869
		(-5%)	(42,345)	(25,869)
	2018	(+5%)	37,883	28,868
		(-5%)	(37,883)	(28,868)

continued



(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	e Group	$\operatorname{Th}\epsilon$	The Company		
The Group	2019 N'000	2018 N'000	2019 N'000	2018 N'000		
Finance lease obligation-long term	33,925	76,832	-	-		
Total equity	2,762,923	2,527,585	2,064,640	1,873,790		
Adjusted net debt to equity ratio:	1%	3%	0%	0%		

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 2018. 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 (2018: Nil).

continued



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:

Commitments and contingencies continued

	$\boldsymbol{2019}$		201	8
	Minimum	Present value	Minimum	Present value
	payment	of payments	payment	of payments
	N'000	N'000	N'000	N'000
Within one year	104,252	90,392	84,440	70,580
After one year but not more				
than five years	66,963	33,925	109,870	76,832
Total minimum lease payments	s 171,215	124,317	194,320	147,412
Less amounts representing				
finance charges	(46,898)	-	(46,908)	-
Present value of minimum				
lease payments	124,317	124,317	147,412	147,412
	======	======	======	======

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		
	2019	2018	
	N'000	N'000	
Within one year	29,889	29,379	
	29,889	29,379	
	=====	=====	

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.

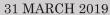
Legal claim contingency

At 31st March 2019, 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 (2018: N50 million) in favour of Nigeria Customs Services.

VALUE ADDED STATEMENT



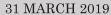


The Group

Revenue Cost Of Goods And Other Services Local	2019 N'000 10,066,576 (8,331,248)	%	2018 N'000 8,407,507 (6,847,252)	%
	1,735,328		1,560,255	
Non-Trading Items	132,191		34,406	
Total Value Added	1,867,519 ======		1,594,661 ======	
APPLIED AS FOLLOWS:				
EMPLOYEES - as salaries and labour related expenses	730,442	39%	636,477	40%
TO PROVIDER OF CAPITAL - as finance cost	33,906	2%	27,660	2%
TO GOVERNMENT: - as Group taxes	288,288	15%	225,389	14%
RETAINED FOR THE GROUP'S FUTURE - for assets replacement (depreciation	RE			
& amortization)	359,702	19%	319,935	20%
deferred tax assets/(liabilities)for expansion (profit retained)	(11,067) $466,248$	$(1)\% \\ 25\%$	37,642 $347,558$	$2\% \ 22\%$
	1,867,519 ======	100%	1,594,661 ======	100% ====

The value added represents the additional wealth which the Company has been able to create by its own and its employees' effort. This statement shows the allocation of that wealth between employees, providers of capital, government, shareholders and that retained for future creation of more wealth.

VALUE ADDED STATEMENT





The Company

	2019 N'000	%	2018 N'000	%
Revenue Cost Of Goods And Other Services Local	5,849,869 (4,625,003)		4,406,118 (3,607,465)	
	1,224,866	-	798,653	
Non-Trading Items	144,175	-	144,065	
Total Value Added	1,369,041 ======	=	942,718	
APPLIED AS FOLLOWS:				
EMPLOYEES - as salaries and labour related expenses	549,999	40%	298,812	32%
TO PROVIDER OF CAPITAL - as finance cost	-	-	-	-
TO GOVERNMENT: - as Company taxes	228,228	17%	148,353	16%
RETAINED FOR THE COMPANY'S FUT- for assets replacement (depreciation	TURE			
& amortization)	160,443	12%	157,419	15%
- deferred tax	15,598	1%	3,362	1%
- for expansion (profit retained)	414,773	30%	334,772	36%
	1,369,041 ======	100%	942,718	100%

The value added represents the additional wealth which the Company has been able to create by its own and its employees' effort. This statement shows the allocation of that wealth between employees, providers of capital, government, shareholders and that retained for future creation of more wealth.

