Red Star Express
Licensee of Federal Express Corporation

2022
ANNUAL REPORT & ACCOUNTS

CGRS

Better For Business

RATED

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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
AUWALU BADAMASI BABURA
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

Plc Status: 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.

GROUP VISION STATEMENT

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

MISSION STATEMENT

To provide best-in-class logistics solutions delivering sustainable value to all stakeholders.

CORE VALUES

- **Accountable**
  Red Star Express Plc shall be responsible for commitments to all our customers and stakeholders.

- **Ethical Practice**
  Red Star Express will be consistent, trustworthy and honest in all dealings and expectations to its customers and stakeholders.

- **Excellence**
  Red Star Express shall provide services that constantly exceed standards and expectations of our stakeholders.

- **Innovative**
  Red Star Express will be agile and resilient in developing products and services that adapt to the demands of our customers and stakeholders.

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 Removal 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 General 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 (OON)	Chairman
Peter Olusola Obabori	Group Managing Director/CEO
Auwalu Badamasi Babura	Executive Director, Finance & Admin
Victor Ukwat	Executive Director, Sales & Marketing
Sulaiman Lawan Koguna	Non-Executive Director
Chioma Sideso	Independent Non-Executive Director
Peter Surulere Aletor	Non-Executive Director
Chukwuemeka Ndu	Non-Executive Director
Sule Umar Bichi	Non-Executive Director (retired WEF April 29 2021)
Aminu Dangana	Non-Executive Director (retired WEF April 29 2021)
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
SECRETARY	Frances Ndidi Akpomuka 70, International Airport Road Lagos.
AUDITOR	Ernst & Young 10th & 13th Floor, UBA House Marina, Lagos.
REGISTRAR	Coronation Registrars Limited Plot 09, Amodu Ojikutu Street, Victoria Island Lagos.
SOLICITOR	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
Contract Expired March 31st, 2022

AUWALU BADAMASI BABURA
Executive Director,
Finance and Administration
Contract Expired March 31st, 2022

VICTOR ENOBONG UKWAT
Executive Director,
Sales and Marketing
Contract Expired March 31st, 2022

BOARD OF DIRECTORS

continued

SULAIMAN LAWAN KOGUNA
Non-Executive Director

MRS. CHIOMA SIDESO
Independent
Non-Executive Director

PETER SURULERE ALETOR
Non-Executive Director

CHUKWUEMEKA NDU
Non-Executive Director

BOARD OF DIRECTORS
Retired

SULE UMAR BICHI
Non-Executive Director
Retired 29 April, 2022

ALHAJI AMINU DANGANA
Non-Executive Director
Retired 29 April, 2022

PROFILE OF NEW MANAGING DIRECTOR/CEO

Auwalu Badamasi Babura is the Group Managing Director/Chief Executive Officer of Red Star Express Plc, a listing member of the Nigerian Stock Exchange.

An accomplished, versatile, innovative, highly motivated, and result-oriented financial expert, with proven track records of managing organizational resources and delivering sustainable financial results. Reliable Business Executive with unique competencies in Finance and Customer management.

Auwalu joined Red Star Express in 1994 and has served in various capacities, leading teams in Finance, Internal Control and Processes Management, Credit Management, and Administration.

Auwalu holds a first Degree in Accounting (B.Sc.) from Bayero University Kano, an MBA in Business Administration (MBA) from the Lagos State University, and a Mini MBA from London School of Business and Finance.

He has attended Senior training programs cutting across Controls, Planning, and Leadership amongst others both locally and abroad.

He is a fellow of the Institute of Chartered Accountants of Nigeria, a member of the Institute of Directors (IOD). He is also an alumnus of Lagos Business School and The London School of Economics

PROFILE OF NEW EXECUTIVE DIRECTOR

Charles Uche Ejekam is a consummate professional with enviable skills in sales and business development, marketing and corporate communications, air express delivery, logistics and supply chain, learning and human capital development and cost management initiatives.

Prior to his appointment as Group Executive Director for Sales & Marketing for Red Star Express Plc. effective April 1 2022, he was the Divisional Managing Director of Red Star Logistics; a subsidiary of Red Star Express Plc. from April 2019 till date and previously served as the Divisional Managing Director of Red Star Express; also a subsidiary of Red Star Express Plc. from April 2016 to March 2019.

