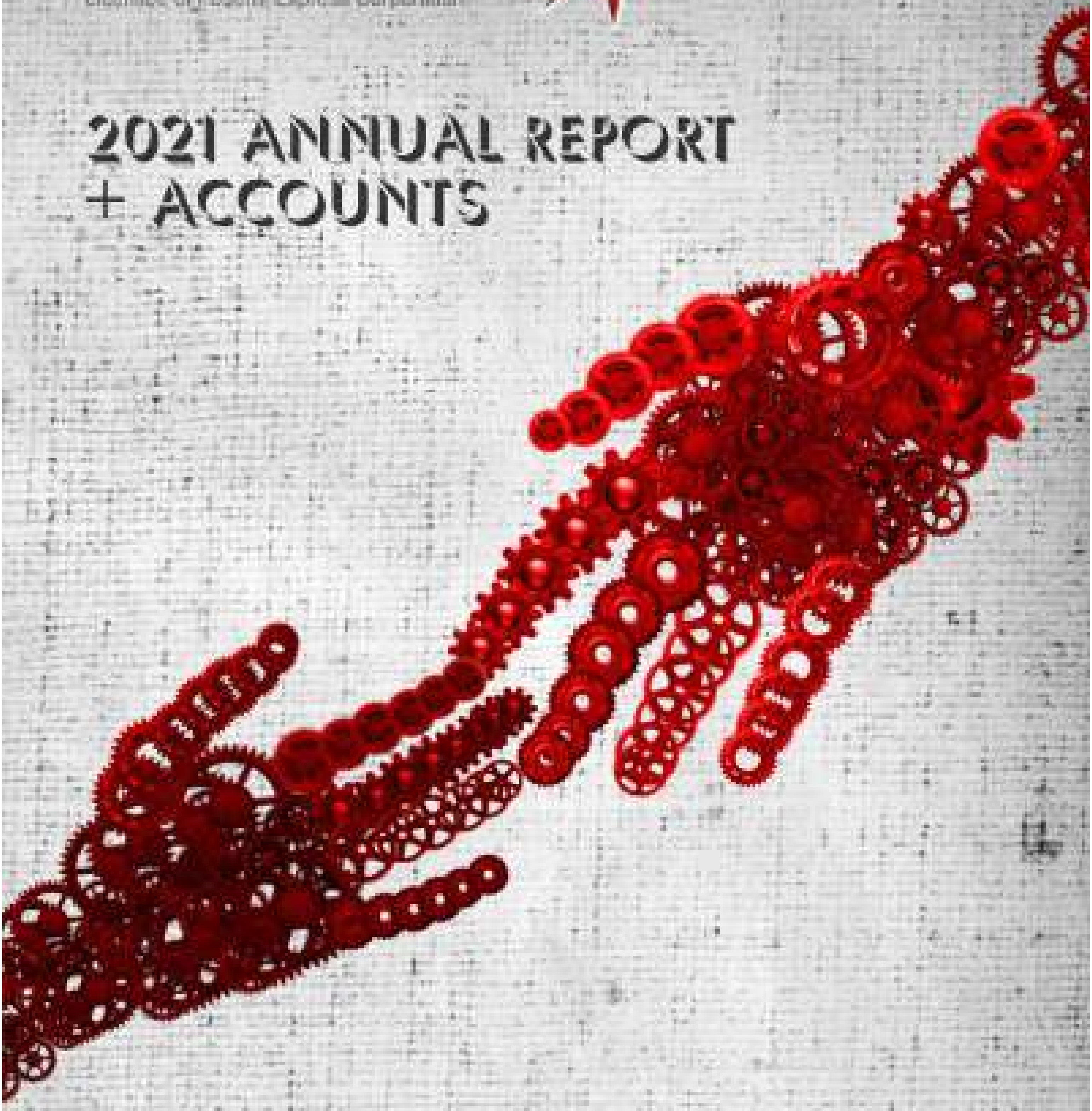
Red Star Express

Licensee of Federal Express Corporation

2021 ANNUAL REPORT + ACCOUNTS



CONNECTING BUSINESSES & PEOPLE

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RATED

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CORPORATE PROFILE

Red Star Express remains the flagship, in the pick-up and delivery of express documents and parcels within the domestic and international market. It is the sole licensee of FedEx Corp. in Nigeria.

Principal Officer
PETER OLUSOLA OBABORI
Group Managing Director/Chief Executive Officer

Ownership Structure
WHOLLY NIGERIAN

International Partner
Federal Express Corporation (FedEx)

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 the company of first choice in the logistics service industry in Africa.

MISSION STATEMENT

To continually design and provide best-in-class logistics solutions to deliver sustainable and rewarding value to all stakeholders.

CORE VALUES

Employing, developing and retaining a well-motivated 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 Plc 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 Plc will promote excellence through optimal productivity of its staff at all times and ensure that performances and the achievement of goals will direct its reward system.

Red Star Express Plc seeks to further meet its clients' demands and ever changing needs by setting up subsidiaries to handle the peculiarity of each segment of the market.

Red Star Freight

A subsidiary with competencies in Air and Sea Freight of Heavyweight Cargo, Container Handling, Packing, Movements and Removals of Personal Effects, Clearing and Forwarding, Door-to-door Pickup and Delivery Service; to and from various local and international offices/depots of our clients. Other services include cargo sales agents for airlines, agro trade services and last-mile delivery for agro produce nationwide.

Red Star Freight is a member of the International Freight Logistic Network (IFNL) thereby having access to over 160 countries and expertise of over 180,000 professionals.

Red Star Logistics

Red Star Logistics is our ground haulage delivery service division. It consists of Haulage of Domestic Heavyweights, Trucking, Cargo Consolidation, Ancillary and Warehousing Services. With a fleet of heavy-duty trucks delivering shipments across Nigeria, this subsidiary provides manufacturers with better logistics integration and speed to market. Other services include home/office relocation and cold chain logistics for temperature controlled goods.

Red Star Support Services

Red Star Support provides outsourcing services to companies in various sectors of the economy. The service involves the provision of dedicated personnel and material resources for the day-to-day running of their customers' operations.

Offerings include Mailroom Management, Dedicated Dispatch, Executive Drivers, Fleet Management, HR Outsourcing, Printing and Packaging and Food Delivery Services.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Suleiman Barau	Chairman
Peter Olusola Obabori	Group Managing Director/Chief Executive Officer
Victor Enobong Ukwat	Executive Director
Auwalu Badamasi Babura	Executive Director
Sule Umar Bichi	Non-Executive Director
Aminu Dangana	Non-Executive Director
Sulaiman L. Koguna	Non-Executive Director
Chioma Sideso	Non-Executive Director

REGISTERED OFFICE
70, International Airport Road
Lagos.
Tel: 01-2715670
Email: enquiries@redstarplc.com
http://www.redstarplc.com

REGISTERED NUMBER
RC No. 200303
FRC NUMBER FRC/2012/0000000000253

COMPANY SECRETARY
Frances Ndidi Akpomuka
70, International Airport Road,
Lagos.

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

REGISTRARS
Coronation Registrars Limited
Plot 09, Amodu Ojikutu Street
Victoria Island,
Lagos.

SOLICITORS
Uwensuyi Edosomwan & Co.
254A, Ikorodu Crescent,
Dolphin Estate,
Ikoyi, Lagos.

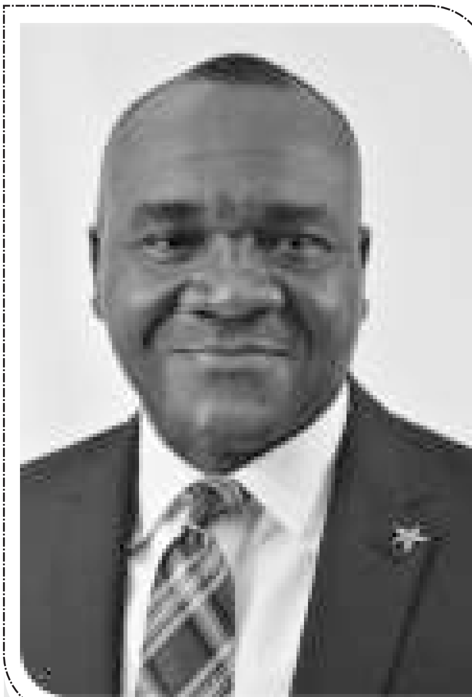
BANKERS
Access Bank Plc
Ecobank Nigeria Limited
Fidelity Bank Plc
First Bank of Nigeria Limited
First City Monument Bank Plc
Guaranty Trust Bank Plc
Heritage Bank Plc
Jaiz Bank Plc
Keystone Bank Limited
Polaris Bank Limited
Stanbic IBTC Bank Plc
Sterling Bank Plc
Union Bank of Nigeria Plc
United Bank for Africa Plc
Unity Bank Plc
Wema Bank Plc
Zenith Bank Plc

BOARD OF DIRECTORS
Who held office during the Financial Year

SULEIMAN BARAU (OON)
Chairman

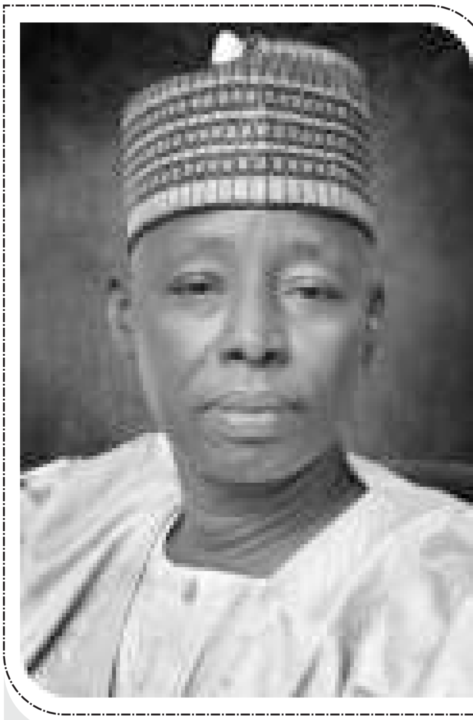
PETER OLUSOLA OBABORI
Group Managing Director/CEO

AUWALU BADAMASI BABURA
Executive Director,
FINANCE AND ADMINISTRATION



VICTOR ENOBONG UKWAT
Executive Director,
SALES AND MARKETING

SULE UMAR BICHI
Non-Executive Director



ALHAJI AMINU DANGANA
Non-Executive Director

SULAIMAN LAWAN KOGUNA
Non-Executive Director

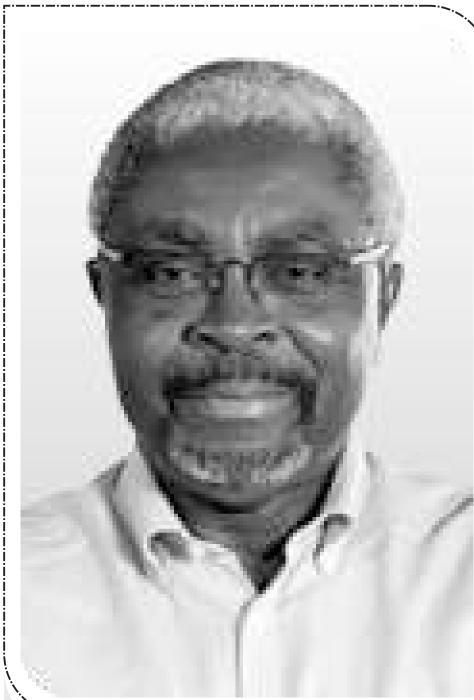
MRS. CHIOMA SIDESO
Independent Non-Executive Director

PETER SURULERE ALETOR
Non-Executive Director

Peter Surulere Aletor is a fellow of the Chartered Institute of Stockbrokers, an Accountant by training and an alumni of the Executive Programmes of the Lagos Business School and the Harvard Business School. He has over 25 years' experience in Stockbroking, Asset Management and Deal Structuring. He was a pioneer staff of Capital Express Securities Limited and rose to become its Managing Director. He is currently the Managing Director/Chief Executive Officer of Apel Asset Limited.

Chukwuemeka Ndu is a Fellow of the Chartered Institute of Accountants and an alumni of the University of Nigeria Nsukka, Chief Executive's Programme of the Lagos Business School and the Rotman School of Management, University of Toronto Canada. Mr Ndu has well over 35years' experience in Accounting, Money Market and Project Finance, Audit, Tax and Consulting.

Mr Ndu holds various Directorial offices with Leasafric Limited Ghana Epic International, (FZE) UAE, BW Offshore Nigeria Limited, Petra Services Limited, Imperial Homes Mortgage Limited and he is presently the Vice Chairman of Cordros Capital Limited and C&I Leasing Plc.



CHUKWUEMEKA EMMANUEL NDU
Non-Executive Director

NOTICE IS HEREBY GIVEN that the Twenty-Eight Annual General Meeting of Red Star Express Plc will be held by proxy at the Radisson Hotel, Isaac John Street, G.R.A, Ikeja, Lagos on Thursday, September 16th 2021 at 11.00am, to transact the following business:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended March 31, 2021, together with the Report of the Directors, Auditors and Statutory Audit Committee thereon;
2. To declare a Dividend;
3. To approve the appointment of:
   a. Mr. Peter Surulere Aletor (Non-Executive Director)
   b. Mr. Chukwuemeka Emmanuel Ndu (Non-Executive Director)
4. To authorize the Directors to fix the remuneration of the Auditors;
5. To disclose the remuneration of the managers of the Company;
6. To elect members of the Audit committee;

SPECIAL BUSINESS

7. To consider and it thought fit, pass the following ordinary resolution:
   "To approve the Directors' fees in the sum of N8,000,000.00 for the Financial Year ending March 31, 2022;
8. To consider and it thought fit, pass the following ordinary resolution:
   a. "That pursuant to Section 430(2)(3) of the Companies and Allied Matters Act 2020, and following a recommendation by the Board of Directors of the Company, the Company hereby proposes a Bonus Issue to members whose names appear on the Register of Members as at close of business on Friday 3rd September 2021, in the proportion of One New Ordinary Share for every thirty-three existing Ordinary Shares held by them in the Capital of the Company as at close of business on Friday 3rd September 2021. The Shares so distributed shall rank parri-passu with the existing Ordinary Shares in all respects, subject to receipt of all required regulatory approvals";
   b. "That to give effect to this Resolution, the Board be and is hereby authorised to do all such acts/deeds, and give such directions as may be necessary or expedient and settle any concern that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable (including filing all required returns at the Corporate Affairs Commission) and its decision shall be final and binding."

BY ORDER OF THE BOARD

FAkpomuka

FRANCES NDIDI AKPOMUKA
Company Secretary
FRC/2013/ICSAN/00000002640
August 1, 2021
Lagos, Nigeria

NOTES

1. Compliance with Covid-19 related Directives and Guidelines

Further to the guidelines of the Corporate Affairs Commission (CAC) on the conduct of Annual General Meeting (AGM) of Public Companies by Proxies, and need to comply with directives and regulations of the Federal Government of Nigeria, Lagos State Government, and Nigeria Center for Disease Control (NCDC) on safety and health protocols to stem the spread of the Covid-19 pandemic, shareholders are hereby informed that attendance shall only be by proxy.

The convening and conduct of the AGM is thus being done in compliance with these directives and guidelines.

2. PROXY

In view of the foregoing, members are encouraged to appoint proxies to represent them at the meeting. Consequently, a member of the Company entitled to attend and vote is advised to select from the under listed proposed Proxies:

1. Mr. Suleiman Barau - Chairman/Non-Executive Director
2. Dr. Olusola Obabori - Group Managing Director/CEO
3. Mr. Moses Ogundeji - Shareholder Representative
4. Chief Cyril Ugwumadu - Shareholder Representative
5. Mr. Ganiyu Amoo - Shareholder Representative

For the appointment to be valid, a completed and duly executed Proxy Form must be forwarded to the Registrars via email at eforms@coronationregistrars.com or deposited at the office of the Registrars, Coronation Registrars Limited, Plot 09 AmoduOjikutu Street, Victoria Island, Lagos, not less than 48 hours before the time fixed for the meeting.

A Proxy Form is attached to the Annual Report and is also available for download from the Company's website at www.redstarplc.com.

Stamping of Proxy Forms: The Company has made arrangements at its cost, for the stamping of all duly completed and signed Proxy Forms, submitted to the Company's Registrars within the stipulated time.

3. Closure of Register

The Register of members and Transfer Books of the Company will be closed from 6thto 10thSeptember 2021, both dates inclusive to enable the Registrars update the Register of Members in preparation for payment of dividend.

4. Dividend Payment

The Board of Directors of the Company, are recommending a dividend of 5kobo per 50kobo share, payable less Withholding Tax. If approved at the meeting, dividend will be paid electronically on the 23rdof September 2021, to shareholders whose names appear on the Register of Members as at 3rdSeptember 2021, who have completed the e-dividend registration and mandated the Registrars to pay dividends directly into their bank accounts.

5. **Unclaimed Dividends**
Some dividends have remained unclaimed and outstanding. Shareholders affected by this notice are advised to contact the Registrars for resolution.

6. **Shareholder Update**
Shareholders are kindly requested to update their records and advise the Registrars of their updated details. Detachable Forms in respect of e-dividend payment and shareholder data update are attached to the Annual Report for convenience. The forms can be downloaded from www.coronationregistrars.com.

The duly completed forms should be delivered to Coronation Registrars Limited, Plot 009 AmoduOjikutu Street, Victoria Island, Lagos.

7. **Statutory Audit Committee**
In accordance with Section 404(6) of the Companies and Allied Matters Act 2020("CAMA"), 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.

Section 404 (5) of the Companies and Allied Matters Act 2020 provides that all the members of the Audit Committee shall be financially literate and at least one (1) member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. The Code of Corporate Governance issued by the Financial Reporting Council of Nigeria also provides that members of the Audit Committee should be financially literate and able to read and interpret financial statements.

In view of the above, we request that nominations to the Audit Committee should be accompanied with copies of nominees' Curriculum Vitae.

8. **Election of Directors**
Messrs. Peter Surulere Aletor and Chukwuemeka Emmanuel Ndu have been appointed by the Board pursuant to the relevant provisions of CAMA.

The profile of the Directors for election is included in the Annual Reports and the Company's website at www.redstarplc.com.

9. **Rights of Shareholders to ask questions**
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 to investorrelations@redstarplc.com not later than 72 hours to the date of the AGM.

10. **Electronic Copy of the Annual Report and Accounts**
An electronic copy of the 2021 Annual Reports and Accounts is available online for viewing and or download via the company's website i.e. www.redstarplc.com.

Shareholders who have provided their email addresses to the Registrars will receive electronic copies of the Annual Report via email. Also, shareholders who wish to receive the electronic version of the Annual Report should send in their request via email to eforms@coronationregistrars.com. or investorrelations@redstarplc.com

11. Live Streaming of the AGM

The Annual General Meeting would be streamed live via Zoom and on the Company's YouTube Channel. This will enable shareholders and other stakeholders who would are unable to attend physically participate in the proceedings.

The link for the live stream would be available on the Company's website i.e. www.redstarplc.com at least 24 hours before the meeting.