FIVE – YEAR FINANCIAL SUMMARY 31 MARCH 2019



The Group

	2019 N'000	2018 N'000	IFRS 2017 N'000	2016 N '000	2015 N'000
STATEMENT OF PROFIT OR LOS	SS				
Revenue Profit before taxation Profit after taxation	10,066,576 743,469 466,248	8,407,507 $610,589$ $347,558$ $======$	7,298,642 $653,200$ $426,756$ $======$	6,632,996 572,107 334,427 ======	6,658,468 611,062 383,637 =====
Per N0.50 share data (kobo):					
Earning Basic	0.79 ====	0.59 ====	0.72 ====	0.57 ====	0.65 ====
	2019 N'000	2019 N'000	IFRS 2018 N'000	2016 N'000	2015 N'000
STATEMENT OF FINANCIAL POS	SITION				
Assets and Liabilities					
Property, plant & equipment Intangible assets Long term prepayment Equity instrument at fair value throu	-	1,259,512 32,668 32,456	1,150,232 18,172 22,968	882,393 5,359 14,736	1,021,216 11,154 16,153
other comprehensive income	535	-	-	-	-
Available for sale financial instrumen Net current assets Non-current liabilities	1,488,314 (252,535)	477 1,539,090 (336,618)	477 1,488,901 (248,702)	568 1,442,942 (133,955) 	601 1,200,323 (188,536)
	2,762,923 =======	2,527,585 ======	2,432,048 =======	2,212,043 =======	2,060,911
Capital and Reserves					
Share capital Share premium Retained earnings	294,748 296,433 2,171,742	294,748 296,433 1,936,404	294,748 296,433 1,840,867	294,748 296,433 1,620,862	294,748 296,433 1,469,730
	2,762,923 ======	2,527,585	2,432,048 ======	2,212,043	2,060,911

FIVE – YEAR FINANCIAL SUMMARY 31 MARCH 2019



The Company

	2019 N'000	2018 N'000	IFRS 2017 N'000	2016 N '000	2015 N'000
STATEMENT OF PROFIT OR LOS	SS				
Revenue Profit before taxation Profit after taxation	5,849,869 658,599 414,773	4,406,118 486,487 334,772	4,049,921 408,342 314,677	3,815,253 423,195 263,780	3,884,506 423,396 300,878
Per N0.50 share data (kobo):					
Earning Basic	0.70 ====	0.57 ====	0.53 ====	0.45 ====	0.51 ====
	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
STATEMENT OF FINANCIAL POS	SITION				
Assets and Liabilities					
Property, plant & equipment Intangible assets Long term prepayment Equity instrument at fair value through other comprehensive income	691,856 47,508 17,861	615,458 32,668 32,456	573,030 18,168 24,468	512,269 5,345 16,236	567,778 10,448 17,653
Available for sale financial instrument Long term investment Net current assets Non-current liabilities	t 374,065 1,027,560 (94,745) 2,064,640 =======	477 374,065 926,832 (108,166) 1,873,790 =======	477 284,065 973,290 (82,459) 1,791,039 =======	568 284,065 920,421 (55,791) 1,683,113 =======	601 284,065 782,031 (59,948) 1,602,627 ======
Capital and Reserves					
Share capital Share premium Retained earnings	294,748 296,433 1,473,459	294,748 296,433 1,282,609	294,748 296,433 1,199,858	294,748 296,433 1,091,932	294,748 296,433 1,011,446
	2,064,640	1,873,790 ======	1,791,039 ======	1,683,113 ======	1,602,627 ======

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY REPORT OF RED STAR EXPRESS PLC

FOR THE YEAR ENDED 31ST MARCH 2019.

1. Introduction

2. Economic Impact

- 2.1 Relationship with Suppliers
- 2.2 Relationship with Customers

3. Social

- 3.1 Labour Practices
- 3.2 Harassment
- 3.3 Employee Benefits
- 3.4 Occupational Health & Safety
- 3.5 Health, Safety & Wellbeing
- 3.6 Discrimination

4. Corporate Social Responsibility

5. Governance

- 5.1 Whistle Blowing/Code of Business Conduct
- 5.2 Bribery and Corruption

6. Our Environment

- 6.1 Products and Services
- 6.2 Waste Management
- 6.3 Compliance to Environmental Laws

7. Conclusion

continued

1. Introduction

This Sustainability Report covers our performance in the 2018/2019 financial year, and primarily focuses on our sustainability goals which are tied to our "P.S.P" (i.e. People, Service, Profit) philosophy. Red Star Express Plc is committed to investing in people (people here connotes our staff, members of our host communities in areas where we operate and Nigerians generally). We recognize that our greatest asset is our people.

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

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 our people, they are spurred to render excellent customer service to our customers/clients thereby making profit for the Company and indeed its shareholders. The profits are reinvested in the people to complete our sustainability cycle.