Charles commenced his working career in Red Star Express as a Commercial Executive in year 2000, and has at various points handled responsibilities in Territorial Management, Key Accounts Management, Marketing, Brand & Public Relations, and Regional Management roles in Lagos and Abuja. He holds a Bachelor of Science Degree in Political Science from the University of Nigeria, Nsukka with Second Class Honours (Upper Division) and a Masters Degree in Public & International Affairs from the University of Lagos.

As part of his corporate development, Charles has at various times attended Trainings within and outside Nigeria in the areas of Leadership, Strategy, Sales & Marketing, Train the Trainer and Key Account Management. Specific programmes include the Lagos Business School Advanced Management Programme (AMP30) and the International module in IESE Business School (Spain).

Charles' professional memberships include the 2016 FedEx GSP 3 class, Memphis, USA; the Institute of Directors (IOD); Lagos Business School Alumni Association (LBSAA); Fellow of the Courier and Logistics Management Institute (CLMI); Fellow of the Institute of Management Consultants; Fellow of the Institute of Credit Administration; member of the National Institute of Marketing of Nigeria (NIMN); member of the International Association of Public Health Logisticians (IAPHL); and an Associate Member, Nigerian Institute of Public Relations.

In his leisure time, Charles enjoys running and boxing. He also plays golf at Ikoyi Club where he is a member, and loves spending quality time with family and friends.

PROFILE OF DIRECTORS FOR RE-ELECTION

SULEIMAN BARAU (OON)
Non-Executive Director

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

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

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

She assumed the position of President, ADIC Insurance Limited in November 2006 and also served as Managing Director of NSIA Insurance Limited.

CHIOMA SIDESO
Independent
Non-Executive Director

NOTICE OF ANNUAL GENERAL MEETING
FOR THE YEAR ENDED 31 MARCH, 2022

NOTICE IS HEREBY GIVEN that the Twenty-Ninth Annual General Meeting of Red Star Express Plc will be held by proxy at Southern Sun Ikoyi, 47, Alfred Rewane Road, Ikoyi, Lagos on Tuesday, October 11th 2022 at 11.00am, to transact the following business:

ORDINARY BUSINESS

1. To lay before members of the Company, the Audited Financial Statements for the year ended March 31, 2022, together with the Report of the Directors, Auditors and Statutory Audit Committee thereon;

2. To declare a Dividend;

3. To re-elect the following Directors retiring by rotation:
   a. Mr. Suleiman Barau (Non-Executive Director)
   b. Mrs. Chioma Sideso (Non-Executive Director)

4. To appoint and 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 if 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, 2023"

BY ORDER OF THE BOARD

FAkpomuka

FRANCES NDIDI AKPOMUKA
Company Secretary
FRC/2013/ICSAN/00000002640
September 1, 2022
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 are 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. Mr Auwalu Babura - 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 Amodu Ojikutu 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 14th to 16th September 2022, both dates inclusive to enable the Registrars to 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 7.5kobo per 50kobo share, payable less Withholding Tax. If approved at the meeting, dividends will be paid electronically on the 12thof October 2022, to shareholders whose names appear on the Register of Members as of the13thof September 2022, who have completed the e-dividend registration and mandated the Registrars to pay dividends directly into their designated 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

updates are attached to the Annual Report for convenience. The forms can also be downloaded from www.coronationregistrars.com.

The duly completed forms should be delivered to Coronation Registrars Limited, Plot 09 Amodu Ojikutu 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 another 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 by copies of the nominees' Curriculum Vitae.

8. **Re-election of Directors**
Mr. Suleiman Barau and Mrs. Chioma Sideso retire by rotation and being eligible offer themselves for re-election pursuant to the relevant provisions of CAMA and Company's Articles of Association.

The profile of the Directors for re-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 2022 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 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

Dear Shareholders, fellow Board Members, representatives of Regulatory Bodies present, esteemed Invited Guests, Ladies and Gentlemen.

I am very delighted to observe that we are witnessing this AGM during our landmark anniversary year and I remain grateful to you all for being present today. I therefore heartily welcome you to the 29th Annual General Meeting of our company, Red Star Express Plc.