SULEIMAN BARAU (OON)
Chairman

Distinguished Shareholders, Fellow Board Members, representatives of Regulatory Bodies present, members of the Press, esteemed Ladies and Gentlemen.

I am happy to welcome you all on behalf of the Board of Directors to the 28th Annual General Meeting of our great company, Red Star Express Plc, being held today.

The COVID-19 pandemic has disrupted the conventional ambience we were familiar with at AGMs, and we are now coping with a new normal. It is wonderful to see some of you physically and others joining us virtually from different parts of the country. I gratefully acknowledge your continued trust and support.

Operating Environment

The early parts of the Financial Year 2020/2021 witnessed a sudden shock to both local and international economies from the effects of COVID-19 outbreak, which led to the shutdown of countries across the globe. This impacted transportation, aviation, tourism, international trade and general activities in Nigeria and nations across the world.

The pandemic's reach and impact on the global economy combined with the policy response in Nigeria represents a large, sudden shock to the country's economy. One of the measures implemented was a five to seven-week lockdown by the Federal Government across the country in March through to May 2020 and phased easing of same for almost an entire year.

The data from the Nigerian Bureau of Statistics (NBS) confirmed that the economy of Nigeria witnessed a recession in the year 2020 with a contraction of 6.1% and 3.6%year-on-year in the second and third quarter of 2020 in comparison with 2019 respectively. The pandemic also induced a slump in oil prices and weakened the Naira. Import and export businesses were at a standstill at the height of the lockdown, impacting negatively on tourism, aviation and transportation sectors, thereby, disrupting the supply chains of many manufacturing and supply organizations.

Nigeria's inflation rate increased to 18.17 percent (year-on-year) in December 2020, the highest rate recorded in 3 years. Likewise, the Nigerian external reserves went on a downward slide in 2020 coming from a high of $45 billion in May 2020 to a low of $34.82 billion as at end of March 2021.

Financial Performance

In the year under review, our Company recorded a revenue of N9.46billion which is a decline of 10.34 percent against the preceding year. This drop is attributable to the several disruptions brought about by the COVID-19 impact across the country and the world at large.

The Company recorded a Profit Before Taxation (PBT) of N220.79 million which is 71 percent lower than the preceding year. Likewise, a total of N150.07 million was reported as the Profit After Tax (PAT) for the year ended, which was 68 percent lower than the preceding year. Furthermore, the Company recorded basic Earnings Per Share (EPS) of 16 kobo per 50 kobo share which is 77 percent lower than the preceding year.

Financial indices are expected to improve rapidly as the local and global economies stabilize and adjust to the new changes brought about by the pandemic.

Dividend
We remain committed to the creation of shareholder wealth notwithstanding the prevailing economic circumstances, having built a longstanding culture of staying true to our promise of rewarding our investors consistently.

In view of the company's Financial Year 2020/2021 performance, the Board is pleased to recommend for your approval a dividend payment of 15kobo per share (5kobo cash payment and 10kobo bonus in proportion of 1 new share for every 33 shares previously held as at close of business on 3rdSeptember 2021). The amount if approved, will translate to a total payment of N139million.

Corporate Social Responsibilities
We maintained our promise of remaining steadfast in our policy of ensuring that the social and economic welfare of our stakeholders are preserved and sustained through the Red Star Foundation. The Company has constantly reviewed the activities of Red Star Foundation and have expanded into new areas.

In the year 2020, we took into consideration the need to cushion the harsh effects of COVID-19, by generously donating at company level and also encouraging the staff to make contributions towards alleviating the sufferings of the masses during this period.

Red Star Express through its subsidiaries supported some non-governmental organizations in the free delivery of palliatives in several local communities within Lagos and its environs. Red Star Logistics particularly partnered with United Way Greater Nigeria (a US origin NGO) to facilitate the delivery of large quantities of food items and other consumables to various communities.

In addition, Red Star Foundation kept its tradition of awarding scholarships to scholars in Lagos, Port Harcourt and Kano to assist them in handling critical expenses during the period.

Future Outlook
The pandemic continues to pose a major uncertainty to the local and global business world, as nations strive to curtail the spread of the third wave of this pandemic. Our top priority remains the health and safety of our employees, customers and the communities we serve by providing resources for health & safety in all our facilities across the country and our francophone branch offices, whilst also leveraging technology-driven solutions to offer services and remain committed to our customers day-by-day.

The Board and Management have a solid commitment to continuously deliver a strong and sustainable performance that enhances maximum returns to our stakeholders, as we march forward in the year with confidence and optimism, knowing well that our businesses have been repositioned to take advantage of technology and key opportunities as we stay focused in the execution of our growth strategy.

Let me use this opportunity to thank Alhaji Aminu Dangana and Mr. Sule Umar Bichi, who are now retired from the Board. We appreciate their valuable contributions and expertise during their tenures as

Non-Executive Directors, and also wish them continued success as they move to other endeavors. In the same vein, I welcome Mr. Peter Aletor and Mr. Chukwuemeka Ndu, and enjoin them that subject to shareholder’s approval of their appointment at this AGM, will bring their knowledge and skills in moving the company to greater heights.

I appreciate the members of the Board for their unending support and contribution, the dedication of our management team and the staff across the group.

I would like to thank our shareholders for their loyalty and support all through the years.
Thank you all and best regards.

Suleiman Barau. (OON)
Chairman

RESULT AT A GLANCE

	The Group		**The Company**	
	2021	**2020**	**2021**	**2020**
	N’000	**N’000**	**N’000**	**N’000**
Revenue	9,458,014	10,548,984	5,314,436	6,289,699
Profit before Taxation	220,792	750,080	243,541	490,671
Taxation	(70,727)	(281,091)	46,364	(225,489)
Profit After Taxation	150,065	468,989	289,905	265,182

PETER OLUSOLA OBABORI
Group Managing Director/CEO

The Chairman of the Board of Directors, Distinguished Shareholders, Fellow Board Members, Representatives of Regulatory Bodies, the Media, Management & Staff of Red Star Express Plc., Ladies and Gentlemen.

It gives me great pleasure to welcome you all to the 28th Annual General Meeting of our Company and to thank you for your support and collaboration over the years, especially in the peculiar business year of Covid-19, whose performance report we are presenting today for the period ended 31st March 2021.

ECONOMIC ENVIRONMENT
Nigeria's economy waned into a recession in 2020, following the health and economic crisis caused by the COVID-19 pandemic across the world. This was attributable to a decline in crude oil prices on account of falling global demand and containment measures to fight the spread of COVID–19. The countries of the world witnessed varying levels of lockdown throughout the year under review.

The pandemic impacted most macro and micro indices as the world economy contracted by about 4.3 percent in 2020. Whilst The Nigerian Bureau of Statistics (NBS) reported that the country's GDP grew by 1.8 percent inQ1 of 2020, it contracted by 6.10 percent and 3.62 percent in Q2 & Q3 respectively and gradually increased by 0.11 percent in Q4 2020. In addition, the foreign exchange rate (parallel market), hit an all-time high of over N510 to $1USD, thereby hampering the ease of doing business for most SMEs involved in importation and general trading. Also, Inflation had hit a high of 18.17 percent by the end of the Financial Year in March 2021.

Although the ripples of the pandemic are still being felt across the world, with some countries already in the third wave, we remain optimistic that with better understanding of the virus, vaccination and observance of all hygiene and social protocols, we will emerge stronger and more resilient as we all join hands to lift the economy back into a boom.

INDUSTRY OVERVIEW
Prior to the outbreak of Coronavirus, the logistics industry was one of the fastest-growing sectors in Nigeria. According to the 2018 Logistics and Supply Chain Industry Report, Nigeria's logistics sector value was capped to be around 250 billion Naira. However, like many other industries in Nigeria, the logistics industry was soon faced with some challenges due to the COVID-19 pandemic in 2020.

At the early stages of the Pandemic in Nigeria, the Aviation sector responsible for large numbers of airlift of persons and cargo from one place to another, was one of the most affected in the transport industry nearly emasculating the global economy.Brent Crude fell below $30 USD per barrel thereby resulting in drop in government revenue. Various State Governments closed land borders, in a bid to contain the spread of the virus, restricting free flow of persons and goods.

The year under review also witnessed new guidelines for regulation of the Courier and Logistics Sector. The Courier & Logistics Regulations 2020 introduced framework to drive effective and efficient courier and logistics services, processes and procedures. Notable is the new regime creating four categories of licenses - International, Nationwide, Regional and State/SME Courier licenses. With this, small businesses with few bikes and other assets can apply and participate in the Sector.

Presently, plans are underway at the National Assembly to pass the Postal Bill, which would further introduce more reforms in this sector.

The past 20 months have brought considerable changes to the logistics industry at large. Whilst some markets have performed well, others have been exposed to more vulnerabilities. Despite this, experts have posited that the global logistics market is expected to grow by 4.7 percent from 2021 through to 2024.

FINANCIAL PERFORMANCE REVIEW

The negative impact of COVID-19 pandemic can be seen in our financial performance. The group recorded a revenue of N9.5 billion, representing a decline of 10.3 percent against the preceding year. The Profit Before Tax stood at N221 million, representing a decline of 70.6 percent in comparison with the preceding year while Profit After Tax stood at N150 million representing 68percent below the preceding year.

The Company grew its Balance Sheet size by N211 million with Total Assets and Shareholders' Funds closing at N7.5billion from N7.3billion in the previous year which represents a 2.9 percent growth.

In view of the Company's Financial Year 2020/2021 performance, the Company is proposing a dividend of 15kobo per share (5kobo cash payment and 10kobo bonus in proportion of 1 new share for every 33 shares previously held as at close of business on 3rd September 2021).

Recall that shortly before the pandemic, Red Star Express had raised N1.3 billion by way of Rights Issue, part of which was used to shore up our asset base to improve efficient service delivery. We once again appreciate our esteemed shareholders for the confidence reposed in the Board and the Management and do assure you that these investments will begin to reap returns from the new financial year; even as the world economy continues its recovery from the effects of COVID-19 pandemic.

Also, the Company is currently undertaking a Business Process Reengineering (BPR), in order to bring about increased productivity, efficiency, better cost management, digital transformation and seamless operations, among other benefits.

The Finance Act 2020 signed into law by the president in 2020 introduced new regimes such as increase in VAT rate from 5% to 7.5%, reduction of import duties on trucks from 35% to 10% amongst others. The Company is already complying and taking advantage as applicable.

Also worthy of mention is the 2021 Finance Act, which became effective on July 1st, 2021. These will further impact our business going forward.

SHORT-MEDIUM TERM STRATEGIC FOCUS

The strengthening of our core businesses with capacity for revenue generation and higher profitability remains our short-medium term strategy in the face of rising costs of operation and continuous devaluation of the Naira. Our Post-Covid19 mantra centers on **"Accelerated Recovery and Growth"** which will be driven through service optimization, cost minimization, asset utilization and revenue generation. A blueprint was developed by all the subsidiaries, departments and the Group as a whole, to monitor and execute the plan.

In addition, resourcing our new growth platforms such as the e-commerce business unit through rapid customer acquisition and onboarding, is being aggressively driven whilst we are also expanding our partnerships for the General Services Agency with the airline industry. Expansion of trucking activities for large manufacturing companies, improved brand expression and brand enhancement initiatives; Staff realignments, motivation and trainings and Customer Loyalty Programmes are also some of the tools being deployed accordingly.

Further to the successful Rights Issue completed in 2020, the investment in a new warehouse facility at the Murtala Muhammed International Airport (MMIA), The Vehicle Service Centre on Lagos-Ibadan Expressway and the investment in our ICT infrastructure would have been fully actualized in the new financial year with more visible impact on productivity in the medium-long term.

REGULATORY COMPLIANCE

The Company continues to enjoy a harmonious and cordial professional relationship with its various regulators such as the Corporate Affairs Commission (CAC), Courier and Logistics Regulatory Department (CLRD) of the Nigeria Postal Service (NIPOST), Standards Organization of Nigeria (SON), Nigeria Customs Service (NCS), Nigerian Exchange Group (NGX), The Securities and Exchange Commission (SEC), Financial Reporting Council of Nigeria (FRC), among others.

During the period under review, it is worthy to note that the Companies and Allied Matters Act (CAMA) 2020 was passed into Law and it became effective on 1st January 2021. This Law, according to experts, is arguably the single most important piece of legislation in the last 3 decades and it is expected to revolutionize compliance activities of Companies in Nigeria. This is because stakeholders now have an almost instant access to the records and filings of Companies at their fingertips.

Effects of CAMA 2020 can already be seen in the number of Audit Committee members which will accord more representation to shareholders. The need to fully issue the Company's unissued shares has also been occasioned by CAMA 2020, amongst a plethora of other provisions affecting Companies. The Company thankfully, complied substantially with all Statutory and Regulatory provisions during the financial year.

FUTURE OUTLOOK

A recovery in global trade after the recession last year, offers an opportunity for emerging markets and developing economies to bolster economic growth. Trade costs are on average one-half higher among emerging markets and developing economies than advanced economies and lowering them could boost trade and stimulate investment and growth.

We will also continue to pursue initiatives to cut carbon emission by adopting eco-friendly initiatives and strategies.

Just as our Company has always delivered on its promises, we would not relent in our commitment, dedication, ethical business dealings and promotion of your business. Together, we shall succeed on these qualities and take the business to greater heights.

Thank you all and God bless.

'Sola Obabori, Ph.D.
Group Managing Director/CEO

The Directors are delighted to present their Annual Report together with the consolidated and separate financial statements of Red Star Express Plc ("the Company") and its subsidiaries (together "the Group") for the year ended 31st March 2021.

- **Legal Form**
  Red Star Express Plc was incorporated as a Private Limited Company on 10th of July 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**
  In 2021, the Group and Company expanded their activities beyond the provision of courier, freight forwarding and logistics services, mailroom management services, warehousing, e-commerce services and general haulage to include General Sales Agent (GSA), movement of agricultural products as well as prints & 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 Group and Company.

- **Operating Results**
  The table below is a representation of the Group and Company Operating Results:

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	N'000	**N'000**	**N'000**	**N'000**
Revenue	9,458,014	10,548,984	5,314,436	6,289,699
Profit before Taxation	220,792	750,080	243,541	490,671
Taxation	(70,727)	(281,091)	46,364	(225,489)
Profit After Taxation	150,065	468,989	289,905	265,182

- **Dividend**
  The Board has recommended a dividend payment of 15kobo per share (5kobo cash payment and 10kobo bonus in proportion of 33 shares to 1). If the recommendation for dividend is approved, the dividend will be posted on 23rd September 2021 to all Shareholders, whose names appear on the Register of Members at the close of business on 3rd September, 2021.

- **Directors**

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

1. Suleiman Barau - Chairman
2. Peter Olusola Obabori - Group Managing Director/CEO
3. Victor Ukwat - Executive Director
4. Auwalu Babura - Executive Director
5. Aminu Dangana - Non-Executive Director
6. Sulaiman Lawan Koguna - Non-Executive Director
7. Sule Umar Bichi - Non-Executive Director
8. Chioma Sideso - Independent Non-Executive Director

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

Two Directors Mr. Sule Umar Bichi and Alh. Aminu Dangana retired from the Board with effect from April 29, 2021. The Board has appointed Mr. Peter Surulere Aletor and Mr. Chukwuemeka Emmanuel Ndu as NEDs with effect from June 28, 2021. In line with provisions of the Company and Allied Matters Act 2020, Mr. Aletor and Mr. Ndu will be seeking election at the Annual General Meeting.

- **Records of Directors' Attendance at Board and Committee Meetings**

In accordance with the provisions of Section 284(2) of the Companies and Allied Matters Act, 2020, the record of the Directors' attendance at Directors' meetings during the year are hereby disclosed.

The Directors have a formal schedule of meetings and met a total of seven (7) times in the year under review. The table below shows the number of meetings (including Board and Board Committees) attended by each Director.

Board Meetings Attendance

Director	3/6/2020	26/8/2020	28/10/2020	4/1/2021	5/1/2021	7/1/2021	25/2/2021	Total
Suleiman Barau (Chairman)	✓	✓	✓	✓	✓	✓	✓	7
Sola Obabori	✓	✓	✓	x	x	✓	✓	5
Aminu Dangana	✓	✓	✓	✓	✓	✓	✓	7
Sule Bichi	✓	✓	✓	✓	✓	✓	✓	7
Chioma Sideso	✓	✓	✓	✓	✓	✓	✓	7
Sulaiman Koguna	✓	✓	✓	✓	✓	✓	✓	7
Victor Ukwat	✓	✓	✓	x	x	✓	✓	5
Auwalu Babura	✓	✓	✓	x	x	✓	✓	5

Strategy & Business Development Attendance

Name	11/06/2020	07/07/2020	14/07/2020	16/07/2020	23/07/2020	25/08/2020	22/09/2020	26/10/2020	05/11/2020	21/12/2020	06/01/2021	23/02/2021	Total
Chioma Sideso	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12
Sule Umar Bichi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12
Aminu Dangana	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	11
Sulaiman Koguna	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12
Sola Obabori	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12
Victor Ukwat	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12
Auwalu Babura	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12

Governance, Nomination & Remuneration Attendance

Directors	15/6/2020	16/6/2020	17/9/2020	21/9/2020	20/10/2020	Total
Aminu Dangana	✓	✓	✓	✓	✓	5
Sule Umar Bichi	✓	✓	✓	✓	✓	5
Chioma Sideso	✓	✓	✓	✓	✓	5

✓ – present
x – absent with apology

Risk Management Attendance

Directors	25/8/20	20/10/20	Total
Sule Bichi	✓	✓	2
Aminu Dangana	✓	✓	2
Sulaiman Koguna	✓	✓	2
Sola Obabori	✓	✓	2
Victor Ukwat	✓	✓	2
Auwalu Babura	✓	✓	2

Audit Committee

Name	28/5/2020	20/8/2020	26/10/2020	26/1/2021	Total
Moses Ayodele Ogundeji***	✓	✓	✓	✓	4
Chief Cyril Ugwummadu***	✓	✓	✓	x	3
Kolawole Ganiyu Amoo***	✓	✓	✓	✓	4
Sulaiman Koguna	✓	✓	✓	✓	4
Sule Umar Bichi	✓	✓	✓	✓	4
Chioma Sideso	✓	✓	✓	✓	4

******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 section 301 and 302 of the Companies and Allied Matters Act 2020 and in compliance with the listing requirements of the Nigerian Stock Exchange are as follows:

S/N	Name	No of Shares held as at 31 March 2021	Direct/Indirect ShareHolding as at 31st March 2021	No of Shares held as at 31 March 2020	Direct/Indirect ShareHolding as at 31st March 2020
1.	Suleiman Barau	76,948,614	Direct	76,948,614	Direct
2.	Olusola Obabori	1,781,947	Direct	1,781,947	Direct
3.	Victor Ukwat	179,666	Direct	179,666	Direct
4.	Auwalu Babura	364,713	Direct	364,713	Direct
5.	Sule Umar Bichi	8,511,925	Direct	8,511,925	Direct
6.	Aminu Dangana	172,857	Direct	172,857	Direct
7.	Sulaiman Koguna	6,219,883	Direct	6,219,883	Direct
8.	Chioma Sideso	—	—	—	—

- **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 303 of the Companies and Allied Matters Act 2020, none of the Directors has notified the Company of any declarable interest in contracts in which the Group and Company was involved during the year under review.