Successive Management also understand the bond between the Company and its host communities, and are 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 formed as the arrow head of the Company's investment in the people 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 indigent students from public secondary schools within our host communities in various parts of the country.

2. Economic Impact

Red Star Express Plc provides employment to over 1,900 employees and indirectly, to a number of persons working with us as either 3rd party providers, suppliers etc.

2.1 Relationship with Suppliers

Red Star Express Plc maintains a transparent and open relationship with all its suppliers. The Company ensures a strict know your customer regime. It ensures that all its suppliers do not engage in acts of bribery or corruption, human trafficking or the employment of under aged children as labourers. It also prescribes minimum health and safety standards to be adopted by its suppliers.

To keep tabs on its suppliers/vendors, the Company developed the Supplier Portal, this would act as a central data bank, ratings platform and information dissemination tool of the Company.

continued



The Company recognizes the importance of its customers and thus adopted the following service standards:

- 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 stakeholder's expectations at all times.

We believe that our clients/customers are the key to the continued existence of the Company hence, the Company prioritises their satisfaction as the ultimate sustainability feedback.

The Company continues to deploy the most modern and bespoke technology to ensure that customer's needs are satisfied.

3. Social

RSE prides itself as an equal opportunities employer, however, some jobs peculiar to the Courier industry are generally done by men as they are considered inappropriate for women.

In line with the Company's Board Charter a Woman was appointed as a Non-Executive Director in the year in review.

Percentage of Board Seats filled by independents and Women

S/N	Description	Number	Percentage on the Board "%"
1.	Board	8	100
2.	Independent Directors	2	25
3.	Women	1	12.5

3.1 Labour Practices

The Company respects the rights of its employees to belong to any association of their choice. Employees are free to join any trade union of their choice and partake in any collective bargain agreements.

The Company recruits its employees mainly from its host communities, however recruitments are none the less done on Merit. The Company totally discourages the use of forced labour or under aged persons as workers under any guise.

3.2 Harassment

The Company frowns at any form of harassment at the workplace. The Employee Handbook clearly spells out the procedure to be adopted by any employee seeking redress from any harassment or assault at the workplace.

The staff are the primary resource of the Company, hence they are encouraged to continuously improve themselves so as to be more productive.

continued



Company staff are well remunerated in comparison to other companies in the same industry. In addition to remuneration, all staff are entitled to free health care under the various Company Health Management Organizations (HMOs), and insured under the Employee Compensation Act (ECA). The Company has also put in place a Welfare scheme, where in appreciation of staff dedication and service, they are given a token at the end of their employment, subject to good behavior. The Company also has a very robust Cooperative Multipurpose Society, which facilitates saving culture, access to small loans and ownership of houses anywhere in Nigeria.

3.4 Occupational Health & Safety

The Company is committed to a safe and drug/alcohol free work place, hence all forms of alcohol and drugs are strictly prohibited on all its business premises and while on duty. Furthermore, alcohol and drug tests are carried out from time to time.

The Health and safety of staff is paramount to the Company; in the course of the financial year the following table shows the number of accidents/fatalities that were recorded:

Total number of injuries/Average work force –	59/2066
Total number of fatalities/Average work force –	1/2066

3.5 Human Rights

Red Star Express Plc is a law abiding entity and is fully committed to the protection of the rights of her employees as enshrined in the Constitution of the Federal Republic of Nigeria 1999 as amended.

The rights of the Employees are stated in the Employee Handbook which is readily accessible by every employee on the Company's intranet. The Company recognizes the inherent nature of these rights and that it affects every stakeholder the Company deals with.

There were no grievances about human rights violations recorded within the year under review.

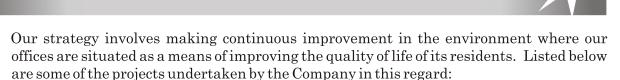
3.6 Discrimination

At Red Star Express Plc., we do not tolerate discrimination, harassment, bullying or abuse. The Company complies with wage and work hours' laws; equal remuneration for women and men; respect of employees' decision to join or not join a union. The Company is not tolerant of child or forced labour. This position is communicated to all Third Parties we do business with.

4. Corporate Social Responsibility

We know that the sustainability of our business depends largely on our business environment as well as the growth of the host communities 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.

continued



• Borehole Project

The Foundation provided portable drinking water by donating boreholes to two (2) communities in Kano State, namely Maitsidau and Koguna communities all in Makoda Local Government Area of the state.