It is a great privilege for me to lead the Red Star Express plc Board and to present to you the Company's Annual Report and Financial Statements for the financial year ended 31st March 2022 and to review the Company's performance during the current financial year.

OPERATING ENVIRONMENT

It is well known Nigerian economy remain challenged by forces from within and outside its environment. According to the Nigerian Bureau of Statistics (NBS), Nigeria's real Gross Domestic Product (GDP) grew at 3.4% (year-on-year) in 2021. This growth came on the back of five consecutive quarters of positive growth, following the country's brief economic recession in 2020 when the economy contracted by 6.10% and 3.62%, in the second and third quarters of the year respectively.

Admittedly, these growth rates were boosted by the base effect of the economic contractions that Nigeria experienced in 2020 due to the twin shocks of COVID-19 and low crude oil prices.

Similarly, the inflation rate increased to 15.92 per cent in March 2022 on Year on Year (YoY)basis. This is 2.25 per cent lower compared to 18.17 per cent recorded in March 2021. The unemployment rate over the same period was 35%, which show an increase from the previous period rate of 33.3%.

The exchange rate in the period under review increased from 380.49 naira/dollar to 417.00 naira/dollar. The value of the naira depreciated and this increased the cost of foreign transactions.

In the face of all the challenges locally and on the global scene, I can safely say that we concluded the last Financial Year successfully as we reported improved numbers almost across all our performance indices.

FINANCIAL PERFORMANCE REVIEW

Our Company posted a turnover of N12.6billion in the year under review which is 33 per cent higher than the preceding year's revenue of N9.5billion. The addition of a fresh N3.1billion revenue was made possible by several growth platforms being championed by the management of this company.

A broad product offering, superior technology deployment and significant investments in our infrastructure in recent years provide a strong foundation to build on. Revenues are well diversified across business segments and geographies. Ongoing digitization and further business automation present new opportunities to work with our customers to provide agile supply chain management solutions.

DIVIDEND

In line with our pledge to the creation of wealth for shareholders in appreciation of their support at all times, the Board has recommended a dividend payment of 7.5 kobo (2021: 15K). If the recommendation for the dividend is approved, the dividend will be posted on 12 October 2022 to all Shareholders, whose names appear on the Register of Members at the close of business on 16 September 2022.

CORPORATE SOCIAL RESPONSIBILITY

Red Star Express Plc is committed to good corporate governance, ethical business practices and promoting the long-term interests of all stakeholders.

To guide the organization on responsible business practice, the Company has established a policy on corporate social responsibility, which focuses on three areas: Environment, Social and Governance (ESG). We are proud of the achievements recorded in corporate social responsibility during the year and will continue on that journey in 2022.

Furthermore, Red Star Express Plc has remained steadfast in its policy of making sure that the social and economic welfare of its stakeholders is preserved and sustained through the Red Star Foundation.

We have constantly reviewed the activities of the Red Star Foundation and have re-established the drivers in such a way that the Foundation can expand into other areas apart from the continuous award of scholarships to students in public schools in our host communities.

MANAGEMENT TEAM

I would like to use this medium to announce the major change in our Management. Sola Obabori and Victor Ukwat, have both completed their tenure as the Group Managing Director and Executive Director respectively. I would like to appreciate them for their relentless service throughout their tenure and I wish them well in their future endeavours.

The baton has been passed on to Auwalu Babura and Charles Ejekam as the new Managing Director and Executive Director, Sales and Marketing respectively. I pray and believe that they attain great strides during their tenure and sustain the progress the Company has made since inception.

FUTURE OUTLOOK

The Company will be celebrating the 30th anniversary of its founding, and the year 2022 will also mark the 15th anniversary of its listing on the Nigeria Stock Exchange. Red Star Express Plc. has since its inception pride itself as a leading Logistics provider in Nigeria with the passion to continually drive innovation and excellence at all levels.

We will strive to remain innovative to guarantee the stable growth of the company which would bring about growth in returns to all our stakeholders. Our watchword in the management of all resources will be efficiency, and our focus will continually be to open new horizons that will make us to remain the market leader in our industry.