- **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. In January 2020, the Company raised capital by the allotment of 336,855,291 shares. Presently, the Company's total allotted shares stand at 926,352,051 ordinary shares of 50kobo 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 Paid Up N'000		Consideration
	Increase	Cumulative	Increase	Cumulative	
1992	7,000,000	7,000,000	3,570,186	3,570,186	Cash
1993	14,000,000	21,000,000	-	3,570,186	-
1994	7,000,000	28,000,000	-	3,570,186	-
1995	17,000,000	45,000,000	-	3,570,186	-
1996	-	45,000,000	38,358,445	41,928,631	Cash
1998	-	45,000,000	1,238,534	43,167,165	Cash
1999	-	45,000,000	298,947	43,466,112	Cash
2000	-	45,000,000	593,550	44,059,662	Cash
2001	-	45,000,000	102,501	44,162,163	Cash
2002	-	45,000,000	5,000	44,167,163	Cash
2003	10,000,000	55,000,000	7,282,468	51,449,631	Cash
2007	245,000,000	300,000,000	205,798,524	257,248,155	Bonus Issue
2008	-	300,000,000	37,500,000	294,748,155	Cash
2014	200,000,000	500,000,000	-	294,748,155	-
2019	-	500,000,000	168,427,645.5	463,175,800.5	Cash

- **Analysis of Shareholdings**
  According to the register of members, the spread of shareholding in the Company as at 31st March 2021 was as follows:

Share Range		Number of Shareholders	Number of Holdings	% shareholding
1	1,000	1,343	507,926	0.06
1,001	5,000	1,181	3,510,292	0.40
5,001	10,000	685	5,418,580	0.62
10,001	50,000	1,208	28,532,714	3.37
50,001	100,000	269	17,159,661	2.23
100,001	500,000	249	41,509,482	6.10
500,001	1,000,000	36	20,584,563	2.73
1,000,001	5,000,000	36	73,326,648	8.26
5,000,001	10,000,000	7	70,392,336	5.58
10,000,001	50,000,000	5	138,429,238	10.41
50,000,001	100,000,000	3	235,458,421	25.43
100,000,001	500,000,000	2	291,462,190	34.83
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TOTAL		**5,024**	**926,352,051**	**100**
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For the Year Ended 31 March 2020

Share Range		Number of Shareholders	Number of Holdings	% shareholding
1	1,000	1,243	507,926	0.05
1,001	5,000	1,106	3,510,292	0.38
5,001	10,000	649	5,418,580	0.58
10,001	50,000	1,107	28,532,714	3.08
50,001	100,000	226	17,159,661	1.85
100,001	500,000	185	41,509,482	4.49
500,001	1,000,000	29	20,584,563	2.22
1,000,001	5,000,000	36	73,326,648	7.92
5,000,001	10,000,000	9	70,392,336	7.60
10,000,001	50,000,000	7	138,429,238	14.94
50,000,001	100,000,000	3	235,458,421	25.42
100,000,001	500,000,000	2	291,462,190	31.46
TOTAL		**4,602**	**926,352,051**	**100**

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

NAME	2021	%	2020	%
Koguna, Mohammed Hassan	181,367,295	19.58	181,367,295	19.58
Koguna Babura Insurance Brokers Limited	141,266,640	15.25	141,226,640	15.25
Petra Properties Limited	93,584,077	10.10	93,584,077	10.10
Suleiman Barau	76,948,614	8.31	76,948,614	8.31
Apel Capital & Trust Limited (Nominees)	65,000,000	7.02	64,925,730	7.01

- **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.coronationregistrarslimited.com or visit their office, Coronation Registrars Limited, Plot 09, Amodu Ojikutu Street, Victoria Island, Lagos or Company Secretary.

- **Service Contract Agreements**
  The Company has a contract agreement with Federal Express International B.V. (Dubai Branch) 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 guideline and regulatory policies in the course of 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 2020
  - Financial Reporting Council of Nigeria Act No 6, 2011
  - 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	**2021 (N)**	**2020 (N)**
Loyola Jesuit College	-	20,000
United States Embassy	-	360,000
Nigerian Association of Small-Scale Industries	-	100,000
Supply of 1000 pcs of face mask for the NSE Mask for all campaign	300,000	-
Covid-19 Palliative to Oshodi-Isolo LGA	100,000	-
TOTAL	**400,000**	**480,000**

- **Taxation**
  Adequate provision has been made for all forms of taxes relevant to the activities carried out by the Group and the 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 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, in the course of employment, efforts are geared towards ensuring that their employment continues.

  As at 31 March 2021, no disabled person applied or was employed by the Company.

- **Employee Involvement and Training**
  Red Star Express Plc is committed to providing its employees with the best opportunities for learning and development and these programmes are intended to challenge our people whilst empowering them to be more proficient as it relates to their individual 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 essential skills to efficiently carry out their diverse assignments.

- **Health, Safety and Welfare of Employees**
  We ensure that our employees and members of their immediate families have access to free medical health care, under the Health Management Organization (HMO) scheme. The company maintains a secure and healthy workplace with fire prevention and fire-fighting equipment installed at strategic locations within the company's offices whilst also retaining a Group Personal Accident and NSITF insurance schemes, as well as a Contributory Pension Scheme for the benefit of the employees.

- **Events After Reporting Date**
  There was no material event that occurred after the reporting date, save for the continued effects of the COVID 19 Pandemic as well as the End SARS protest which may have an effect on the financial statements of the Group as at 31 March 2021 and the profit for the year ended on that date which have not been adequately provided for or recognized.

- **Auditor**
  The current auditors, Messrs Ernst & Young have indicated their willingness to continue in office in pursuant to section 401(2) of the Companies and Allied Matters Act 2020. A resolution approving same would be passed at the Annual General Meeting.

FAkpomuka

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

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 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 Five (5) Non-Executive Directors (which includes the Chairman and one (1) Independent Non-Executive Director and three (3) Non-Executive Directors) and three (3) Executive Directors. The positions of the Chairman and Managing Director are separate. The other responsibilities of the Board are as contained in the duly approved Board Charter.

b. **Board Membership**

   1. Suleiman Barau - Chairman
   2. Sola Obabori - Group Managing Director/CEO
   3. Victor Ukwat - Executive Director
   4. Auwalu Babura - Executive Director
   5. Aminu Dangana - Non-Executive Director
   6. Sulaiman Lawan Koguna - Non-Executive Director
   7. Sule Umar Bichi - Non-Executive Director
   8. Chioma Sideso - Independent Non-Executive Director

BOARD COMMITTEES

The Board carries out its oversight functions via its Committees governed by Charters and definite Terms of Reference. There are three (3) Board Committees namely, Governance, Nomination and Remuneration Committee, Strategy & Business Development Committee, Risk Management Committee and the Statutory Audit Committee.

Below are the compositions of the various Committees during the period under review as at 31st March 2021:-

Governance, Nomination and Remuneration Committee

This committee is comprised solely of Non-Executive Directors and chaired by the Chairman of the Board. 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 Dangana - Chairman
- Sule Umar Bichi - Non- Executive Director
- Chioma Sideso - Independent 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 - Non- Executive Director
- Alh Aminu Dangana - Non- Executive Director
- Sule Umar Bichi - Non- Executive Director
- Sola Obabori - Executive Director
- Victor Ukwat - Executive Director
- Auwalu Babura - 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 - Non- Executive Director
- Sulaiman Koguna - Non- Executive Director
- Sola Obabori - Executive Director
- Victor Ukwat - Executive Director
- Auwalu Babura - Executive Director

Audit Committee

This committee is comprised of six (6) members: three (3) Shareholders' representatives and two (2) Non-Executive Directors, one (1) independent Non-Executive Director: -

- Mr. Moses Ayodele Ogundeji - Chairman/Shareholders Representative
- Chief Cyril Ugwumadu - Shareholders Representative
- Mr. Kolawole Ganiyu Amoo - Shareholders Representative
- Sule Umar Bichi - Non- Executive Director
- Sulaiman Koguna - Non- Executive Director
- Chioma Sideso - Independent Non- Executive Director

Group Executive Committee

The Group Executive Committee is the highest governing body of Management and meets bi-weekly or as business needs demands, 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 bodies.

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. Complaints/questions/clarifications may also be sent directly to investorrelations@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 2021

The Companies and Allied Matters Act 2020 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 and Company 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, 2020;

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, 2020 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 Group and Company and of their profit for the year ended 31 March 2021. 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

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

28 June, 2021

Certification Pursuant to Section 405(1) of Companies and Allied Matter Act, 2020
We the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended 31 March 2021 that:

a. **We have reviewed the report;**
To the best of our knowledge, the report does not contain:
- Any untrue statement of a material fact, or
- Omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made;

b. To the best of our knowledge, the financial statement and other financial information included in this report fairly present in all material respects the financial condition and results of operation of the Group as of, and for the periods presented in this report.

c. **We:**
- are responsible for establishing and maintaining internal controls.
- have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
- have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
- have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

d. **We have disclosed to the auditors of the Group and Audit Committee:**
- All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
- Any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls;

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Peter Olusola Obabori
Group Managing Director
FRC/2016/IODN/00000015290

Badamasi Babura Auwalu
Finance Director
FRC/2016/ICAN/00000014402

REPORT OF THE AUDIT COMMITTEE
TO THE SHAREHOLDERS OF RED STAR EXPRESS PLC

In accordance with the provisions of Section 404(4) of the Companies and Allied Matters Act, 2020, we have reviewed the Group's consolidated and separate financial statements for the year ended 31 March 2021 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.

MOSES AYODELE OGUNDEJI
CHAIRMAN
FRC/2019/002/00000020255

28 JUNE 2021

Members of the Audit Committee

Mr. Moses Ayodele Ogundeji	Independent shareholder
Mr. Kolawole Ganiyu Amoo	Independent shareholder
Chief Cyril I. Ugwumadu	Independent shareholder
Mr. Sulaiman Koguna	Non-Executive Director
Mr. Sule Umar Bichi	Non-Executive Director
Mrs. Chioma Sideso	Non-Executive Director

Secretary
Frances N. Akpomuka

Building a better
working world

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10th Floor, UBA House,
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Lagos, Nigeria.

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ey.com

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RED STAR EXPRESS PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion
We have audited the 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 2021, and the consolidated and separate statements of profit or loss and other 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 accompanying 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 2021, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with 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 Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the" consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Auditor's 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.

The Key Audit Matters apply only to the audit of the Consolidated Financial Statements.

The Key Audit Matters	How the matter was addressed in the audit.
Calculation of Expected Credit Losses on Financial Assets IFRS 9 - 'financial instrument' requires that financial assets are assessed for impairment using the Expected Credit Loss (ECL) model. As at 31 March 2021, the Group had financial assets of W2.6 billion which represents 36% of total assets, and allowance for impairment of ₦220.6 million. The Group is required to regularly assess the recoverability of its receivables which forms part its financial assets. This involves judgment as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions as well as the time value of money. The appropriateness of the allowance for doubtful debt is subjective due to the high degree of judgment applied by management in determining the impairment allowance. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The assessment of the correlation between historical observed default rates, forecast economic conditions and Expected Credit losses (ECLs) is a significant estimate. Due to significance of the financial assets and the related estimation uncertainty, this is considered a key audit matter. The accounting policy on impairment of financial assets is set out in Note 3,2 while the disclosure of impairment of financial assets is set out in Notes 17 and 31 to the consolidated and separate financial statements.	We performed the following audit procedures in relation to impairment of financial assets: - We reviewed the IFRS 9 models prepared by the management for computation of impairment of receivables in line with the requirements of IFRS 9. - We reviewed the aging of receivables based on the number of days, debts became past due. - We tested the historical accuracy of the model by assessing historical projections versus actual losses. - We analyzed historical credit losses with a view to identifying the portion of receivables that remained unpaid during the year to enable us to determine the default rate. - We reviewed the qualitative and quantitative disclosures for reasonableness to ensure conformity with IFRS 7 - Financial instruments Disclosures. - We reperformed an independent calculation of the impairment provision. - We reviewed other areas of complexities which include macro-economic indicators such as inflation rates, exchange rates, unemployment rate. Gross Domestic Products (GDP) etc. These macro-economic indicators were equally available information fn the public domain.
Key Audit Matters	**How the matter was addressed in the audit**
Use of Estimates on Defined Benefit Plan The Group operates a registered non-contributory gratuity scheme for both the Company and its subsidiaries - Red Star Retirement Benefit Scheme. The entitlement the employees are based on the emoluments and after 3 years of continuous service to the Company. The total value of the defined benefit pension scheme at the statement of financial position date is a net plan asset of ₦164.7 million (2020: &74.0 million) comprised of the fair value of plan assets of ₦898.7 million (2020: ₦845 million) less the present value of the defined benefit obligation of ₦733.9 million (2020: ₦771.0 million) Accounting for a defined benefit pension scheme and the value of liabilities is dependent on significant assumptions, including an assessment of the discount rate, price inflation and key demographic figures including life expectancy and mortality rates. A change in any of these assumptions could cause a material change in the value of the liabilities overall and the net pension position on the Group's statement financial position. These accounting judgements are inherently complex, require a high level of Management judgement and specialist actuarial input. The policy on defined benefit plan is set out in Note 3.14 while disclosure of the estimates on defined benefit plan is set out in Note 23 to the consolidated and separate financial statements.	We assessed the competence and objectivity of the qualified actuary engaged by the Group to value the scheme's defined benefits pension position under IAS 19 'Employee Benefits'. We engaged our internal actuarial specialists to assess the appropriateness of the methodology and assumptions used to account for the defined benefit scheme. This included comparison of key data with market benchmarks and to challenge the methodology used by the scheme actuary. We considered whether each of the key assumptions was reasonable in isolation and collectively in determining the defined benefit plan at the statement financial position date. We performed procedures to assess the underlying data provided to the actuary in determining the underlying value of the defined benefit plan. 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.

Other Information
The Directors are responsible for the other information. The other information comprises the information included in the document titled "Red Star Express Plc Report of the Directors, Consolidated and Separate Audited Financial Statements and Other National Disclosures for the Year Ended 31 March 2021". which includes the Report of the Directors, Report of Audit Committee and Other National Disclosures, 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 or the separate financial statements and our auditor's 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 auditor's' 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, 2020, 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.

Auditor's 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 auditor's' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if. individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements. As part of an audit in accordance with iSAs, we exercise professional judgement and maintain professional skepticism 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 auditor's 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 ail relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's 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 the Fifth Schedule of the Companies and Allied Matters Act, 2020, 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 account.

(iv) in our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.

Omolola Alebiosu, FCA
FRC/2012/ICAN/00000000145
for: Ernst & Young
Lagos, Nigeria

30 June 2021

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Note	The Group 2021 N '000	The Group 2020 N '000	The Company 2021 N '000	The Company 2020 N '000
Revenue from contract with customers	4	9,458,014	10,548,984	5,314,436	6,289,699
Cost of Sales		(7,120,270)	(7,863,882)	(3,999,535)	(4,410,826)
GROSS PROFIT		2,337,744	2,685,102	1,314,901	1,878,873
Administrative expenses**	6	(1,980,999)	(2,010,805)	(1,219,851)	(1,373,616)
Credit loss expense of financial assets	6i	(182,575)	(153,670)	(100,694)	(115,804)
Other operating income	5	74,884	272,164	245,051	95,479
Total operating profit		249,054	792,791	239,407	484,932
Finance income	7.1	12,625	17,785	12,036	13,122
Finance cost	7.2	(40,887)	(60,496)	(7,902)	(7,383)
PROFIT BEFORE TAXATION		220,792	750,080	243,541	490,671
Taxation	9.1	(70,727)	(281,091)	46,364	(225,489)
PROFIT AFTER TAXATION		**150,065**	**468,989**	**289,905**	**265,182**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods.					
Fair value gain/ (loss) on Equity instruments at FVOCI	14.1	1,934	(140)	1,934	(140)
Re-measurement gain on defined benefit plan	23.2	41,277	127,135	41,277	127,135
Tax effect	15.1	(12,383)	(38,140)	(12,383)	(38,140)
Other comprehensive income for the year, net of tax		30,828	88,855	30,828	88,855
Total comprehensive income for the year, net of tax		180,893	557,844	320,733	354,037
Profit attributable to ordinary equity holders		150,065	468,989	289,905	265,182
Total comprehensive income for the year attributable to ordinary equity holders		180,893	557,844	320,733	354,037
Earnings per share (Naira)					
Basic earnings per share	10	0.16	0.70	0.31	0.39

All subsidiaries are 100% owned by the company hence all profits or losses and other comprehensive income belong to the owners of the company.

During the 2021 Financial reporting period was discovered that Credit loss expense of financial assets was incorrectly recorded within administrative expenses instead of being presented separately on the face of the consolidated and separate statement of profit and loss and other comprehensive income. The credit loss expense has now been correctly presented in the current year with charges to comparatives being effected.

See Notes to the Consolidated and Separate Financial Statements.

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	The Group 2021 N'000	The Group 2020 N'000	The Company 2021 N'000	The Company 2020 N'000
ASSETS					
Non-current assets					
Property, plant & equipment	11	2,550,455	1,363,326	1,030,564	693,551
Intangible assets	12	45,234	61,290	44,100	59,357
Right of use asset	21	283,435	325,544	127,330	74,824
Long term prepayments	13	3,599	127,011	3,599	12,877
Equity instrument at fair value through other comprehensive income	14.1	2,329	395	2,329	395
Investment in subsidiaries	14.2	-	-	1,153,065	374,065
Employee benefit assets	23.2	164,738	73,988	164,738	74,374
Total non-current assets		3,049,790	1,951,554	2,525,725	1,289,443
Current assets					
Inventories	16	66,541	51,651	53,551	44,865
Trade and other receivables	17	3,192,497	3,384,584	2,245,874	2,623,905
Current prepayments	13	275,260	114,751	105,791	108,628
Cash and bank	18	954,966	1,825,177	723,680	1,643,519
Total current assets		4,489,264	5,376,163	3,128,896	4,420,917
TOTAL ASSETS		**7,539,054**	**7,327,717**	**5,654,621**	**5,710,360**
EQUITY AND LIABILITIES					
Equity					
Share capital	19	463,176	463,176	463,176	463,176
Share premium	20	1,437,001	1,437,001	1,437,001	1,437,001
Retained earnings		2,330,978	2,476,242	1,568,728	1,574,152
Fair value of equity instrument designated at FVOCI		1,794	(140)	1,794	(140)
Total equity		**4,232,949**	**4,376,279**	**3,470,699**	**3,474,189**
Liabilities					
Non-current liabilities					
Deferred tax liabilities	15	150,181	181,922	21,383	94,955
Lease Liabilities	21	56,793	126,891	56,793	40,536
Interest bearing loans and borrowings	22	379,805	-	-	-
Total non-current liabilities		586,779	308,813	78,176	135,491

		The Group		The Company	
	Note	**2021**	**2020**	**2021**	**2020**
Current liabilities		**N'000**	**N'000**	**N'000**	**N'000**
Trade and other payables	24	2,314,885	2,143,764	1,984,929	1,851,149
Lease liabilities	21	123,636	122,475	27,522	15,595
Income tax liabilities	9.2	176,232	332,141	93,295	233,936
Interest bearing loans and borrowings	22	104,573	44,245	-	-
Total current liabilities		2,719,326	2,642,625	2,105,746	2,100,680
Total liabilities		3,306,105	2,951,438	2,183,922	2,236,171
TOTAL EQUITY AND LIABILITIES		7,539,054	7,327,717	5,654,621	5,710,360

The consolidated and separate financial statements were approved by the Board on 28th June 2021 and signed on its behalf by:

Suleiman Barau	Peter Olusola Obabori	Badamasi Babura Auwalu
Chairman	Group Managing Director	Finance Director
28 JUNE 2021	28 JUNE 2021	28 JUNE 2021
FRC/2015/ICENNIG/00000011559	FRC/2016/IODN/00000015290	FRC/2016/ICAN/00000014402

See notes to the consolidated and separate financial statements.