• Scholarship Presentation

During the course of the financial year under review, the Foundation awarded scholarships to a total of 30 Secondary school students in Lagos, Kano and Rivers States.

• The Mentorship Scheme

The Company vide its Foundation, initiated a Mentorship Scheme where beneficiaries of scholarship are paired with various staff who act as mentors to guide them by giving career advice and exposure to the corporate work environment.

5. Governance

5.1 WHISTLE BLOWING MECHANISM/CODE OF BUSINESS CONDUCT

The Company maintains an independent whistle blowing system for report of conduct inimical to the corporate existence of the business, violate our Code of Business Conduct, Policies or Standards. Issues reported through this medium are treated in confidence and duly investigated.

Reports may be made via the dedicated whistleblowing email: whistlebox@redstarplc.com or telephone lines 07031763726 or 08107747473.

5.2 BRIBERY AND CORRUPTION

The Company prohibits giving or receiving 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, 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.

Staff are routinely exposed to anti-corruption training. There were no incidents, fines or exposure related to corruption or bribery in the year under review.

continued



6.1 Products and Services

Red Star Express being a service Company does not purchase or make use of harmful chemicals in any area of its business. The Company makes a conscious effort to prevent use of paper as most of its processes are done electronically. Where paper must be used, only recycled paper is purchased and staff are encouraged to reduce/reuse/recycle paper as much as possible.

6.2 Waste Management

The Company generates zero harmful, or hazardous waste. Employees are encouraged to reuse plastic products and paper.

6.3 Compliance to Environmental laws

The Company maintains a very high standard of environmental compliance hence there was no fine/penalty for noncompliance to environmental laws and regulations in the year under review.

7. Conclusion

As we continue to surpass the expectations and projections of all stakeholders, we shall ensure that we continue to improve on our corporate social responsibility and sustainable/ethical ways to conducting our business.

RED STAR FOUNDATION



Red Star Foundation was founded to spearhead the Company's efforts in making continuous improvement in the environment where our offices are situated and improving the quality of life of residents. It was established in 2004. However, it was incorporated on the 9th of August 2006. The Foundation promotes education in duly selected public schools by the provision of scholarships, basic infrastructure and amenities, health and environmental issues.

SCHOLARSHIPS

Last year, the Foundation awarded scholarships to 30 students from various Secondary Schools in Lagos, Kano and Rivers States.



L-R (Back Row): Enoma Ojo (DMD, RSSS), Victor Ukwat (ED, Sales & Marketing), Sola Obabori (GMD), Frances Akpomuka (Head, Corporate Services), Ocholi Etu (DMD, RSL) and Tonye Preghafi (DMD, RSF and Chairman, BOT, Red Star Foundation) with the scholars.

Borehole Project

In line with the UN Sustainability goals and the Foundation's desire to provide portable drinking water to communities lacking water, the Foundation donated boreholes to two (2) communities in Kano State, namely Maitsidau and Koguna, in Makoda Local Government Area of the state.



 $Maitsidau\ Community, Kano$



 $Koguna\ Community, Kano$

RED STAR FOUNDATION

continued



• Donation of Writing Materials

The Foundation also donated writing materials (Exercise Books) to various secondary schools in order to encourage the students to actively participate in classes.



 $The \, team \, from \, Red \, Star \, Express \, and \, \, Red \, Star \, Foundation \, during \, the \, donation \, of \, books \, to \, schools \, during \, the \, donation \, of \, books \, to \, schools \, during \, the \, donation \, during \, during$

$The\,Mentorship\,Scheme$

The Foundation also initiated a Mentorship Scheme where beneficiaries of its Scholarship Scheme are paired with various staff who act as mentors, counsellors and guides, giving career advice and exposure to the corporate working environment.