I will like to appreciate the Board of Directors for their considerable contribution. We also appreciate the dedication, skills and professionalism of our employees. Finally, I would like to thank our loyal shareholders for their ongoing support. God bless you.

SULEIMAN BARAU (OON)
Chairman

RESULT AT A GLANCE

	THE GROUP		THE COMPANY	
	2022	**2021**	**2022**	**2021**
	N'000	**N'000**	**N'000**	**N'000**
TURNOVER	12,598,817	9,458,014	7,399,350	5,314,436
PROFIT BEFORE TAX	413,860	220,792	282,843	243,541
TAXATION	(326,054)	(70,727)	(159,670)	46,364
PROFIT AFTER TAX	87,806	150,065	123,173	289,905

AUWALU BADAMASI BABURA
Managing Director/CEO

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

I am very delighted to welcome you all to the 29th annual general meeting of our company and to thank you for your support and collaboration over the years, especially in this business year, whose performance report we are presenting today for the period ended 31st March 2022.

INDUSTRY OVERVIEW
The logistics and supply chain sector is still one of the fastest growing industries in Nigeria, though still in its budding stage.

With a revenue of US$6.9 billion in 2021, Nigeria is the 33rd largest market for E-Commerce, placing it ahead of Denmark and behind Colombia. With an increase of 30%, the Nigerian e-commerce market contributed to the worldwide growth rate of 15% in 2021.This reflects the impressive performance of the E-Commerce Sector in the country. Due to the restrictions in movement arising from the covid-19 pandemic, most consumers and households were constrained to make essential purchases from online stores.Nigeria's retail e-commerce company has a lot of potential for expansion since the COVID-19 pandemic boosted the e-commerce market. The country's population is enormous and growing, and it is expected to be the world's third-largest by 2050

Following the recovery of the aviation industry from the Covid-19 pandemic and recession, towards the end of 2021, the ministry of aviation created plans to revamp the international airport so as to improve airport services for both people and goods. So far, the rehabilitation of Abuja Airport runway has been done, work on the decrepit Akanu Ibiam International Airport, Enugu, has been completed and provision of critical safety tools for many of the nation's airports.

There are still many more opportunities that need to be maximized for growth in this sector. It is believed that the investment of government in infrastructures, policies and methods would help develop the sector and make it more resilient to climate change as well as enable continuity and longevity, while creating more employment and business opportunities.

INVESTING IN SUSTAINABILITY
At Red Star Express Plc, implementing and enforcing our sustainability strategy is always encouraged amongst employees and customers so as to be able to achieve our goals. In this period under review, employees, who play a key role in our success have neem equipped with a variety of internal programs to advance our progress in reducing environmental pollution, energy use, and waste in the workplace.

OUR FINANCIAL PERFORMANCE

The group's performance last financial year is reflected in our strong financial performance as we recorded an increase of 33% (3.1 billion naira) in the current financial year under review bringing the total revenue to 12.6 billion naira (up from 9.6billion naira recorded in the preceding year).

During the period under review, the Profit Before Tax (PBT) increased by 87% to 414 million (up from 221million naira recorded in the preceding year), while the Profit After Taxation (PAT) stood at 88 million naira. The company's earnings per share for the period under review was 9 kobo

In view of the company's financial year 2021/2022 performance, the company is proposing a dividend of 7.5 kobo {up from 5 kobo)

OUR STRATEGIC FOCUS

The relentless pursuit of efficiency whilst engaging in our business activities remains our strategic focus at this time and beyond. Our focus centers on four important areas namely; Staff Welfare, Service Delivery, Business Development and Leveraging on Technology.

Through continuous training and development, a flexible work environment and a standard workplace culture, we hope to improve the welfare of our staff. Also, service delivery would be improved by implementing practical steps for improved customer experience, business process re-engineering, service delivery and recovery, credit collection and waste reduction. In order to attain efficiency in our business development processes, creation of New Revenue Streams, product and service audit and opportunities in mergers and acquisition would be looked into. We also plan to leverage on technology by investing in appropriate IT infrastructure, designing and developing innovative logistics solutions so as to improve business process efficiency.