The Group

	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Fair value of equity instrument designated at FVOCI N'000	Total N'000
As at 1 April 2020	**463,176**	**1,437,001**	**2,476,242**	**(140)**	**4,376,279**
Profit for the year	-	-	150,065	-	150,065
Other comprehensive income:					
- Re-measurement gain on defined benefit plan	-	-	28,894	-	28,894
- Fair value of equity instrument designated at FVOCI	-	-	-	1,934	1,934
Dividend (Note 27)	-	-	(324,223)	-	(324,223)
As at 31 March 2021	**463,176**	**1,437,001**	**2,330,978**	**1,794**	**4,232,949**

Consolidated statement of changes in equity for the year ended 31 March 2021

	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Fair value of equity instrument designated at FVOCI N'000	Total N'000
As at 1 April 2019	294,748	296,433	2,171,742	-	2,762,923
Profit for the year	-	-	468,989	-	468,989
Other comprehensive income:					
- Re-measurement gain on defined benefit plan	-	-	88,995	-	88,995
- Fair value of equity instrument designated at FVOCI	-	-	-	(140)	(140)
Dividend (Note 27)	-	-	(253,484)	-	(253,484)
Right issue	168,428	1,178,994	-	-	1,347,422
Transaction cost on right issue	-	(38,426)	-	-	(38,426)
As at 31 March 2020	**463,176**	**1,437,001**	**2,476,242**	**(140)**	**4,376,279**

See notes to the consolidated and separate financial statements.

The Company

	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Fair value of equity instrument designated at FVOCI N'000	Total N'000
As at 1 April 2020	**463,176**	**1,437,001**	**1,574,152**	**(140)**	3,474,189
Profit for the year	-	-	289,905	-	289,905
Other comprehensive income:					
- Re-measurement gain on defined benefit plan	-	-	28,894	-	28,894
- Fair value of equity instrument designated at FVOCI	-	-	-	1,934	1,934
Dividend (Note 27)	-	-	(324,223)	-	(324,223)
As at 31 March 2021	**463,176**	**1,437,001**	**1,568,728**	**1,794**	**3,470,699**

Statement of changes in equity for the year ended 31 March 2021

	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Fair value of equity instrument designated at FVOCI N'000	Total N'000
As at 1 April 2019	294,748	296,433	1,473,459	-	2,064,640
Profit for the year	-	-	265,182	-	265,182
Other comprehensive income:					
- Re-measurement gain on defined benefit plan	-	-	88,995	-	88,995
- Fair value of equity instrument designated at FVOCI	-	-	-	(140)	(140)
Dividend (Note 27)	-	-	(253,484)	-	(253,484)
Right issue	168,428	1,178,994	-	-	1,347,422
Transaction cost on right issue	-	(38,426)	-	-	(38,426)
As at 31 March 2020	**463,176**	**1,437,001**	**1,574,152**	**(140)**	**3,474,189**

See notes to the consolidated and separate financial statements.

	Note	The Group 2021 N'000	The Group 2020 N'000	The Company 2021 N'000	The Company 2020 N'000
CASHFLOW FROM OPERATING ACTIVITIES					
Cash received from customers		9,724,985	10,790,794	5,937,518	6,481,450
Cash paid to suppliers and employees		(8,458,840)	(9,829,731)	(5,286,181)	(5,982,899)
Tax paid	9.2	(53,712)	(37,029)	(20,696)	(18,094)
Cash outflow from long term prepayment	13	(486,369)	(194,208)	(141,716)	(152,539)
Net cash provided by operating activities	26.1	726,064	729,826	488,925	327,918
CASHFLOW FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment*	11	(1,596,481)	(693,292)	(490,074)	(172,441)
Purchase of intangible assets	12	(24,621)	(56,892)	(24,621)	(54,492)
Additions to right of use assets*	21	(48,483)	(32,421)	(41,998)	(28,421)
Proceeds from sale of property plant and equipment		33,873	392,249	1,635	233
Additional investment in subsidiaries		-	-	(779,000)	-
Interest received	7	12,625	17,785	12,036	13,122
Dividend received	5	-	-	194,121	76,061
Net cash used in investing activities		(1,623,087)	(372,571)	(1,127,901)	(165,938)
CASHFLOW FROM FINANCING ACTIVITIES					
Dividend paid	27	(297,225)	(231,073)	(297,225)	(231,073)
Refund of unclaimed dividend from registrars	27	25,820	36,668	25,820	36,668
Interest paid	21,22	(33,636)	(53,113)	(651)	-
Payment of principal -lease obligation*	21	(126,357)	(131,081)	(29,236)	-
Proceed from right issue	19,20	-	1,308,996	-	1,308,996
Proceeds from borrowings	22	500,000	100,000	-	-
Payment of principal - borrowings	22	(59,867)	(55,755)	-	-
Net cash provided by/(used in) financing activities		8,735	974,642	(301,292)	1,114,591
Net (decrease)/increase in cash and cash equivalents		(888,288)	1,331,897	(940,268)	1,276,571
Net foreign exchange difference		7,422	(19,201)	9,883	(19,201)
Cash and cash equivalents at the beginning of the year		1,836,609	523,913	1,654,672	397,302
Cash and cash equivalents at the end of the year	18	955,743	1,836,609	724,287	1,654,672

*For details on changes in these, please refer to Note 26.

See notes to the consolidated and separate 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. 18.56% of the issued share capital of the Company is held by Koguna Mohammed, Hassan and 81.44% by other 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 consolidated and separate 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 consolidated and separate 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, 2020 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.

The consolidated and separate financial statements have been prepared on a historical cost basis, except for the under mentioned areas which are measured as indicated:

- Financial instruments measured at fair value
- Defined benefit plan is recognised as the net total of the plan assets plus unrecognised past service cost and unrecognised actuarial gains and the present value of the defined benefit obligation
- Iinventories measured at net realizable value

2.2 Functional currency, presentation currency and the level of rounding

The consolidated and separate 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.

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 consolidated and separate 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 in Note 17.

2.3.3 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 consolidated and separate financial statements continue to be prepared on the going concern basis.

2.3.4 Discount rate used to determine the incremental borrowing rate

The group and the Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group and the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The group and the Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Group and the Company's stand-alone credit rating).

2.3.5 Useful lives of Property, plant and equipment

The Group carries its property, plant and equipment at cost in the consolidated 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.

2.3.6 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.

2.3.7 Defined Benefit Plan

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

3. Summary of significant accounting policies

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

3.1 Revenue from contracts with customers

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.

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 contracts specifically contains termination clauses relating to the effective date of the contract. However, after the effective date of the contract, both parties have enforceable rights and obligations only for the notice period of termination. Therefore, 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 service represents 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.

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, 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 is no variable consideration in its contracts with customers.

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 occasions 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.

3.2 Financial instruments – initial recognition and subsequent measurement

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 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.

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 and equity instruments at FVOC

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 Cash & bank balances, short term deposits, trade receivables and other receivable.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group and the Company can elect to irrevocably classify its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group and the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The group and the Company elected to irrevocably classify its listed equity investments under this category.

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).

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 and intergroup receivables (involving sales in the ordinary course of business), 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.

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
- Inflation rate

Write-offs
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
Loans and borrowings
After initial recognition, loans and borrowings and trade and other payables 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.

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.

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 intangible 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.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

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.

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
Plants and Machinery	3 – 10 years
Motor Vehicles	2 –8 years
Motor cycles	3 years
Furniture, Fittings and Equipment	3 – 5 years
Computer and other I.T Equipment	3 years

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

Plants & Machinery

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

Motor Vehicles

Category	Policy
Four wheels	4 years
Trucks	6 years
Trailers	8 years

Building

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

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.

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. The impairment reversal is limited to the historical carrying amount had no impairment occurred

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 taxation

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

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

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

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

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

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

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

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

3.10 Borrowing costs

Specific borrowing costs 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 Lease

The group and the Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The group and the Company as a lessee
The group and the Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The group and the Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets
The group and the Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Assets	**Lease period**
Land	20 years
Office buildings	2-3 years
Warehouse	2-3 years
Motor Vehicles	2 –4 years

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The group and the Company applies the short-term lease recognition exemption to its short-term leases of warehouses and guesthouses (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The group and the Company does not have any leased assets categorised as low-value assets (i.e. of a value of N1.8 million). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

3.12 Foreign currency

Monetary assets and liabilities denominated in a foreign currency are translated into Naira at the spot rate of exchange ruling at reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

3.13 Segment Reporting

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

3.14 Employees' benefits

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

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

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

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

The liability recognised in the statement of financial position in respect of defined gratuity scheme is the present value of the gratuity obligation at the date of the statement of financial position less the fair value of any plan asset. Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

3.15 Share capital and reserves

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

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

3.16 Basis of Consolidation
The consolidated and separate financial statements comprise the financial statements of the Red Star Express Plc and its subsidiaries as at 31 March 2021.

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

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises both assets and liabilities of the subsidiary and the related non-controlling interest. Investments in the subsidiaries are measured at cost value. The Group determines control over the subsidiaries as it holds 100% of their entire shareholdings.

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

3.17 Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

Quantitative disclosures fair value measurement hierarchy for assets for which fair value is disclosed.

	Fair value measurement using			**Fair value measurement using**		
Group and Company	**Quoted prices in active markets**	**Significant observable inputs**	**Significant unobservable inputs**	**Quoted prices in active markets**	**Significant observable inputs**	**Significant unobservable inputs**
	31 March 2021			**31 March 2020**		
in thousands of Nigerian Naira	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets:	2,329	-	-	395	-	
Equity Instruments at FVOCI	2,329	-	-	395	-	-
Interest bearing loans and borrowings	-	-	517,827	-	-	44,245

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Group and Company in thousands of Nigerian Naira	**2021**		**2020**	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial Assets:				
Equity Instruments at FVOCI	2,329	2,329	395	395
Interest bearing loans and borrowings	484,378	517,827	44,245	44,245

For the other Financial instruments i.e Cash & cash equivalents, trade & other receivables and trade and other payables, the carrying amount approximates the fair value due to its short-term nature.

3.18 New and amended standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020 and beyond and have not been applied in preparing these financial statements. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company's financial statements are listed below.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Group but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

These amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relation is affected if the reform gives rise to uncertainties about the timing and of amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity".

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to Group.

Amendments to IFRS 16 Covid Related Rent Concessions
On 28 May 2020, the IASB issued Covid-19 Related Rent Concessions-amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from the lessor is a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the Group.

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

1. Amendments to IAS 1 - Classification of Liabilities as Current or Non-current - Effective date: on or after1 January 2023
2. Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 Effective for annual periods beginning on or after 1 January 2023
3. Definition of Accounting Estimates - Amendments to IAS 8 Effective for annual periods beginning on or after 1 January 2023
4. Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use – Effective date: 1 January 2022
5. Amendments to IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract – Effective date: 1 January 2022
6. AIP IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter - Effective date: 1 January 2022
7. AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities - Effective date: 1 January 2022
8. AIP IAS 41 Agriculture – Taxation in fair value measurements - Effective date: 1 January 2022
9. IFRS 17 Insurance Contracts - Effective date: 1 January 2023

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 2021**			
	Services N'000	**Logistics N'000**	**Freight N'000**	**Total N'000**
Courier services	5,314,436	-	-	5,314,436
Mail management services	958,761	-	-	958,761
Freight services	-	-	1,281,543	1,281,543
Logistics	-	1,399,695	-	1,399,695
Support services	503,579	-	-	503,579
Total revenue from contracts with customers	6,776,776	1,399,695	1,281,543	9,458,014
Geographical markets				
Within Nigeria	6,481,405	1,399,695	1,281,543	9,162,643
Outside Nigeria	295,371	-	-	295,371
Total revenue from contracts with customers	6,776,776	1,399,695	1,281,543	9,458,014
Timing of revenue recognition				
Goods transferred at a point in time	-	-	-	-
Services transferred over time	6,776,776	1,399,695	1,281,543	9,458,014
Total revenue from contracts with customers	6,776,776	1,399,695	1,281,543	9,458,014

Segments	**For the year ended 31 March 2020**			
	Services N'000	**Logistics N'000**	**Freight N'000**	**Total N'000**
Courier services	6,289,699	-	-	6,289,699
Mail management services	1,055,116	-	-	1,055,116
Freight services	-	-	1,274,633	1,274,633
Logistics	-	1,489,186	-	1,489,186
Support services	440,350	-	-	440,350
Total revenue from contracts with customers	7,785,165	1,489,186	1,274,633	10,548,984
Geographical markets				
Within Nigeria	7,553,273	1,489,186	1,274,633	10,317,092
Outside Nigeria	231,892	-	-	231,892
Total revenue from contracts with customers	7,785,165	1,489,186	1,274,633	10,548,984
Timing of revenue recognition				
Goods transferred at a point in time	-	-	-	-
Services transferred over time	7,785,165	1,489,186	1,274,633	10,317,092
Total revenue from contracts with customers	7,785,165	1,489,186	1,274,633	10,548,984

4.2 Performance obligations

Information about the Group and Company 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

		The Group		**The Company**	
		2021	**2020**	**2021**	**2020**
		N'000	**N'000**	**N'000**	**N'000**
4.3	Revenue from contract with customers				
	Analysis by services				
	Courier (note 4.3I)	5,314,436	6,289,699	5,314,436	6,289,699
	Logistics (note 4.3Iv)	1,399,695	1,489,186	-	-
	Freight (note 4ii)	1,281,543	1,274,633	-	-
	Support services (note 4iII)	1,462,340	1,495,466	-	-
		--------------	--------------	--------------	--------------
		9,458,014	**10,548,984**	**5,314,436**	**6,289,699**
		========	========	========	========

4.3i Courier relates to the delivery of documents and parcels both locally and internationally

4.3ii Freight services is involved in clearing and forwarding of goods (importation and export services).

4.3iii. Support services relates to mail room management and other delivery services.

4.3iv. Logistics relates to services involving warehousing and chain distribution services.

		The Group		The Company	
		2021	**2020**	**2021**	**2020**
		N'000	**N'000**	**N'000**	**N'000**
5	**Other operating income**				
	Dividend from subsidiaries	-	-	194,121	76,061
	Sundry income (note5i)	27,195	114,758	16,329	19,185
	Profit on disposal of property, plant and equipment	16,686	157,406	1,137	233
	Exchange gain	31.003	-	33,464	-
		74,884	**272,164**	**245,051**	**95,479**

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

		The Group		The Company	
		2021	**2020**	**2021**	**2020**
		N'000	**N'000**	**N'000**	**N'000**
6	**Administrative expenses**				
	Amortisation of intangible assets	40,677	43,110	39,878	42,643
	Annual general meeting	7,877	6,835	2,370	3,722
	Audit fee	15,300	16,500	12,000	12,000
	Bank charges	31,230	29,003	22,407	21,334
	Communication and telephone	104,596	76,876	81,632	63,866
	Depreciation	163,419	94,006	45,769	46,354
	Employee benefits	397,013	432,037	347,535	392,691
	Exchange loss	-	19,201	-	19,201
	Insurance	75,501	73,388	29,965	30,999
	Hotel accommodation and entertainment	54,206	69,277	39,440	59,501
	Legal and professional charges	73,475	48,898	62,223	31,742
	Medical	96,664	89,844	29,882	27,113
	Newspaper and periodicals	2,187	2,049	1,566	1,602
	Power and water	146,819	147,132	119,816	122,329
	Printing and stationery	118,936	140,511	99,123	107,024
	Publicity and promotion	38,268	42,607	15,516	33,730
	Repairs and maintenance	415,360	436,026	122,912	154,545
	Security expenses	45,165	57,622	24,130	44,265
	Subscriptions and donations	61,228	65,215	40,971	54,317
	Training	32,350	47,443	29,267	41,869
	Transportation and travelling costs	54,886	66,289	47,607	55,833
	Write off of Property, plant and Equipment	-	6,936	-	6,936
	Lease modification	117	-	117	-
	Litigation expenses	5,725	-	5,725	-
		1,980,999	2,010,805	1,219,851	1,373,616

6 i Credit loss expense of financial assets

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

2021	**Group Stage 1 Collective N '000**	**Group Simplified Model N '000**	**Group Total N '000**	**Company Stage 1 Collective N '000**	**Company Simplified Model N '000**	**Company Total N '000**
Trade receivables	-	184,902	184,902	-	103,594	103,594
Intercompany receivables	-	-	-	(682)	-	(682)
Short term deposits	(10,655)	-	(10,655)	(10,546)	-	(10,546)
Other receivables	8,328	-	8,328	8,328	-	8,328
	(2,327)	**184,902**	**182,575**	**(2,900)**	**103,594**	**100,694**

6 i Credit loss expense of financial assets

2020	**Group Stage 1 Collective N '000**	**Group Simplified Model N '000**	**Group Total N '000**	**Company Stage 1 Collective N '000**	**Company Simplified Model N '000**	**Company Total N '000**
Trade receivables	-	143,817	143,817	-	105,859	105,859
Intercompany receivables	-	-	-	297	-	297
Short term deposits	9,853	-	9,853	9,648	-	9,648
	9,853	**143,817**	**153,670**	**9,945**	**105,859**	**115,804**

		The Group		The Company	
		2021	2020	2021	2020
		N '000	N '000	N '000	N '000
7.1	**Finance income**				
	Interest received from fixed deposit	12,625	17,785	12,036	13,122
		======	======	======	======
7.2	**Finance cost**				
	Interest expense on Lease liabilities	34,495	52,242	7,902	7,383
	Interest on term loan	6,392	8,254	-	-
		----------	----------	----------	--------
		40,887	60,496	7,902	7,383
		======	======	======	======
8	Profit before taxation was obtained after deducting:				
	Depreciation - Admin	163,419	94,006	45,769	46,354
	Depreciation Cost of sales	228,746	219,344	106,794	108,155
	Depreciation - right of use asset	140,645	128,913	39,545	11,646
	Amortization of intangible assets	40,677	43,110	39,878	42,643
	Audit fee	15,300	16,500	12,000	12,000
	Profit on disposal of property, plant and equipment	(16,686)	(157,406)	(1,137)	(233)
	Directors emoluments	56,318	45,971	56,318	45,971
	Exchange (gain)/loss	(31,003)	19,201	(33,464)	19,201
	Dividend received	-	-	(194,121)	(76,061)
		======	======	======	======

		The Group		The Company	
		2021	2020	2021	2020
		N '000	N '000	N '000	N '000
9	**Taxation**				
9.1	**Statement of Profit or loss**				
	Income taxation	97,402	230,234	33,004	165,380
	Education tax	15,520	24,809	6,577	14,851
	Back duty charge	-	38,807	-	38,807
	Nigerian Police trust fund levy	15	16	10	16
	Capital gain tax	1,914	15,717	-	-
		-----------	------------	------------	-----------
		114,851	309,583	39,591	219,054
	Deferred tax (credit)/expense	(44,124)	(28,492)	(85,955)	6,435
		-----------	------------	------------	-----------
		70,727	**281,091**	**(46,364)**	**225,489**
		======	=======	=======	======
9.2	**Statement of Financial Position**				
	At 1 April	332,141	290,759	233,936	222,894
	Current year tax provision	114,851	309,583	39,591	219,054
	Payment during the year	(53,712)	(37,029)	(20,696)	(18,094)
	Withholding tax credit utilized	(217,048)	(231,172)	(159,536)	(189,918)
		-----------	------------	------------	-----------
	At 31 March	**176,232**	**332,141**	**93,295**	**233,936**
		======	=======	=======	======

9.3 Reconciliation of income tax expense

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	N '000	**N '000**	**N '000**	**N '000**
Profit before tax	220,792	750,080	243,541	490,671
	======	======	======	=======
Nigeria's statutory income tax rate of 30%	66,238	225,024	73,062	147,201
Disallowable expenses*	117,190	80,664	51,898	52,916
Impact of non-taxable income**	(136,445)	(104,016)	(178,276)	(28,372)
Education tax	15,520	24,809	6,577	14,851
Back duty CIT charge	-	38,807	-	38,807
Capital gain tax	1,914	15,717	-	-
Balancing charge	6,295	70	365	70
Nigerian Police trust fund levy	15	16	10	16
	-----------	------------	------------	-------------
Income tax expense	70,727	281,091	(46,364)	225,489
	======	=======	======	=======
Effective tax rate	32%	37%	(19%)	46%

* Disallowable expenses include donations ,other government levies, lease modification etc which are to be added back in order to arrive to assessable profit which will be subjected to tax in line company income tax act .