 $The \, students \, with \, their \, mentors$

GROUP EXECUTIVE COMMITTEE





AUWALU BADAMASI BABURA
Executive Director,
FINANCE AND ADMINISTRATION



Dr PETER OLUSOLA OBABORI Group Managing Director/CEO



VICTOR ENOBONG UKWAT
Executive Director,
SALES AND MARKETING



FRANCES NDIDI AKPOMUKA
Company Secretary



CHARLES UCHE EJEKAM
Divisional Managing Director,
Red Star Express



TONYE PREGHAFI
Divisional Managing Director,
Red Star Freight



ENOMA OJO

Divisional Managing Director,
Pod Stor Support Sorrigon



OCHOLI ETU
Divisional Managing Director,
Red Star Logistics

PROXY FORM



FORM OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING OF RED STAR EXPRESS PLC. ON AUGUST 8, 2019 AT SHELL HALL, MUSON CENTER 8/9 MARINA ROAD, ONIKAN, LAGOS

of RI	2of		••••	
Annı	al General meeting of the Company to be held on Thurnment thereof.		-	
Date	d this day of			
	eholders' SignatureN	ame of		
Com	mon seal should be affixed if executed by a corpor	ration.	<u> </u>	
	RESOLUTIONS	FOR	AGAINST	ABSTAIN
1.	Approval of Accounts			
2.	Declaration of Dividend			
3.	Reelection of Directors;			
a.	Mr. Suleiman Barau			
b.	Mrs. Chioma Sideso			
4.	Reappoint and fix the remuneration of the Auditors.			
5.	To elect members of the Audit Committee			
6.	To fix Directors fees			
7.	To approve Employee Equity Benefit Scheme			
NOT	E:			
Secu	above Proxy Form, when completed, must be deposited rities Limited, Plot 09, Amodu Ojikutu Street, Victoria ee the time fixed for the meeting.		_	
Nige	the requirement of the law under the Stamp Duties Ac ria, 2004, that any instrument of proxy to be used for led to vote at any meeting of shareholders must bear a st	the purpose	e of voting by	y any person
	e Proxy Form is executed by a company, it should be sea and and seal of its Attorney.	aled under i	ts Common S	Seal or under
	Signature of the person attending		Date	

Affix Current Passport (To be stamped by bankers)

Please write your name at the back of your passport photograph

E-MANDATE ACTIVATION FORM

Instruction	Only Clearing Banks	s are acceptab	le	below	tick & quote your snareholder accoul	nt no in the box
Please complete all sections of this form and return to the address below	to make it eligible for p	rocessing	,	Tick	Name of Company	Shareholder Number
The Registrar, UNITED SECURITIES LIMITED RC 1262 9, Amodu Ojikutu Street, Off Bishop Olu			-		Access Bank PLC	
Victoria Island, P.M.B 12753 Lagos, Nig	eria.				Afrinvest WA Ltd	
I\We hereby request that henceforth me\us from my\our holdings in all th column be credited directly to my \ c	e companies ticked a	t the right har			AllCO Insurance PLC	
Bank Verification Number			Ī		AllCO Money Market Fund	
Bank Name					BSS Industries Ltd	
Bank Account Number Account Opening Date					Caverton Offshore Support group	
Account Opening Date						
Shareholder Account Informat	ion				Dangote Cement PLC	
Surname / Company's Name Fire	st Name	Other Names			FSDH Asset Management Limited	
Address:					Food Emporium Int`l Limited	
					Gombe State Government	
					IHS Nigeria PLC	
City State	Cou	ntry			MCNichols Consolidated PLC	
					NDEP PLC	
Previous Address (If any)					NIPCO PLC	
CHN (If any)			-		Red Star Express PLC	
Mobile Telephone 1	Mobile Telephone 2		-		Skye Fixed Income Fund	
Email Address					Three Points Industries Ltd	
Signature(s)	Company Se	al (If applicable)		Trust Bond Mortgage Bank PLC	
					WAPIC Insurance PLC	
Joint\Company's Signatories						

For inquiries, please call 01-2714566-7 or send e-mail to customerscare@unitedsecuritieslimited.com



STANDARDS ORGANISATION OF NIGERIA NO 13/14 VICTORIA AROBIEKE STREET, LEKKI PHASE 1, LAGOS

Certificate

No. 0000076

This is to certify conformity of

RED STAR EXPRESS Plc.

Organisation/Person

70 INTERNATIONAL AIRPORT ROAD, OSHODI, LAGOS

1 A

Quality Management System

With

ISO 9001:2015

Specification/Standard

For

PICK UP AND DELIVERY OF PARCELS AND DOCUMENTS

Scape

Issued on 04.10.2018

Expires on 03.10.2021

DIRECTOR GENERAL/CHIEF EXECUTIVE STANDARDS ORGANISATION OF NIGERIA

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