We would continue to develop relevant ideas and products across our four subsidiaries in order to expand the range of services offered to our customers, thereby increasing the profitability of our business.

REGULATORY COMPLIANCE

The Company has been consistent in compliance with all rules and laws. This is evident in the cordial and professional relationship with its various regulators such as the Federal Road Safety Corps (FRSC), Corporate Affairs Commission (CAC), Courier and Logistics Regulatory Department (CLRD) of the Nigeria Postal Service (NIPOST), Nigeria Customs Service (NCS), Nigerian Exchange Group (NGX), The Securities and Exchange Commission (SEC), Financial Reporting Council of Nigeria (FRC), Lagos State Traffic Management Authority (LASTMA), Vehicle Inspection Office (VIO), Standards Organization of Nigeria (SON) among others.

FUTURE PROSPECT

The advent of the COVID-19 pandemic unlocked more business opportunities for the logistics and supply chain sector for movement of goods and services around different parts of the nation and the world due to lockdowns and restrictions of movement. We will continue to pursue initiatives to maximize such opportunities, and at the same time, ensure that we offer services of topmost value to our stakeholders.

As always, our company is committed to delivering on its promises; we would not relent in our commitment, dedication, ethical business dealings and promotion of our business. Together, we shall succeed on these qualities and take the business to greater heights.

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 2022.

- **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 printing & packaging.

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

Operating Results

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

	The Group		**The Company**	
	2022	**2021**	**2022**	**2021**
	N'000	**N'000**	**N'000**	**N'000**
Revenue	12,598,817	9,458,014	7,399,350	5,314,436
Profit before Taxation	413,860	220,792	282,843	243,541
Taxation	(326,053)	(70,727)	(159,670)	(46,364)
Profit After Taxation	87,806	150,065	123,173	197,177

- **Dividend**
  The Board has recommended a dividend payment of 7.5 koko (2021:15K). If the recommendation for dividend is approved, the dividend will be posted on 12 October 2022 to all Shareholders, whose names appear on the Register of Members at the close of business on 16 September, 2022.

- **Directors**

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

1	Suleiman Barau (OON)	Chairman
2	Peter Olusola Obabori	Group Managing Director/CEO (Contract expired 31st March 2022)
3	Auwalu Badamasi Babura	Executive Director (Contract expired March 31st 2022) Managing Director/CEO (Appointed WEF 1st April 2022)
4	Victor Ukwat	Executive Director (Contract expired March 31st 2022)
5	Sulaiman Lawan Koguna	Non – Executive Director
6	Chioma Sideso	Independent Non – Executive Director
7	Peter Surulere Aletor	Non – Executive Director
8	Chukwuemeka Ndu	Non-Executive Director
9	Sule Umar Bichi	Non-Executive Director (retired WEF April 29 2021)
10	Aminu Dangana	Non-Executive Director (retired WEF April 29 2021)

The Board of Directors as at 31 March 2022 was made up of Five (5) Non-Executive Directors (which includes the Chairman and an Independent Non-Executive Director) and three (3) Executive Directors.

The tenures of the Group Managing Director Peter Olusola Obabori and Executive Director; Sales & Marketing Victor Ukwat expired during the year. In view of these mandatory changes, Auwalu Badamasi Babura was instated as the incumbent MD/CEO and Charles Uche Ejekam as the incumbent Executive Director Sales & Marketing.

- **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 under below the tables review 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

Directors	2021			2022	Total
	29-Apr	28-Jun	28-Oct	24-Feb	
Suleiman Barau (OON)					4
Peter Olusola Obabori					4
Victor Ukwat					4
Auwalu Babura					4
Chioma Sideso					4
Sulaiman Lawan Koguna					4
Peter Surulere Aletor	x				3
Chukwuemeka Ndu	x				3
Sule Umar Bichi		x	x	x	1
Aminu Dangana		x	x	x	1

Strategy & Business Development Attendance

Directors	2021					2022		Total
	25-Jun	28-Jul	26-Oct	4-Nov	15-Nov	9-Feb	10-Mar	
Chioma Sideso								7
Sulaiman Lawan Koguna								7
Peter Surulere Aletor	x							6
Chukwuemeka Ndu	x							6
Peter Olusola Obabori								7
Auwalu Badamasi Babura								7
Victor Ukwat								7