** Impact of non-taxable income include dividend received, unreaslised exchange difference etc which are to be back out in order to arrive to assessable profit which will be subjected to tax in line company income tax act.

***During the 2021 financial reporting period it was discovered that capital allowance and deferred tax expense were disclosed as a separate line items in the tax reconciliation during the 2020 financial reporting period. A capital allowance amount of N141,979,000 and N57,458,000 as well deferred tax expense of N28,492,000 and N6,435,00 for the Group and the Company respectively were incorrectly recorded as a separate line items in the tax reconciliation. The correction of this resulted in the removal of the aforementioned amounts from as a separate line items in the tax reconciliation. The correct tax reconciliation now presented.

10. Earnings per share

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

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

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	N '000	**N '000**	**N '000**	**N '000**
Profit attributable to ordinary equity holders	150,065	468,989	289,905	265,182
	======	======	======	======
Weighted average number of ordinary shares for basic earnings per share	926,352	672,288	926,352	672,288
	======	======	======	======
Basic earnings per share	N0.16	N0.70	N0.31	N0.39
	======	======	======	======

The Group 31 March 2021

11. Property, plant and equipment

	Land	Building	Plant & Machinery	Motor Vehicles	Motor Cycle	Computer & Other IT Equipment	Furniture & Fittings	Capital-work-in-progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
COSTS									
At 1 April 2019	300,909	528,449	86,371	1,265,295	488,148	381,099	104,237	23,463	3,177,971
Additions	346,955	3,238	2,079	153,665	92,446	50,207	21,332	23,370	693,292
Disposals	(169,411)	(72,015)	(3,235)	-	(2,194)	-	-	-	(246,855)
Transfer	(22,932)	22,932	-	-	-	-	-	-	-
Transfer to right-of-use assets	(9,301)	-	-	(257,345)	-	-	-	-	(266,646)
Write off	(6,936)	-	-	-	-	-	-	-	(6,936)
At 31 March 2020	439,284	482,604	85,215	1,161,615	578,400	431,306	125,569	46,833	3,350,826
Additions	79,826	28,564	8,507	1,083,114	100,420	70,863	16,835	208,352	1,596,481
Disposals	-	-	(210)	(266,743)	(1,923)	(447)	-	-	(269,323)
Reclassification	-	-	-	48,300	(48,300)	-	-	-	-
At 31 March 2021	**519,110**	**511,168**	**93,512**	**2,026,286**	**628,597**	**501,722**	**142,404**	**255,185**	**4,677,984**
DEPRECIATION									
At 1 April 2019	-	127,213	66,800	787,659	447,104	287,482	72,761	-	1,789,019
Transfer to right-of-use assets	-	-	-	(102,857)	-	-	-	-	(102,857)
Charge for the year	-	14,856	10,577	169,190	60,450	45,989	12,288	-	313,350
Disposals	-	(6,583)	(3,235)	-	(2,194)	-	-	-	(12,012)
At 31 March 2020	**-**	**135,486**	**74,142**	**853,992**	**505,360**	**333,471**	**85,049**	**-**	**1,987,500**

The Group 31 March 2021

11. Property, plant and equipment

	Land	Building	Plant & Machinery	Motor Vehicles	Motor Cycle	Computer & Other IT Equipment	Furniture & Fittings	Capital-work-in-progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Reclassification	-	-	-	36,775	(36,775)	-	-	-	-
Charge for the year	-	13,971	8,487	232,532	70,360	53,096	13,719	-	392,165
Disposals	-	-	(210)	(249,556)	(1,923)	(447)	-	-	(252,136)
At 31 March 2021	**-**	**149,457**	**82,419**	**873,743**	**537,022**	**386,120**	**98,768**	**-**	**2,127,529**
NET BOOK VALUE									
At 31 March 2021	519,110	361,711	11,093	1,152,543	91,575	115,602	43,636	255,185	2,550,455
At 31 March 2020	**439,284**	**347,118**	**11,073**	**307,623**	**73,040**	**97,835**	**40,520**	**46,833**	**1,363,326**

There are no other contractual commitments in the acquisition of property, plant and equipment and no limitations in its realisability.
There was no interest capitalised as part of property, plant and equipment (PPE) during the year.
Motor vehicles were pledged as securities for liabilities during the year.

The Company 31 March 2021

11. Property, plant and equipment

	Land	Building	Plant & Machinery	Motor Vehicles	Motor Cycle	Computer & Other IT Equipment	Furniture & Fittings	Capital-work-in-progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
COSTS									
At 1 April 2019	223,513	343,029	77,997	322,306	105,863	364,009	64,665	15,406	1,516,788
Additions	5,000	3,238	2,079	82,168	15,822	47,199	15,008	1,927	172,441
Disposal	-	-	(3,235)	-	(2,194)	-	-	-	(5,429)
Transfer	(22,932)	22,932	-	-	-	-	-	-	-
Transfer to right-of-use assets	(9,301)	-	-	-	-	-	-	-	(9,301)
Write off	(6,936)	-	-	-	-	-	-	-	(6,936)
At 31 March 2020	189,344	369,199	76,841	404,474	119,491	411,208	79,673	17,333	1,667,563
Additions	25,000	-	3,777	127,235	52,018	67,216	16,025	198,803	490,074
Disposal	-	-	(210)	(22,221)	(1,923)	(447)	-	-	(24,801)
At 31 March 2021	**214,344**	**369,199**	**80,408**	**509,488**	**169,586**	**477,977**	**95,698**	**216,136**	**2,132,836**

The Company 31 March 2021

11. Property, plant and equipment

	Land	Building	Plant & Machinery	Motor Vehicles	Motor Cycle	Computer & Other IT Equipment	Furniture & Fittings	Capital-work-in-progress	Total
DEPRECIATION									
At 1 April 2019	-	99,326	58,973	255,583	89,577	279,286	42,187	-	824,932
Charge for the year	-	10,376	10,194	69,657	13,822	41,639	8,821	-	154,509
Disposal	-	-	(3,235)	-	(2,194)	-	-	-	(5,429)
At 31 March 2020	-	109,702	65,932	325,240	101,205	320,925	51,008	-	974,012
Charge for the year	-	10,387	8,200	52,082	22,433	48,579	10,882	-	152,563
Disposal	-	-	(210)	(21,723)	(1,923)	(447)	-	-	(24,303)
At 31 March 2021	**-**	**120,089**	**73,922**	**355,599**	**121,715**	**369,057**	**61,890**	**-**	**1,102,272**
Net Book Value									
At 31 March 2021	214,344	249,110	6,486	153,889	47,871	108,920	33,808	216,136	1,030,564
At 31 March 2020	**189,344**	**259,497**	**10,909**	**79,234**	**18,286**	**90,283**	**28,665**	**17,333**	**693,551**

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

There was no interest capitalised as part of property, plant and equipment (PPE) during the year.

No Property, plant and equipment was pledged as securities for liabilities during the year

12 Intangible assets

	GROUP	COMPANY
Cost:	**N'000**	**N'000**
At 1 April 2019	134,140	133,640
Additions	56,892	54,492
At 31 March 2020	191,032	188,132
Additions	24,621	24,621
At 31 March 2021	215,653	212,753
Amortization:		
At 1 April 2019	86,632	86,132
Charge for the year	43,110	42,643
At 31 March 2020	129,742	128,775
Charge for the year	40,677	39,878
At 31 March 2021	170,419	168,653
Net Book Value:		
At 31 March 2021	45,234	44,100
At 31 March 2020	**61,290**	**59,357**

The Group's intangible asset represents N215,653,000 investments on computer software and software licenses. This is being amortised to profit or loss over a period of three years. There is no further contractual commitment to acquire intangible assets as at 31 March 2021.

13 Prepayment The Group The Company

	2021	2020	2021	2020
	N'000	**N'000**	**N'000**	**N'000**
Current portion	275,260	114,751	105,791	108,628
Non-current portion	3,599	127,011	3,599	12,877
At 31 March	**278,859**	**241,762**	**109,390**	**121,505**
At 1 April	241,762	183,571	121,505	102,224
IFRS 16 transition	-	(9,500)	-	-
Addition	486,369	194,208	141,716	152,539
Utilised in the year	(449,272)	(126,517)	(153,831)	(133,258)
At 31 March	**278,859**	**241,762**	**109,390**	**121,505**

Prepayments are mainly attributable to short term leases, insurance and other prepaid charges during the year.

During 2021, N 89,094,378 and N 76,185,377 (2020: N 136,479,810.76 and N 107,869,810) were recognised as short term lease expense for the Group and the Company respectively. These are recognised in cost of sales.

		The Group		The Company	
		2021	2020	2021	2020
		N'000	N'000	N'000	N'000
14.1	Equity instrument at fair value through OCI At 1 April	395	535	395	535
	Fair value (loss)/gain	1,934	(140)	1,934	(140)
	At 31 March	2,329	395	2,329	395

* This represents Red Star Express Plc investments in shares of Neimeth International Pharmaceuticals Plc.

14.2 Investment in Subsidiaries

	The Group		The Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Investment in subsidiaries measured at costs:				
Investment in Red Star Freight Limited	-	-	354,000	100,000
Investment in Red Star Support Services Limited	-	-	49,065	49,065
Investment in Red Star Logistics Limited	-	-	750,000	225,000
	-	-	1,153,065	374,065

The Consolidated financial statement include:

			% equity interest	
Name	**Principal Activities**	**Country of Incorporation**	**2021**	**2020**
Red Star Freight Limited	Freight and custom clearance	Nigeria	100%	100%
Red Star Supports Services Limited	Mail management and despatch services	Nigeria	100%	100%
Red Star Logistics Limited	Haulage and warehousing services	Nigeria	100%	100%

		The Group		The Company	
		2021	**2020**	**2021**	**2020**
		N'000	**N'000**	**N'000**	**N'000**
15.1	**Deferred taxation**				
	At 1 April	181,922	172,274	94,955	50,380
	Tax for the year	(44,124)	(28,492)	(85,955)	6,435
	Tax expense during the period recognized in OCI	12,383	38,140	12,383	38,140
	At 31 March	**150,181**	**181,922**	**21,383**	**94,955**
15.2	Deferred tax relates to the following:				
	Accelerated depreciation for tax purposes	124,092	278,847	85,271	79,137
	Provision for defined benefit plan	(53,006)	14,177	(52,716)	23,800
	Impairment of financial assets	(36,371)	(65,248)	(44,103)	(45,960)
	Lease liabilities	(26,981)	(17,962)	(26,981)	(17,962)
	Exchange difference	8,615	(6,144)	8,615	(6,144)
	Property, plant & equipment	82,535	83,832	-	-
	Right of use assets	40,746	23,944	40,746	23,94
	Effect of actuarial assumptions Recorded in OCI	12,383	38,140	12,383	38,140
	Litigation expenses	(1,832)	-	(1,832)	-
	At 31 March	150,181	181,922	21,383	94,955
16	**Inventories**				
	Stationeries and packaging materials	42,448	31,791	35,792	25,163
	Fuel & Oil	17,406	10,832	12,433	10,832
	Spares	6,687	9,028	5,326	8,870
		66,541	**51,651**	**53,551**	**44,865**

During 2021, N719,450,328 and N250,743,680 (2020: N729,594,039 and N237,855,718) 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.

17 Trade and other receivables

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	N'000	**N'000**	**N'000**	**N'000**
Trade receivables	2,263,032	2,453,676	1,164,164	1,388,011
Related parties (note 25)	-	-	843,093	960,422
Other receivables (note 17.1)	1,118,005	1,102,138	376,436	407,942
	3,381,037	3,555,814	2,383,693	2,756,375
Allowance for expected credit losses:				
Trade receivable	(188,540)	(171,230)	(129,513)	(123,482)
Related parties	-	-	(8,306)	(8,988)
	3,192,497	3,384,584	2,245,874	2,623,905

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 is as follows:

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	.'000	**.'000**	**.'000**	**.'000**
As at 1 April	171,230	203,557	123,482	122,979
Provision for expected credit losses	184,902	143,817	103,594	105,859
Write off	(167,126)	(160,030)	(97,097)	(89,242)
Unused amount reversed	(466)	(16,114)	(466)	(16,114)
As at 31 March	188,540	171,230	129,513	123,482

Grading system for trade receivables and receivables from related companies, and recognition of their Gross Carrying Amount and Expected Credit Losses are included under Credit Risk Note 31

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	N'000	**N'000**	**N'000**	**N'000**
17.1 Other receivables				
Withholding tax	874,196	847,283	238,610	254,426
Staff advances	58,244	70,069	43,862	54,900
Interest receivable	-	989	-	989
Other staff and operational advances*	217,063	206,967	123,620	118,955
ECL on other receivables**	(31,498)	(23,170)	(29,656)	(21,328)
	1,118,005	**1,102,138**	**376,436**	**407,942**

*These are advances to staff in the ordinary course of business operation, which are yet to be retired as at the end of the year.
**Increase in ECL was due to an increase in Other staff and operational advances in the year.

		The Group		The Company	
		2021	2020	2021	2020
		N'000	N'000	N'000	N'000
18	**Cash and bank balances**				
	Cash balances	2,944	947	1,870	687
	Cash -in- transit	41,128	36,380	37,570	34,248
	Bank balances	763,397	285,523	626,766	181,467
	Short term deposit	148,274	1,513,759	58,081	1,438,270
	Expected credit losses on short term deposit	(777)	(11,432)	(607)	(11,153)
		954,966	1,825,177	723,680	1,643,519

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 above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year

(i) Reconciliation to statement of cash flow
The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

Cash and short-term deposits	955,743	1,836,609	724,287	1,654,672

		The Group		The Company	
		2021	2020	2021	2020
		N'000	N'000	N'000	N'000
19	**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:				
	At 1 April	463,176	294,748	463,176	294,748
	Right issue of 336,855,291 ordinary shares of 50 kobo each	-	168,428	-	168,428
	At 31 March	**463,176**	**463,176**	**463,176**	**463,176**

At the Board of Directors' meeting held on 21 January 2020, the Board passed a resolution to raise additional capital through right issue through creation of additional 336,855,291 ordinary shares of 50 kobo each issued at N4 per share.

	The Group		The Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
20. Share premium				
At 1 April	1,437,001	296,433	1,437,001	296,433
Right issue of 336,855,291 ordinary shares of 3.5 Naira per share	-	1,178,994	-	1,178,994
Transaction cost on right issue	-	(38,426)	-	(38,426)
At 31 March	**1,437,001**	**1,437,001**	**1,437,001**	**1,437,001**

21 Lease liabilities

i) Movement in total Lease Liability/obligation during the year are as follows:

	The Group		The Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
At 1 April	249,366	-	56,131	-
IFRS 16 transition	-	170,516	-	46,199
Addition	41,284	202,548	41,284	2,549
Lease modification	8,885	-	8,885	-
Accretion of interest	34,495	52,242	7,902	7,383
Payments of principal	(126,357)	(131,081)	(29,236)	-
Interest paid	(27,244)	(44,859)	(651)	-
At 31 March	**180,429**	**249,366**	**84,315**	**56,131**

	The Group		The Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Long-term	56,793	126,891	56,793	40,536
Short-term	123,636	122,475	27,522	15,595
Total	**180,429**	**249,366**	**84,315**	**56,131**

21 Group as a Lessee

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	The Group				
	Land	**Office Building**	**Warehouse**	**Motor vehicles**	**Total**
Costs:	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
At 1 April 2019	46,199	-	9,500	-	55,699
Transfer from property, plant and equipment	9,301	-	-	257,345	266,646
Additions	-	34,970	-	199,999	234,969
At 31 March 2020	55,500	34,970	9,500	457,344	557,314
Additions	44,608	38,674	-	6,485	89,767
Lease modification	8,769	-	-	-	8,769
At 31 March 2021	108,877	73,644	9,500	463,829	655,850
Accumulated depreciation:					
Transfer from property, plant and equipment	-	-	-	102,857	102,857
Depreciation charge for the year	3,684	9,462	6,167	109,600	128,913
At 31 March 2020	3,684	9,462	6,167	212,457	231,770
Depreciation charge for the year	12,119	29,426	3,333	95,767	140,645
At 31 March 2021	15,803	38,888	9,500	308,224	372,415
Net book value:					
At 31 March 2021	93,074	34,756	-	155,605	283,435
At 31 March 2020	**51,816**	**25,508**	**3,333**	**244,887**	**325,544**

	The Company		
	Land	**Office Building**	**Total**
Costs:	**N'000**	**N'000**	**N'000**
At 1 April 2019	46,199	-	46,199
Transfer from property, plant and equipment	9,301	-	9,301
Additions	-	30,970	30,970
At 31 March 2020	55,500	30,970	86,470
Additions	44,608	38,674	83,282
Lease modification	8,769	-	8,769
At 31 March 2021	**108,877**	**69,644**	**178,521**

	The Company		
	Land	Office Building	Total
Accumulated depreciation:	**N'000**	**N'000**	**N'000**
Depreciation charge for the year	3,684	7,962	11,646
At 31 March 2020	3,684	7,962	11,646
Depreciation charge for the year	12,119	27,426	39,545
At 31 March 2021	**15,803**	**35,388**	**51,191**
Net book value:			
At 31 March 2021	93,074	34,256	127,330
At 31 March 2020	**51,816**	**23,008**	**74,824**

22. Interest bearing loans and borrowings

Interest bearing loans and borrowings background

Loan 1

The Group entered into a term loan agreement with Financial Derivative Company Limited who granted a loan of N 100,000,000 on August 26, 2019 to finance Azman Airline cargo sales. The duration of the loan is for 12 months with an interest rate of 17.5%. The loan is secured by the lodgment of post-dated cheques and the residual value of the following vehicles under the following lease agreements:

i) Lease agreement dated on October 7, 2016
ii) Lease agreement dated on August 3, 2017

Loan 2

On November 20, 2020 the Group entered into additional term loan agreement with Financial Derivative Company Limited of N 500,000,000 to finance purchase of 15 (fifteen) operational trucks to supply 40 tons of flour each to Crown Flour Mill. The duration of the loan is for 48 months with an interest rate of 13%. The loan is secured by the Financial Derivative Company Limited ownership of the trucks.