– present
x – absent with apology

Governance, Nomination & Remuneration Attendance

Directors	2021		2022		Total
	23-Apr	25-Oct	10-Feb	22-Mar	
Sulaiman Lawan Koguna	x				3
Chioma Sideso					4
Peter Surulere Aletor	x				3
Sule Umar Bichi		x	x	x	1
Aminu Dangana		x	x	x	1

Risk Management Attendance

Directors	2021	2022	Total
	25-Oct	16-Feb	
Peter Surulere Aletor			2
Chioma Sideso			2
Chukwuemeka Ndu			2
Peter Olusola Obabori			2
Auwalu Badamasi Babura			2
Victor Ukwat			2

Audit Committee

Directors	2021					2022	Total
	26-Apr	24-Jun	28-Jul	20-Oct	16-Nov	27-Jan	
Moses Ayodele Ogundeji***							6
Chief Cyril Ugwummadu***							6
Kolawole Ganiyu Amoo***							6
Sulaiman Lawan Koguna							6
Chioma Sideso			x	x	x	x	2
Chukwuemeka Ndu	x	x					4
Sule Umar Bichi		x	x	x	x	x	1

***Shareholders Representative

– present
X – absent with apology

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 2022		No of Shares held as at 31 March 2021	
1	Suleiman Barau	79,280,390	Direct	76,948,614	Direct
2	Sulaiman Koguna	6,408,364	Direct	6,219,883	Direct
3	Sule Umar Bichi	8,769,861	Direct	8,511,925	Direct
4	Olusola Obabori	1,835,945	Direct	1,781,947	Direct
5	Auwalu Babura	375,764	Direct	364,713	Direct
6	Victor Ukwat	185,110	Direct	179,666	Direct
7	Aminu Dangana	10,000	Direct	172,857	Direct
8	Chioma Sideso	-----		-----	
9	Chukwuemeka Ndu	96,419,958	Indirect	93,584,077	Indirect
10	Peter Aletor	66,969,696	Indirect	65,000,000	Indirect

- **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. Board evaluation was carried out in 2022.

  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 April 2022, the Company issued one new share for every 33 previously held shares i.e. 28,071,274 bonus shares). Presently, the Company's total allotted shares stand at 954,423,325 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	168,427,646	463,175,801	Cash Bonus
2020		500,000,000	14,035,637	477,211,662.50	Bonus Issue

Analysis of Shareholdings

According to the register of members, the spread of shareholding in the Company **as at 31st March 2022** was as follows:

Share Range		Number of Shareholders	% of Shareholder	Number of Holdings	% Shareholding
1	1,000	1,583	28.55%	313,145	0.03%
1,001	5,000	1,232	22.22%	2,866,267	0.30%
5,001	10,000	689	12.43%	4,525,625	0.47%
10,001	50,000	1,356	24.46%	29,088,384	3.05%
50,001	100,000	280	5.05%	17,850,687	1.87%
100,001	500,000	297	5.36%	57,010,964	5.97%
500,001	1,000,000	40	0.72%	27,121,947	2.84%
1,000,001	5,000,000	50	0.90%	92,849,312	9.73%
5,000,001	10,000,000	7	0.13%	52,832,408	5.54%
10,000,001	50,000,000	5	0.09%	94,883,822	9.94%
50,000,001	100,000,000	3	0.05%	242,670,044	25.43%
100,000,001	500,000,000	2	0.04%	332,410,720	34.83%
TOTAL		5,544	100%	954,423,325	100%

As at 31st March 2021

Share Range		Number of Shareholders	% of Shareholder	Number of Holdings	% Shareholding
1	1,000	1,344	26.83%	540,965	0.06%
1,001	5,000	1,166	23.27%	3,670,844	0.40%
5,001	10,000	692	13.81%	5,769,320	0.62%
10,001	50,000	1,194	23.83%	30,763,025	3.32%
50,001	100,000	273	5.45%	21,047,446	2.27%
100,001	500,000	254	5.07%	57,533,210	6.21%
500,001	1,000,000	34	0.68%	24,367,205	2.63%
1,000,001	5,000,000	37	0.74%	80,835,026	8.73%
5,000,001	10,000,000	6	0.12%	46,278,517	5.00%
10,000,001	50,000,000	5	0.10%	97,379,867	10.51%
50,000,001	100,000,000	3	0.06%	235,532,691	25.43%
100,000,001	500,000,000	2	0.04%	322,633,935	34.83%
TOTAL		5,010	100%	926,352,051	100%