22 Interest bearing loans and borrowings- Continued The movement in total borrowings during the period is as follows:

	The Group	
	2021	2020
	N'000	N'000
At 1 April	44,245	-
Addition	500,000	100,000
Interest accrued	6,392	8,254
Payment of principal	(59,867)	(55,755)
Repayment of interest during the year	(6,392)	(8,254)
At 31 March	**484,378**	**44,245**
Long-term	379,805	-
Short-term	104,573	44,245
	484,378	**44,245**

23.1 Post-employment Benefits

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 on a monthly basis over the employees' period of service.

The asset of the plan is held in a separate fund administered by the Trustee to meet the long term gratuity liabilities of retired employees. The Trustee is required to act in the best interest of the beneficiary. The Trustee which is appointed by the Board is responsible for preparing 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	2021	2020	Nature
			Buildings
Investment Property	95,781,088	98,008,555	(Unquoted)
Investment in Shares	3,440,060	2,993,182	Quoted
FGN Bond	585,451,631	547,354,297	Quoted
Bank deposits	12,028,960	55,118,848	Quoted
Cash and Bank	92,760,699	26,158,253	Unquoted
Others*	109,263,967	115,348,504	Unquoted
Total	**898,726,405**	**844,981,639**	

*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:

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Present value of Defined benefit obligation	(733,988)	(770,993)	(733,988)	(770,607)
Fair value of plan assets	898,726	844,981	898,726	844,981
Net employee defined benefit	**164,738**	**73,988**	**164,738**	**74,374**

23.2 2021 changes defined benefit obligation

Group

	Pension obligation charged to profit or loss					Re-measurement (gains)/losses in other comprehensive income					
	1-Apr-20 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 indemographic assumptions N'000	Actuarial changes arising from changes in financial assumptions N'000	Experience adjustments N'000	Sub-total included in OCI N'000	Contribution by employer N'000	31-March 2021 N'000
Defined benefit obligation	(770,993)	(26,153)	(45,339)	(71,492)	43,053	-	65,444	-	65,444		(733,988)
Fair value of plan assets	844,981	-	99,709	99,709	(43,053)	-	-	(24,167)	(24,167)	21,256	898,726
Benefit liability	73,988	(26,153)	54,370	28,217	-	-	65,444	(24,167)	41,277	21,256	164,738

Company

	Pension obligation charged to profit or loss					Re-measurement (gains)/losses in other comprehensive income					
	1-Apr-20 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 indemographic assumptions N'000	Actuarial changes arising from changes in financial assumptions N'000	Experience adjustments N'000	Sub-total included in OCI N'000	Contribution by employer N'000	31-March 2021 N'000
Defined benefit obligation	(770,607)	(26,153)	(45,726)	(71,879)	43,053	-	65,444	-	65,444		(733,988)
Fair value of plan assets	844,981	-	99,709	99,709	(43,053)	-	-	(24,167)	(24,167)	21,256	898,726
Benefit liability	73,374	(26,153)	53,983	27,830	-	-	65,444	(24,167)	41,277	21,256	164,738

Group

2020 changes defined benefit obligation

	Pension obligation charged to profit or loss					Re-measurement (gains)/losses in other comprehensive income					
	1-Apr-19 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 indemographic assumptions N'000	Actuarial changes arising from changes in financial assumptions N'000	Experience adjustments N'000	Sub-total included in OCI N'000	Contribution by employer N'000	31 March 2020 N'000
Defined benefit obligation	(771,628)	(90,827)	(120,467)	(209,709)	27,998	-	183,931	-	183,931		(770,993)
Fair value of plan assets	725,292	-	109,848	109,848	(26,413)	-	-	(56,796)	(56,796)	93,050	844,981
Benefit liability	(44,336)	(90,827)	(10,619)	(99,861)	1,585	-	183,931	(56,796)	127,135	93,050	73,988

Company

2020 changes defined benefit obligation

	Pension obligation charged to profit or loss					Re-measurement (gains)/losses in other comprehensive income					
	1-Apr-19 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 indemographic assumptions N'000	Actuarial changes arising from changes in financial assumptions N'000	Experience adjustments N'000	Sub-total included in OCI N'000	Contribution by employer N'000	31 March 2020 N'000
Defined benefit obligation	(769,657)	(90,827)	(120,467)	(211,294)	26,413	-	183,931	-	183,931		(770,607)
Fair value of plan assets	725,292	-	109,848	109,848	(26,413)	-	-	(56,796)	(56,796)	93,050	844,981
Benefit liability	(44,365)	(90,827)	(10,619)	(101,446)	-	-	183,931	(56,796)	127,135	93,050	74,374

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

	2021	2020
	%	%
Discount rate	11.8	13
Future salary increases	10	5
Mortality rate	11.2	9

	Future salary increases		Discount rate		Mortality rate	
Sensitivity level	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**	**1 year improvement**	**1 year deterioration**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
2021						
Impact on defined benefit obligation	68,087	(82,781)	64,885	(228,847)	744	(132,804)
2020						
Impact on defined benefit obligation	45,108	(52,516)	43,269	(51,002)	(12,907)	12,451

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:

	2021	2020
	N'000	**N'000**
Within the next 12 months (next annual reporting period)	223,525	61,629
Between 2 and 5 years	919,128	346,518
Between 5 and 10 years	1,190,261	1,007,688
Beyond 10 years	1,931,804	1,661,227
Total expected payments	**4,264,718**	**3,077,062**

The average duration of the defined benefit obligation at the end of the reporting period is 19.7 years (2020: 18.06years).

		The Group		The Company	
		2021	**2020**	**2021**	**2020**
		N'000	**N'000**	**N'000**	**N'000**
24.	Trade and other payables				
	Trade Creditors	763,366	858,478	763,368	858,242
	Other Creditors and accruals (Note 24.1)	1,551,519	1,285,286	1,133,626	937,862
	Related parties (Note 25)	-	-	87,935	55,045
		2,314,885	**2,143,764**	**1,984,929**	**1,851,149**

	The Group 2021 N'000	The Group 2020 N'000	The Company 2021 N'000	The Company 2020 N'000
24.1 Other creditors and accruals				
Accruals	414,153	355,886	281,457	243,659
Agent clearing charges	466,133	343,868	462,140	340,986
Witholding tax	110,985	86,948	96,378	71,808
Value Added Tax	279,690	253,908	78,663	127,354
Staff pension (note 24.2)	33,297	56,520	4,998	5,433
Unclaimed dividend (Note 27)	151,190	130,794	151,190	130,794
Sundry payables	70,746	57,362	33,475	17,828
Legal and Litigation expenses	25,325	-	25,325	-
	1,551,519	1,285,286	1,133,626	937,862

The accruals relate to provision for bonus expenses and commission.
Sundry payables relates to statutory payables and salary payables

	The Group 2021 N'000	The Group 2020 N'000	The Company 2021 N'000	The Company 2020 N'000
24.2 Staff pension				
At 1 April	56,520	36,595	5,433	4,772
Provision for the year	160,968	183,901	57,260	74,553
	217,488	220,496	62,693	79,325
Payment during the year	(184,191)	(163,976)	(57,695)	(73,892)
At 31 March	**33,297**	**56,520**	**4,998**	**5,433**

*The Group's defined contribution pension plans is part of salary plan for the employees of Red Star Express Plc and its subsidiaries, in line with the provisions of the Pension Act 2004, which requires contributions to be made to an administrator.

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 2021, the company has recorded impairment of receivables relating to amounts owed by related parties. See note 6i.

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.

Company	Nature of transaction	Transaction value 2021 N'000	Balance receivable/ (payable) 2020 N'000	Transaction value 2021 N'000	Balance receivable/ (payable) 2020 N'000
Related Companies:					
Red Star Freight Ltd	Freight and custom clearance.	122,730	290,492	1,330,309	361,170
Red Star Logistics Ltd	Haulage and warehousing services	457,711	552,601	1,027,381	599,252
			843,093		960,422
Red Star Support Services Ltd	Mail management and despatch services	121,556	(87,935)	1,289,760	(55,045)

26.1 Reconciliation of net profit to cash from operating activities

	The Group		The Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Profit before taxation	220,792	750,080	243,540	490,671
Adjustment to reconcile net income to net cash provided by operating activities:				
Depreciation of property, plant& equipment	392,165	313,350	152,563	154,509
Depreciation of ROU assets	140,645	128,913	39,545	11,646
Amortisation of intangible assets	40,677	43,110	39,878	42,643
Long term prepayment utilized (Note 13)	449,272	126,517	153,831	133,258
Profit on disposal of fixed assets (Note 5)	(16,686)	(157,406)	(1,137)	(233)
Write off of property, plant and equipment	-	6,936	-	6,936
Finance cost (Note 7.2)	40,887	60,496	7,902	7,383
Finance income (Note 7.1)	(12,625)	(17,785)	(12,036)	(13,122)
Expected Credit losses on financial assets	182,575	153,670	100,694	115,804
Exchange difference	(31,003)	19,201	(33,464)	19,201
Dividend income	-	-	(194,121)	(76,061)
Service cost	26,153	90,827	26,153	90,827
Net interest(income)/ expense (Note 23)	(54,370)	10,619	(53,983)	10,619
Lease modification	117	-	117	-
Changes in assets and liabilities:				
(Increase)/decrease in inventories	(14,890)	(750)	(8,686)	1,973
(Increase)/decrease in trade and other receivables	(218,191)	(405,343)	107,254	(199,802)
Increase/(decrease) in trade and other payables	141,883	(66,735)	104,542	(204,651)
Decrease in employee benefits	(21,256)	(94,635)	(21,256)	(93,050)
	1,266,145	961,063	651,337	498,551
Tax Paid	(53,712)	(37,029)	(20,696)	(18,094)
Cash flow from long term Prepayment (Note 13)	(486,369)	(194,208)	(141,716)	(152,539)
Net cash flow from operating Activities	726,064	729,826	488,925	327,918

26.2 Reconciliation of financing activities

During the 2021 financial reporting period it was discovered that proceeds from lease obligations were incorrectly recorded in the consolidated and separate statement of cash flows during the 2020 financial reporting period. A non- cash amount of N202,548,000 for the Group and an amount of N2,549,000 for the Company was incorrectly recorded as a cash flow under financing activities as Proceeds from Lease obligation and as a Purchase of Property, Plant and Equipment under investing activities.

The correction of this resulted in the removal of the aforementioned amounts from the statement of cash flows. The correct cash flow that is now presented is the Payment of principal -lease obligation under financing activities.

Furthermore, it was also discovered that non-cash amounts of N202,54800 for the Group and N2,549,000 for the Company were incorrectly included in the Additions to right of use assets under investing activities in the 2020 financial reporting period. The correction of this results in the removal of the aforementioned amounts from the statement of cash flows.

27. Dividend distributions made and proposed

	2021 N'000	2020 N'000
At 1 April	130,794	97,063
Final dividend proposed	324,223	253,484
Withholding tax	(32,422)	(25,348)
Unclaimed dividend returned by the Registrars 25,820	36,668	
	448,415	**361,867**
Dividend paid during the year	(291,801)	(228,136)
Payment from unclaimed dividend	(5,424)	(2,937)
Total Dividend Payments	(297,225)	(231,073)
At 31 March	**151,190**	**130,794**

28. Compensation paid of key management personnel:

Directors	**The Group**		**The Company**	
	2021 **N'000**	**2020** **N'000**	**2021** **N'000**	**2020** **N'000**
Remuneration paid to the Directors was:				
Short-term employee benefit				
Director fees	5,375	5,375	5,375	5,375
Directors Sitting Allowance	11,670	2,390	11,670	2,390
Executive compensation	9,804	8,616	9,804	8,616
Other Directors benefits	29,469	29,590	29,469	29,590
Short term employee benefits	56,318	45,971	56,318	45,971
Post-employment benefit	-	-	-	-
Total compensation	56,318	45,971	56,318	45,971

Fees and other emoluments disclosed above include amounts paid to:

	2021 N'000	2020 N'000
The Chairman	3,125	2,875
The highest paid Director	14,148	16,555

The number of Directors who received fees and other emoluments in the following ranges were:	**Number**	**Number**	**Number**	**Number**
Below N1,000,000				
N 1,000,000 - N 2,000,000	-	-	-	-
N 2,000,001 - N 3,000,000	3	3	3	3
N 3,000,001 and above	5	5	5	5
Total	8	8	8	8

29. Staff number and higher paid employees

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

	The Group		The Company	
	2021	2020	2021	2020
	Number	Number	Number	Number
Managerial	5	5	3	3
Senior	43	46	24	26
Supervisors	279	218	76	83
Junior	1,610	1,607	176	174
	---------	---------	------	------
	1,937	1,876	279	286
	=====	=====	===	===

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

	The Group		The Company	
	2021	2020	2021	2020
	Number	Number	Number	Number
N140,001 - N210,000	1,506	1,451	169	184
N210,001 - N360,000	400	396	80	74
N360,001 - N900,000	20	18	22	20
N900,001 - N1,700,000	8	8	5	5
N1,700,001 - N2,011,000	3	3	3	3
	---------	----------	------	-------
	1,937	1,876	279	286
	=====	=====	===	===

30(a) Segment information

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

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

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

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

Segment statement of comprehensive income	Courier		Freight		Logistics		Support services		Group elimination adjustments		Group	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000	2021 N'000	2020 N'000	2021 N'000	2020 N'000	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Revenue (External customer)	5,314,436	6,289,699	1,281,544	1,274,634	1,399,695	1,489,187	1,462,339	1,495,464	-	-	9,458,014	10,548,984
Finance income	12,036	13,120	306	-	283	4,663	-	-	-	-	12,625	17,785
Cost of sales	(3,999,535)	(4,410,826)	(1,107,247)	(1,127,342)	(1,153,792)	(1,317,505)	(1,257,659)	(1,316,798)	397,963	308,589	(7,120,270)	(7,863,882)
Other Income	245,051	95,479	-	399	13,318	238,075	10,907	14,273	(194,392)	(76,062)	74,884	272,164
Admin expenses and ECL	(1,320,545)	(1,489,420)	(101,981)	(88,956)	(212,112)	(146,458)	(130,568)	(130,125)	(398,368)	(309,516)	(2,163,574)	(2,164,475)
Finance Cost	(7,902)	(7,383)	(1,934)	(8,254)	(29,189)	(36,067)	(1,862)	(8,792)	-	-	(40,887)	(60,496)
Profit before taxation	243,541	490,671	70,688	50,481	18,203	231,895	83,157	54,022	(194,797)	(76,989)	220,792	750,080
Taxation	46,364	(225,489)	(39,903)	(10,254)	(45,697)	(15,728)	(31,491)	(29,620)	-	-	(70,727)	(281,091)
Profit after taxation	289,905	265,182	30,785	40,227	(27,494)	216,167	51,666	24,402	(194,797)	(76,989)	150,065	468,989

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

Segment statement of comprehensive income	Courier		Freight		Logistics		Support services		Group elimination adjustments		Group	
	2021 N'000	**2020 N'000**	**2021 N'000**	**2020 N'000**	**2021 N'000**	**2020 N'000**	**2021 N'000**	**2020 N'000**	**2021 N'000**	**2020 N'000**	**2021 N'000**	**2020 N'000**
Total Non-current assets	2,525,725	1,289,443	181,882	31,750	1,351,805	731,684	143,444	158,990	(1,153,066)	(260,313)	3,049,790	1,951,554
Current assets	3,128,896	4,420,917	420,369	319,406	659,042	449,752	360,583	346,276	(79,626)	(160,188)	4,489,264	5,376,163
Total assets	**5,654,621**	**5,710,360**	**602,251**	**351,156**	**2,010,847**	**1,181,436**	**504,027**	**505,266**	**(1,232,692)**	**(420,501)**	**7,539,054**	**7,327,717**
Ordinary share capital	463,176	463,176	354,000	100,000	750,000	225,000	49,065	49,065	(1,153,065)	(374,065)	463,176	463,176
Share premium	1,437,001	1,437,001	-	-	-	-	-	-	-	-	1,437,001	1,437,001
Retained \earnings	1,568,728	1,574,152	132,474	129,491	303,135	480,077	320,860	352,725	5,781	6,454	2,330,978	2,476,242
Fair value of equity instrument designated at FVOCI	1,794	(140)	-	-	-	-	-	-	-	-	1,794	(140)
Non-current liabilities	78,176	135,491	23,784	41,816	671,105	242,910	11,868	19,838	(198,154)	(148,593)	586,779	308,813
Current liabilities	2,105,746	2,100,680	91,993	79,849	286,607	233,449	122,234	82,435	112,746	95,703	2,719,326	2,642,625
Total equity and liabilities	**5,654,621**	**5,710,360**	**602,251**	**351,156**	**2,010,847**	**1,181,436**	**504,027**	**505,266**	**(1,232,692)**	**(420,501)**	**7,539,054**	**7,327,717**

30 (b) Geographical Area - Revenues are earned locally in Nigeria and other West Africa countries.

30 (c) Major Customers – The Group's major customers are Corporate bodies and organisations in Nigeria, some of them include Nestle Nigeria, Caverton Helicopters, Guaranty Trust Bank Plc, Stanbic IBTC Holdings, WorldWide Health Care Ltd, Air Peace Nigeria and Access Bank Plc etc.

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 lease liabilities, trade and other payables and borrowings. 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 17. The Group does not hold collateral as security.

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 Finance Director periodically and may be updated throughout the year subject to approval of the Finance Director. 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.

The Group analyses publicly available information such as financial information and other external data e.g. the rating of Good Rating Agency, or assign internal rating as shown in the table below:

Impairment losses

Nigeria Mapping Table

Global-scale Long term local Currency categories	National scale long-term rating	National scale short term rating	Agusto rating	Implied S&P rating rating	Implied S&P rating class
BB+ and above	ngAAA	ngA-1	AAA	B	B+
BB	ngAA+	ngA-1	AA	B	B
BB-	ngAA,ngAA-	ngA-1	AA	B	B
B+	ngA+,ngA,ngA-	ngA-1,ngA-2 A	B	B	
B	ngBBB+,ngBBB,ngBBB	ngA-2,ngA-3	BBB	B	B-
B-	ngBB+,	ngBB	ngB	BB	B B-
CCC+	ngBB-,ngB+	ngB	B	CCC	CCC+
CCC	ngB,ngB-,ngCCC+	ngC	B	CCC	CCC
CCC	ngCCC,ngCCC-	ngC	CCC	CCC	CCC-
CC	ngCC	ngC	CC	CC	CC
C	ngC	ngC	C	C	C
R	R	R	D	D	D
SD	SD	SD	D	D	D
D	D	D	D	D	

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.

Effect of COVID-19 on ECL model

The Group and Company considered the effect of COVID-19 on the ECL model

Forward looking information:
In incorporating the effect of COVID-19, changes in economic conditions have been reflected in macroeconomic scenarios applied by the Group. It has been over 12 months since the outbreak of the pandemic in Nigeria and the effect of this pandemic has been captured in the historical macroeconomic variables such as crude oil prices and inflation rate. The effect has also been considered by analysts in estimating forecasts of macroeconomic variables that were derived and used in computing the logistic regression multipliers.

Scenario weights:
The Group has considered the effect of COVID-19 on the inflation rate for available quarters in 2021 (which is a major determinant of the performance of the economy) while estimating the economic scenarios (base case, best case and worst case). This has led to a more conservative weightings assigned to the upturn scenario when compared with the prior year.

Staging:
Based on the effect of COVID, the Group and Company assessed whether there was a significant increase in the credit risk of its customers, however the repayment pattern were not impacted as a result of COVID and as such there was no override done with respect to the days past due on the different facilities.

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	N'000	**N'000**	**N'000**	**N'000**
Gross carrying amount for trade receivables				
Gross carrying amount as at 1-Apr	2,453,676	2,562,768	1,388,011	1,520,780
New assets originated or purchased	2,430,158	2,613,706	1,261,261	1,477,253
Assets derecognised or repaid	(2,453,676)	(2,562,768)	(1,388,011)	(1,520,780)
(excluding write offs) Asset written off	(167,126)	(160,030)	(97,097)	(89,242)
	2,263,032	**2,453,676**	**1,164,164**	**1,388,011**

Other receivables

	Group		Company	
	2021	**2020**	**2021**	**2020**
	N'000	**N'000**	**N'000**	**N'000**
Gross carrying amount Gross carrying amount as at 1-Apr	278,025	279,243	174,844	157,630
New assets originated or purchased	275,307	278,025	167,482	174,844
Assets derecognised or repaid	(278,025)	(279,243)	(174,844)	(1,520,780)
	275,307	**278,025**	**167,482**	**174,844**

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

	The Group		The Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
As at 1 April	23,170	23,170	21,328	21,328
Provision for expected credit losses	8	-	8,328	-
As at 31 March	31,498	23,170	29,656	21,328

Intercompany receivables
The significant changes in the balances of Intercompany receivables are disclosed in Note 17 while the information about the credit exposures are disclosed in Note 17.

	Company	
	2021	2020
	N'000	N'000
Internal grading system		
Standard grade	843,093	960,422
	843,093	960,422

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

	Company	
	2021	2020
Gross carrying amount for Intercompany Receivables	N'000	N'000
Gross carrying amount as at 1 April	960,422	910,628
New assets originated or purchased	843,093	960,422
Assets derecognised or repaid (excluding write offs)	(960,422)	(910,628)
	843,093	960,422

	2021	2020
	Stage 1	Stage 1
	N'000	N'000
ECL allowance as at 1 April	8,988	8,692
New asset purchased	8,306	8,988
Asset derecognised or repaid (excluding write offs)	(8,988)	(8,692)
At 31 March	**8,306**	**8,988**

Bank balances

An analysis of the gross carrying amount of bank balances is as follows:

	Group	Company		
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
External grading system Standard grade	763,397	285,523	626,766	181,467
	763,397	285,523	626,766	181,467

An analysis of changes in the carryin g amount is as follows:

	Group		Company	
	2021	2020	2021	2020
Gross carrying amount for bank balances	Stage 1 Collective	Stage 1 Collective	Stage 1 Collective	Stage 1 Collective
	N'000	N'000	N'000	N'000
Gross carrying amount as at 1 April	285,523	308,788	181,467	223,703
New assets originated or purchased	763,397	285,523	626,766	181,467
Assets derecognised or repaid (excluding write offs)	(285,523)	(308,788)	(181,467)	(223,703)
	763,397	**285,523**	**626,766**	**181,467**

Short term deposits

An analysis of the gross carrying amount of short-term deposit is as follows:

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
External grading system Standard grade	148,274	1,513,759	58,081	1,438,270
	148,274	**1,513,759**	**58,081**	**1,438,270**

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

	Group		Company	
	2021	2020	2021	2020
Gross carrying amount for short term deposits	Stage 1 Collective	Stage 1 Collective	Stage 1 Collective	Stage 1 Collective
	N'000	N'000	N'000	N'000
Gross carrying amount as at 1 April	1,513,759	172,397	1,438,270	132,397
New assets originated or purchased	148,274	1,513,759	58,081	1,438,270
Assets derecognised or repaid (excluding write offs)	(1,513,759)	(172,397)	(1,438,270)	(132,397)
	148,274	**1,513,759**	**58,081**	**1,438,270**

	Group		Company	
	2021	2020	2021	2020
	Stage 1	Stage 1	Stage 1	Stage 1
	N'000	N'000	N'000	N'000
ECL allowance as at 1 April	11,432	1,579	11,153	1,505
New asset purchased	777	11,432	607	11,153
Asset derecognised or repaid (excluding write offs)	(11,432)	(1,579)	(11,153)	(1,505)
At 31 March	777	11,432	607	11,153

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 using a provision matrix:

Group

31 March 2021	Current	0-90 days N'000	91-180 days N'000	180-270 days N'000	271-360 days N'000	Credit impaired N'000	Total N'000
Expected credit loss rate	0.59%	0.58%	0.58%	0.58%	0.58%	100.00%	
Estimated total gross carrying amount at default	828,096	520,231	302,588	53,043	382,665	176,409	2,263,032
Expected credit loss	4,831	3,034	1,764	309	2,193	176,409	188,540

1 April 2020	Current	0-90 days N'000	91-180 days N'000	180-270 days N'000	271-360 days N'000	Credit impaired N'000	Total N'000
Expected credit loss rate	1.71%	1.50%	1.22%	1.58%	2.01%	100.00%	
Estimated total gross carrying amount at default	1,183,076	320,865	452,891	100,568	262,543	133,733	2,453,676
Expected credit loss	20,281	4,806	5,539	1,588	5,283	133,732	171,230

Company

31 March 2021	Current	0-90 days N'000	91-180 days N'000	180-270 days N'000	271-360 days N'000	Credit impaired N'000	Total N'000
Expected credit loss rate	0.58%	0.58%	0.58%	0.58%	0.58%	100.00%	
Estimated total gross carrying amount at default	371,717	286,826	79,605	38,058	264,476	123,482	1,164,164
Expected credit loss	2,168	1,673	464	222	1,504	123,482	129,513

	Current	0-90 days N'000	91-180 days N'000	180-270 days N'000	271-360 days N'000	Credit impaired N'000	Total N'000
Expected credit loss rate	2.12%	2.12%	2.12%	2.12%	2.12%	100.00%	
Estimated total gross carrying amount at default	737,933	152,324	108,998	54,655	237,949	96,152	1,388,011
Expected credit loss	15,611	3,222	2,306	1,156	5,035	96,152	123,482

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:

		Group				Company	
31 March 2021	**Short term deposits**	**Other receivables**	**Total**	**Short term deposits**	**Inter company receivables**	**Other receivables**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Upside (11.67%)	91	3,675	3,766	71	969	3,460	4,500
Base (70%)	544	22,049	22,593	425	5,814	20,759	26,998
Downturn(18.33%)	142	5,774	5,916	111	1,523	5,437	7,070
Total	**777**	**31,498**	**32,275**	**607**	**8,306**	**29,656**	**38,568**

1 April 2020

		Group				Company	
	Short term deposits	**Other receivables**	**Total**	**Short term deposits**	**Inter company receivables**	**Other receivables**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Upside (10%)	1,163	2,356	3,519	1,134	914	2,169	4,217
Base (77%)	8,914	18,066	26,980	8,696	7,008	16,629	32,333
Downturn(11%)	1,355	2,748	4,103	1,323	1,066	2,530	4,919
Total	**11,432**	**23,170**	**34,602**	**11,153**	**8,988**	**21,328**	**41,469**

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 3. 2 Summary of significant accounting policies and in Note 2.3.2 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 2021 and 31 March 2020.

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
31 March, 2021

Key drivers EDTF 3	**ECL**				
	Scenario	**2021**	**2022**	**2023**	**Subsequent years**
GDP growth%	Upturn	0.32	0.35	0.38	0.41
	Base	0.15	0.16	0.14	0.15
	Downturn	0.08	0.05	0.02	-0.01
Oil Price	Upturn	62.00	65.00	68.00	71.00
	Base	62.00	54.00	56.00	57.00
	Downturn	38.00	35.00	32.00	29.00
Inflation rate %	Upturn	22.00	20.00	18.00	16.00
	Base	33.00	34.00	35.00	36.00
	Downturn	38.00	40.00	42.00	44.00

Group and Company
1 April, 2020

Key drivers EDTF 3	**ECL**					
	Scenario	**2020**	**2021**	**2022**	**2023**	**Subsequent years**
GDP growth	Upturn	0.29	0.32	0.35	0.38	0.41
	Base	19.00	0.15	0.16	0.14	0.15
	Downturn	0.11	0.08	0.05	0.02	-0.01
Oil Price	Upturn	59.00	62.00	65.00	68.00	71.00
	Base	57.00	62.00	54.00	56.00	57.00
	Downturn	41.00	38.00	35.00	32.00	29.00
Inflation rate %	Upturn	24.00	22.00	20.00	18.00	16.00
	Base	32.00	33.00	34.00	35.00	36.00
	Downturn	36.00	38.00	40.00	42.00	44.00

*The base case scenario is based on macroeconomic forecasts published by relevant agencies while the upturn and downturn scenarios vary based on reasonably possible alternative macroeconomic conditions. Upturn represents an optimistic estimate of the relative likelihood of the range of outcomes that each scenario represents while downturn represents a pessimistic estimate.

(a) Trade and other 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 2021, the Group had 236 customers (2020: 235 customers) that owed the Group more than N1,000,000 each and accounted for approximately 78% (2020: 73%) of all receivables.

There were 35 customers (2020: 21 customers) with balances greater than N10 million accounting for over 42% (2020: 35%) of the total amounts' receivable.

The entity has adopted a policy of only dealing with credit worthy counterparties 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.

Red Star Express maximum exposure to credit risk for the components of the statement of financial position as at 31 March 2021 and 2020 is the carrying amounts as illustrated below:

	The Group		The Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Trade and other receivables*	2,318,301	2,537,301	2,007,264	2,369,479
	=======	========	========	========

* This includes carrying amount of trade and other receivables less withholding tax receivable

(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 March 2021 and 2020 is the carrying amounts as illustrated below:

	The Group		The Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Cash and cash equivalents**	910,894	1,787,850	684,240	1,608,584
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** This includes carrying amount of cash and bank balances less cash in hand and cash in transit

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 to 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 2021	**On Demand N'000**	**Less than 3 months N'000**	**3 to 12 months N'000**	**1 to 5 years N'000**	**Total N'000**
Trade and other payables *	151,190	70,746	1,229,498	-	1,451,434
Lease liability	-	-	123,636	91,288	214,924
Interest bearing loans and borrowing update	-	-	110,507	380,263	490,770

Year ended 31 March 2020	**On Demand N'000**	**Less than 3 months N'000**	**3 to 12 months N'000**	**1 to 5 years N'000**	**Total N'000**
Trade and other payables *	132,989	643,559	613,954	-	1,390,502
Interest bearing loans and borrowing update	-	73,985	145,599	82,136	301,720
Borrowings	9,144	-	44,245	-	53,389

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

Year ended 31 March 2021	**On Demand N'000**	**Less than 3 months N'000**	**3 to 12 months N'000**	**1 to 5 years N'000**	**Total N'000**
Trade and other payables *	239,125	33,475	1,225,508	-	1,498,108
Lease liability	-	-	27,522	64,695	92,217

Year ended 31 March 2020	**On Demand N'000**	**Less than 3 months N'000**	**3 to 12 months N'000**	**1 to 5 years N'000**	**Total N'000**
Trade and other payables *	480,912	388,948	533,035	-	1,402,895
Lease liability	-	1,550	7,267	54,697	63,51

* This includes trade and other payable less accruals, withholding taxes, Value added taxes and staff pension

31 (c) Market risk

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

(a). Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency).In preparing the financial statement of the entity, transactions in currencies other than the entity's functional currency [foreign currencies] are recognized at the rates of exchanges prevailing at the date of the transactions. The Group is not managing its foreign currency risk by hedging because the entity's dealing in foreign currencies is minimal except for its cash and cash equivalent and will not have material effect on the 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		**Reporting date spot rate**	
	2021	**2020**	**2021**	**2020**
	N	**N**	**N**	**N**
Pound (GBP)	522.09	466.74	522.09	466.74
US$ 1	408.67	373.60	408.67	373.60
CFA	0.65	0.63	0.68	0.63

Changes in US Dollars Rate				
Impact on Profit or loss			**Group**	**Company**
			N'000	**N'000**
	2021	(+5%)	1,892	1,436
		(-5%)	(1,769)	(1,436)
	2020	(+5%)	2,701	416
		(-5%)	(301)	(2,281)
Changes in Pounds	2021	(+5%)	50	(50)
		(-5%)	(50)	(50)
	2020	(+5%)	48	48
		(-5%)	(42)	(42)
Changes in CFA				
			Group	**Company**
	2021	(+5%)	244	244
		(-5%)	(244)	(244)
	2020	(+5%)	225	225
		(-5%)	(225)	(3225)

(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.

©. Equity price risk

The Group is exposed to equity securities price risk as a result of the investments held by the group and classified on the consolidated financial position as equity instrument at fair value through other comprehensive income and investments in subsidiaries held by the Company.

32. Capital management

Management considers capital to consist only of equity as disclosed in the statement of financial position. The primary objective of the Red Star Express Plc capital management is to ensure that it maintains a healthy capital ratio that support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares.

	The Group		The Company	
The Group	**2021**	**2020**	**2020**	**2020**
	N'000	**N'000**	**N'000**	**N'000**
Lease liability	180,429	249,366	84,315	56,131
Interest bearing loans and borrowing update	484,378	44,245	-	-
	664,807	293,611	84,315	56,131
Total equity	4,232,949	4,376,279	3,470,699	3,474,189
Adjusted net debt to equity ratio:	16%	7%	2.4%	2%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 2020. 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 events or transactions that have occurred since the statements of financial position date which would have a material effect upon the consolidated and separate financial statements in order not to make them misleading as to the financial position or results of operations. Management has assessed the impact of the Coronavirus disease (COVID-19) on the going concern of the Group and has concluded that the use of the term, going concern, is appropriate and that the company will be able to recover its assets and discharge its liabilities in the foreseeable future.

34. Commitments and contingencies

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 2021, there were no contingent liabilities. The Directors are of the opinion that based on the solicitors' advice no material loss will arise from them. However, provision has been made in these consolidated financial statements for the legal claims that are probable.

Guarantees

The Group accepted a performance bond of N50 million (2020: N50 million) in favour of Nigeria Customs Service.

VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

The Group

	2021 N'000	%	2020 N'000	%
Revenue	9,458,014		10,548,984	
Cost of Goods and Other Services – Local	(8,184,329)		(8,973,660)	
	1,273,685		1,575,324	
Non-Trading Items	87,509		289,949	
Total Value Added	**1,361,194**		**1,865,273**	
APPLIED AS FOLLOWS:				
EMPLOYEES				
- as salaries and labour related expenses**	526,027	39%	569,324	31%
TO PROVIDER OF CAPITAL - as finance cost	40,887	3%	60,496	3%
TO GOVERNMENT: - as income tax	114,851	8%	309,583	17%
RETAINED FOR THE GROUP'S FUTURE				
- for assets replacement (depreciation & amortization)	432,843	32%	356,460	19%
- for assets ROU asset (depreciation)	140,645	10%	128,913	7%
- deferred tax credit	(44,124)	(3)%	(28,492)	(2)%
- for expansion (profit retained)	150,056	11%	468,989	25%
	1,361,194 1	00%	1,865,273	100%

The value added represents the additional wealth which the Group 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.

** Salaries and labour related expenses**

	2021 N'000	2020 N'000
Employee benefit expenses	397,013	432,037
Medical	96,664	89,844
Training	32,350	47,443
	526,027	569,324

The Company

	2021 N'000	%	2020 N'000	%
Revenue	5,314,436		6,289,699	
Cost of Goods And Other Services – Local	(4,681,410)		(5,229,775)	
	633,026		1,059,924	
Non-Trading Items	257,087		108,601	
Total Value Added	890,113		1,168,525	
APPLIED AS FOLLOWS: EMPLOYEES				
- as salaries and labour related expenses**	406,684	46%	461,673	40%
TO PROVIDER OF CAPITAL				
- as finance cost	7,902	1%	7,383	1%
TO GOVERNMENT:				
- as Company tax	39,591	4%	219,054	19%
RETAINED FOR THE COMPANY'S FUTURE				
- for assets replacement (depreciation& amortization)	192,441	22%	197,152	17%
- for assets ROU asset (depreciation)	39,545	4%	11,646	1%
- deferred taxation	(85,955)	(10)%	6,435	1%
- for expansion (profit retained)	289,905	33%	265,182	23%
	890,113	100%	1,168,525	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.

*** Salaries and labour related expenses**

	2021 N'000	2020 N'000
Employee benefit expenses	347,535	392,691
Medical	29,882	27,113
Training	29,267	41,869
	406,684	461,673

The Group

	2021	**2020**	**2019**	**2018**	**2017**
	N'000	**N'000**	**N000**	**N'000**	**N'000**
STATEMENT OF PROFIT OR LOSS					
Revenue	9,458,014	10,548,984	10,066,576	8,407,507	7,298,642
Profit before taxation	220,792	750,080	743,469	610,589	653,200
Profit after taxation	150,056	468,989	466,248	347,558	426,756
Per N0.50 share data (kobo):					
Earning – Basic	0.16	0.70	0.76	0.59	0.72

	2021	**2020**	**2019**	**2018**	**2017**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
STATEMENT OF FINANCIAL POSITION					
Assets and Liabilities Property, plant & equipment	2,550,455	1,363,326	1,388,952	1,259,512	1,150,232
Intangible assets	45,234	61,290	47,508	32,668	18,172
Long term prepayment	3,599	127,011	90,149	32,456	22,968
Right of use assets	283,435	325,544	-	-	-
Employee benefit assets	164,738	73,988	-	-	-
Equity instrument at fair value through other comprehensive income	2,329	395	535	-	-
Available for sale financial instrument	-	-	-	477	477
Net current assets	1,769,938	2,733,538	1,488,314	1,539,090	1,488,901
Non-current liabilities	(586,779)	(308,813)	(252,535)	(336,618)	(248,702)
	4,232,949	**4,376,279**	**2,762,923**	**2,527,585**	**2,432,048**
Share and Reserves Share capital	463,176	463,176	294,748	294,748	294,748
Share premium	1,437,001	1,437,001	296,433	296,433	296,433
Retained earnings	2,330,978	2,476,242	2,171,742	1,936,404	1,840,867
Fair value of equity instrument designated at FVOCI	1,794	(140)	-	-	-
	4,232,949	**4,376,279**	**2,762,923**	**2,527,585**	**2,432,048**

The Company

	2021 N'000	2020 N'000	2019 N000	2018 N'000	2017 N'000
STATEMENT OF PROFIT OR LOSS					
Revenue	5,314,436	6,289,699	5,849,869	4,406,118	4,049,921
Profit before taxation	243,541	490,671	658,599	486,487	408,342
Profit after taxation	289,905	265,182	414,773	334,772	314,677
Per N 0.50 share data (kobo):					
Earning – Basic	0.31	0.39	0.68	0.57	0.53

	2021 N'000	2020 N'000	2019 N000	2018 N'000	2017 N'000
STATEMENT OF FINANCIAL POSITION					
Assets and Liabilities Property, plant & equipment	1,030,564	693,551	691,856	615,458	573,030
Intangible assets	44,100	59,357	47,508	32,668	18,168
Long term prepayment	3,599	12,877	17,861	32,456	24,468
Right of use assets	127,330	74,824	-	-	-
Equity instrument at fair value through other comprehensive income	2,329	395	535	-	-
Available for sale financial instrument	-	-	-	477	477
Investment in subsidiary	1,153,065	374,065	374,065	374,065	284,065
Employee benefit assets	164,738	74,374	-	-	-
Net current assets	1,023,150	2,320,237	1,027,560	926,832	973,290
Non-current liabilities	(78,176)	(135,491)	(94,745)	(108,166)	(82,459)
	3,470,699	**3,474,189**	**2,064,640**	**1,873,790**	**1,791,039**
Share and Reserves Share capital	463,176	463,176	294,748	294,748	294,748
Share premium	1,437,001	1,437,001	296,433	296,433	296,433
Retained earnings	1,568,728	1,574,152	1,473,459	1,282,609	1,199,858
Fair value of equity instrument designated at FVOCI 1,794 (140)	-	-	-		
	3,470,699	**3,474,189**	**2,064,640**	**1,873,790**	**1,791,039**

1. Introduction

Red Star Express Plc has remained committed to investing in people with particular emphasis to its staff and members of our host communities. This Sustainability Report covers our performance in the 2020/2021 financial year, and primarily focuses on our sustainability goals which are in line with our "P.S.P" (i.e. People, Service, Profit) philosophy.

This report would also take into cognizance key issues that occurred in the courier industry which were critical to the sustainability of our business.

The COVID-19 Pandemic of 2020 put our service mantra (i.e. People, Service, Profit) to test.For the first time in the Company's corporate history, it mandatorily shut down its operations by at least ninety-five (95%) percent for almost two (2) months and recorded little or no income within that period. Despite the challenging business environment,the Company ensured that the welfare of its people were taken into consideration.

The Company's goodwill garnered via its various CSR initiatives came to its rescue during the "#endsars" protest, where some individuals and companies suffered varying degrees of loss. Though two of the Companies offices in Lagos and Abuja were vandalized, in other locations, the host communities came to its rescue to ensure that all the Company's assets and properties were duly protected.

The Company recognizes the bond with its host communities, which is further buttressed by the Company's Corporate Social Investment Policy as approved by the Board.

To actualize its commitment to investing in people, the Red Star Foundationexists as a special purpose vehicle 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.

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 ensures a strict Know-Your Customer (KYC) regime and maintains a transparent and open relationship with all its suppliers. The Company ensures that all its suppliers do not engage in acts of bribery or corruption, human trafficking or the employment of under aged children as laborers. It also prescribes minimum health and safety standards to be adopted by its suppliers.

2.2 Relationship with Customers

The company recognizes the importance of its customers and has adopted the following service standards:

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

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

3. SOCIAL

RSE prides itself as an equal opportunities employer, however some jobs peculiar to the Courier industry are generally done by men due to the level of exposure.

Percentage of Board Seats filled by independents and Women

S/N	Description	Number	Percentage on the Board "%"
1.	Board	8	100
2.	Independent Directors	1	12.5
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. Hence, employees are free to join any trade union of their choice and partake in any collective bargaining agreements.

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

3.3 Employee benefits

Company staff are well remunerated in comparison to other companies in the same industry. In addition to remuneration, all staff are entitled to subsidized 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, are given a token at the end of their employment, subject to good behavior. The Company also has a very robust Co-operative Multipurpose Society, which facilitates access to small loans and ownership of property anywhere in Nigeria.

3.4 Occupational Health & Safety

In Red Star Express Plc., the health and safety of staff is paramount and the Company is committed to ensuring a safe and drug/alcohol free work place. Hence, the consumption of 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.

In the course of this financial year, the table below shows the number of accidents/fatalities that were recorded:

Description	2021	2020
Total Workforce	1,937	1,876
Total number of injuries	74	62
Total number of fatalities	1	1

3.5 Human Rights

Red Star Express Plc is a law abiding entity and is fully committed to protecting 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 also 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 how it affects every stakeholder the Company.

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

3.6 Discrimination

Red Star Express Plc., does 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 and this position is communicated to all Third Parties.

3.7 Gender Diversity

Due to the Company's line of business, it employs more men than women. However, it ensures that both men and women enjoy equal remuneration for similar work done. The table below shows the number of women and men employed in the course of the year.

Description	Men	Women	Total
Staff	1779	158	1937
Managers	46	28	74

3.8 Covid-19 Response Initiatives

In line with the directives of the National Centre for Disease Control (NCDC), the Federal and State Governments, the Company continues to comply with the various Covid-19 protocols including:

- Provision of Sanitizers and dispensers at various points in every office;
- Mandatory use of nose mask/face shields by staff, contractors and visitors;
- Work from home where possible and rotational work from office by staff;
- Visitors are largely precluded from visiting the office unless absolutely necessary; Staff were also encouraged to get tested where they exhibit covid-19 symptoms.

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.

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

- Oshodi-Isolo Local Government Covid-19 relief
- Mask for all campaign of the Nigerian Stock Exchange
- Partnership with United Way Greater Nigeria a Non-Governmental Organisation in the distribution of Covid-19 palliatives

The Red Star Express Plc, NSE team with His Royal Majesty, Oba Shakirudeen Kuti (The Elewu of Ewu Kingdom) during the presentation of face masks and other palliatives to the Oba for onward distribution to his subjects.

The Red Star Logistics team helping to distribute covid-19 palliatives on behalf of the United Way Greater Nigeria (a Non-Governmental Organisation)

United Way Greater Nigeria

United Way

United Way Greater Nigeria

May 25th, 2020

Dr. Sola Obabori
Chief Executive Officer
FedEx Red Star Express
70 International Airport Road
Ikeja, Lagos

Dear Dr. Obabori,

APPRECIATION FOR RED STAR LOGISTIC'S PARTNERSHIP IN THE COVID-19 RESPONSE INITIATIVE

Thank you for your generous donation and support to our COVID-19 response initiative. Your partnership has helped provide relief packages amenities for vulnerable individuals and families who have been disproportionately affected by the impact of COVID-19.

Through your donation, United Way Greater Nigeria has been able to distribute care packages containing hygiene and food products to over 1,000 families and individuals in Makoko, Lafiaji and Akoka communities in Lagos State. Your support has truly made the difference for us, and we are extremely grateful.

Mrs. Ajoke Olawoye, Chair Person of the Elderly community in Makoko, said "With the continuous spread of the virus, we have been instructed to stay safe and maintain a sanitary health and with these products that have been distributed, we can comfortably clean ourselves and our surroundings and reduce the spread of the coronavirus. Thank you for these products!"

The relief package distribution was held on 30th April and 1st May and we have attached a programs report to better illustrate your impact.

Thank you so much for your kind support to deliver measurable and meaningful change for low and lower middle income earning Nigerians.

Yours sincerely,

Mrs. Amaka Onwughalu
Chairperson, Projects Committee
UNITED WAY GREATER NIGERIA

Mrs. Abimbola Osunkoya
Member, Projects Committee
UNITED WAY GREATER NIGERIA

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, 08107747473.

5.2 Bribery and Corruption

The Company prohibits giving or receiving of bribes or other improper advantages for business gain. This prohibition applies to any form of bribe or value and is not limited to cash. Staff are routinely exposed to anticorruption trainings and 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.

There were no incidents, fines or exposure related to corruption or bribery in the year under review.

6. OUR ENVIRONMENT

6.1 Products and Services

Red Star Express Plc 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, all waste products are disposed in line with government regulations and preservation of the environment.

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

The Company shall strive to ensure that it conducts its business in a sustainable, ethical and in compliance with all extant laws.

Red Star Foundation was established in 2004 and incorporated on the 9th of August, 2006. It was initially founded to spearhead the company's efforts in making continuous improvement in the quality of life of residents where its offices are situated.

OBJECTIVES

The Foundation is a non-profit organization established for the following public benefit objective:

- To promote and advance education in duly selected public schools by the provision of scholarships particularly to students in Senior Secondary Schools;
- To express our social responsibility to our host communities by the provision of basic infrastructure and amenities;
- To demonstrate our corporate goodwill by liaising with international agencies, NGOs and /or foundations in creating awareness programs dealing with varying socio-economic, health and environment issues;
- To implement policies and programs that would enhance and improve the condition of living for the general populace of the host communities;
- To organize career developing and leadership skill programs for future roles in the society.

2020/2021 and COVID

In the year 2020, we took into consideration the economic realities and challenges which emanated largely from the global onslaught of the COVID 19 Pandemic as well as the internal unrest –during the End SARS Protest, the opportunities (if any) that may have been provided and the attendant threats/risks. These were well managed to ensure that the human, social, environmental and most especially, the economic aspect of this report is protected.

Scholarship

In spite of the very challenging environment, Red Star Express Plc through its Foundation thrived in sustaining one of its development goals which is to assist in the provision of education to secondary school students in its host community. This year, the Foundation was only able to give out scholarships to students within the Mafoluku/Oshodi local government area as secondary schools in most of the geo-political zones (especially the North) was besieged with kidnapping and banditry hence making the locality unsafe.

During the course of the financial year under review, the Foundation awarded scholarships to a total of Eleven (11) Secondary school students in Lagos. The beneficiaries are AshaoluOluwadarasimi from Oshodi Senior High School; Geoffrey Chukwuma and LawalKehinde from Oshodi Comprehensive High School; Antai Nathaniel and Agbato Samuel from Bolade Senior Grammar School and Akanni Abigail and OnuorahChanaza from Ewutuntun Senior Grammar School.

Others are AdeboyeOpeyemi and Akanni Deborah from Mafoluku Senior Grammar School; BadmusSofiat from Ikeja Grammar School and KutiAdebukola from Lagos State Model College.

The scholarship will afford these students (SS1-SS3) the opportunity of completing their Senior Secondary School Education by taking on critical expenses for the 3 years (tuition Fees, books etc.). The Scholarship awards were backed by a rigid qualifying criteria, a neutral selection process and endorsement by all relevant stakeholders, including the Ministry of Education, Local Government Authorities, traditional rulers and Secondary Schools Authorities.

The Foundation which started off in Lagos has extended to the Eastern and Northern parts of the country. In the last 15 years, over 220 students across the country have benefited from the scholarship scheme.

The Mentorship Scheme
In 2020, the Foundation continued with its Mentorship Programme. Beneficiaries of its scholarship scheme are paired with senior level staff who act as mentors to these students and counsellors by giving career advice and exposure to the corporate working environment.

Donation of Writing Materials
The foundation also donated writing materials (Exercise Books) to various students and secondary schools in order to encourage the students to participate in class.

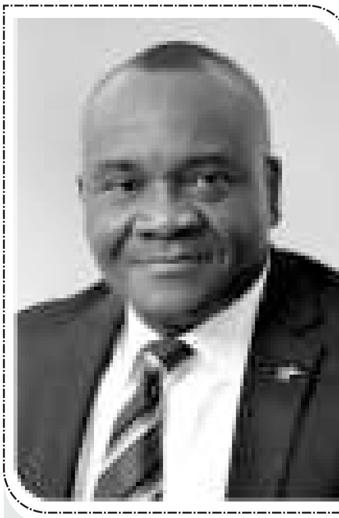
Community Outreach
There is no community that the Foundation visits that we do not emphatise with, especially when there are notable challenges. In most cases, we gather the community leaders to educate them, first and foremost, about the activities of the Foundation and what prompted our desire to intervene in their need.

In 2020 during the COVID Pandemic, the Foundation reached out to the Ewu community where the Red Star Express Corporate office is located. The Oba of Ewu, Oba ShakirudeenAdeshina and the entire Ewu community benefitted from Red Star Express with donations of some palliatives.

GROUP EXECUTIVE COMMITTEE

AUWALU BABURA
Executive Director,
Finance and Administration

DR. OLUSOLA OBABORI
Group Managing Director/CEO



VICTOR UKWAT
Executive Director,
Sales and Marketing

CHARLES EJEKAM
Divisional Managing Director,
Red Star Logistics

TONYE PREGHAFI
Divisional Managing Director,
Red Star Support Services

FRANCES AKPOMUKA
Company Secretary/
DGM Corporate Resources

MUDIAGA OKUMAGBA
Chief Operating Officer,
Red Star Freight

INEMESIT JAMES-OKORO
General Manager,
International Operations

KAYODE AGBE
Deputy General Manager
Sales and Domestic Operations,
Red Star Express

JAYSON OYAREKHUA
Chief Operating Officer,
RS Allied Solutions

ABDULKADRI KOGUNA
Deputy General Manager,
Central Administration

PROXY FORM

FORM OF PROXY FOR USE AT THE TWENTY-EIGHT ANNUAL GENERAL MEETING OF RED STAR EXPRESS PLC. ON SEPTEMBER 16, 2021 AT THE RADISSON HOTEL, ISAAC JOHN STREET, G.R.A, IKEJA, LAGOS.

I/WE …………………………………………………………being a member(s) of RED STAR EXPRESS PLC. hereby appoint:**………………………………………………………………………………… or failing him Dr. Olusola Obabori as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday 16th September 2021 and at any adjournment thereof.

Dated this……...........… day of ………....................…………. 2021.

Shareholders' signature……...................................…………………

Name of shareholder…………………………………………………

Common seal should be affixed if executed by a corporation.

	RESOLUTIONS	FOR	AGAINST	ABSTAIN
1.	Approval of Accounts			
2.	Declaration of Dividend			
3.	Election of Directors; a. Mr. Peter Surulere Aletor (Non-Executive Director) b. Mr. Chukwuemeka Emmanuel Ndu (Non-Executive Director)			
4.	To authorize the Directors fix remuneration of the Auditors.			
5.	To disclose the remuneration of the managers of the Company			
6.	To elect members of the Audit Committee			
7.	To approve Director's Fees			
8.	To approve the Bonus issue as stated in the Notice of the Annual General Meeting			

NOTE:
The above Proxy Form, when completed, must be deposited at the office of the Registrars, Coronation Registrars Limited, Plot 09, Amodu Ojikutu Street, Victoria Island, Lagos, or via email at eforms@coronationregistrars.com not more than 48 hours before the times fixed for the meeting.

The Company shall bear the cost of stamp duties on every proxy form received within the stated timeline.

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

………………………………………… ……………………………..
Signature of the Proxy attending Date

**The Proxies are as follows:

1. Mr. Suleiman Barau - Chairman/Non-Executive Director
2. Dr. Olusola Obabori - Group Managing Director/CEO
3. Mr. Moses Ogundeji - Shareholder Representative
4. Chief Cyril Ugwumadu - Shareholder Representative
5. Mr. Ganiyu Amoo - Shareholder Representative

CORONATION

E-MANDATE ACTIVATION FORM

INSTRUCTION
Please complete all sections of this form to make it eligible for processing and return to the address below.
The completed form can also be submitted through any Access Bank Plc nearest to you.
This service costs *N150.00* per approved mandate per company.

The Registrar,
Coronation Registrars Limited RC 126257
9 Amodu Ojikutu Street, Off Saka Tinubu,
Victoria Island, P.M.B 12753 Lagos, Nigeria.

Website: www.coronationregistrars.com
E-mail: info@coronationregistrars.com

For enquiries, please call 012 272 570 or send e-mail to customercare@coronationregistrars.com

ONLY CLEARING BANKS ARE ACCEPTABLE

Coronation Registrars Limited hereby disclaims liability or responsibility for errors/omissions/misstatements in any document transmitted electronically.

AFFIX CURRENT PASSPORT PHOTOGRAPH
(to be stamped by bankers)

Please write your name at the back of your passport photograph

SHAREHOLDER ACCOUNT INFORMATION

I\We hereby request that henceforth, all my\our Dividend Payment(s) due to me\us from my\our holdings in all the companies at the right hand column be credited directly to my\our bank detailed below:

Bank Verification No.

Bank Name

Bank Account No.

Account Opening Date D D M M Y Y Y Y

SHAREHOLDER ACCOUNT INFORMATION

Surname/ Company Name

First Name

Other Name(s)

Address

City | State | Country

Previous Address (if any)

CHN (if any)

Mobile Telephone 1 | Mobile Telephone 2

E-mail

Signature(s)

Joint/ Company Signatories

Company Seal (if applicable)

Kindly tick & quote your shareholder account no. in the box below:

√	NAME OF COMPANY	SHAREHOLDER No.
	Access Bank PLC	
	Access Bank Bond	
	Access Bank Green Bond	
	Afrinvest WA Ltd – NIDF	
	AIICO Insurance PLC	
	AIICO Money Market Fund	
	Airtel Africa PLC	
	Air Liquide Nigeria PLC	
	Caverton Offshore Support Group	
	ChapelHill Denham – NIDF, NREIT	
	Coronation Asset Management Limited	
	Coronation Insurance Plc (formerly Wapic Insurance)	
	First Ally Asset Management	
	Dangote Cement Bond	
	Dangote Cement PLC	
	FirstTrust Mortgage Bank PLC	
	FSDH Asset Management Limited	
	Food Emporium International Limited	
	Gombe State Government	
	IHS Nigeria PLC	
	Lagos State Government	
	Lead Asset Management Limited	
	McNichols Consolidated PLC	
	Mixta Real Estate Bond	
	MTN Nigeria Communication PLC	
	NASD PLC	
	NDEP PLC	
	NIPCO PLC	
	Red Star Express PLC	
	SFS Capital Nigeria Limited	
	STACO Insurance PLC	
	Three Points Industries Limited	

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.

70 INTERNATIONAL AIRPORT ROAD, OSHODI, LAGOS

Quality Management System

With ISO 9001:2015

For PICK UP AND DELIVERY OF PARCELS AND DOCUMENTS

Issued on 04.10.2018

Expires on 03.10.2021

DIRECTOR GENERAL/CHIEF EXECUTIVE

STANDARDS ORGANISATION OF NIGERIA

redstarplc.com fedex.com