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

NAME	2022	%	2021	%
Koguna, Mohammed Hassan	186,863,273	19.58	181,367,295	19.58
Koguna Babura Insurance Brokers Limited	145,547,447	15.25	141,266,640	15.25
Petra Properties Limited	96,419,958	10.10	93,584,077	10.1
Suleiman Barau	79,280,390	8.31	76,948,614	8.31
Apel Capital & Trust Limited (Nominees)	66,969,696	7.02	65,000,000	7.02

- **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 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, United Securities 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
  - The Nigerian 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

	2022 (N)	2021 (N)
Supply of 1000 pcs of face mask to the NSE Mask for all campaign	-	300,000
Covid-19 Palliative to Oshodi-Isolo LGA	-	100,000
Community Development Assistance - Rebisi Youths	150,000	-
American Business School - MSME	250,000	-
TOTAL	400,000	400,000

- **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.

- **Employee Involvement and Training**
  Red Star Express Plc is committed to providing its employees with the best opportunities for learning and development and these programs 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.

- **Auditors**
  In accordance with Section 412 of the Companies and Allied Matters Act, 2020 ("CAMA 2020") relating to mandatory audit rotation, Ernst & Young will rotate out as auditors for 2023. A new Auditor will be engaged at the Company's Annual General Meeting.

FAkpomuka

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

29 June, 2022

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 Limited 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, One (1) Independent Non-Executive Director and Three (3) Executive Directors. The positions of the Chairman and Managing Director are separate, and the other responsibilities of the Board are as contained in the duly approved Board Charter.

b. Board Membership

1	Suleiman Barau (OON)	-	Chairman
2	Peter Olusola Obabori	-	Group Managing Director/CEO (Contract expired 31st March 2022)
3	Auwalu Badamasi Babura	-	Executive Director (Contract expired 31st March 2022)
4	Victor Ukwat	-	Executive Director (Contract expired March 31st 2022)
5	Sulaiman Lawan Koguna	-	Non – Executive Director
6	Peter Surulere Aletor	-	Non-Executive Director
7	Chioma Sideso	-	Independent Non – Executive Director
8	Chukwuemeka Ndu	-	Non-Executive Director
9	Sule Umar Bichi	-	Non-Executive Director (retired WEF April 29 2021)
10	Aminu Dangana	-	Non-Executive Director (retired WEF April 29 2021)

BOARD COMMITTEES

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

Below are the compositions of the various Committees during the period under review as at 31st March 2022:-

Governance, Nomination and Remuneration Committee

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

Governance, Nomination & Remuneration Committee
This committee is comprised of three (3) Non-Executive Directors:-
- Sulaiman Lawan Koguna - Chairman/Non-Executive Director
- Chioma Sideso - Independent Non-Executive Director
- Peter Surulere Aletor - 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/Independent Non - Executive Director
- Sulaiman Lawan Koguna - Non-Executive Director
- Peter Surulere Aletor - Non-Executive Director
- Chukwuemeka Ndu - Non-Executive Director
- Peter Olusola Obabori - Group Managing Director/CEO
- Victor Ukwat - Executive Director
- Auwalu Badamasi Babura - Executive Director

Risk Management Committee
This committee is comprised of six (6) members: three (3) Non-Executive Directors and three (3) Executive Directors:-
- Peter Surulere Aletor - Chairman/Non-Executive Director
- Peter Olusola Obabori - Group Managing Director/CEO
- Auwalu Badamasi Babura - Executive Director
- Victor Ukwat - Executive Director
- Sulaiman Lawan Koguna - Non- Executive Director
- Chukwuemeka Ndu - Non-Executive Director
- Chioma Sideso - Independent Non-Executive Director

Audit Committee
This committee is comprised of Five (5) members: Three (3) Shareholders' representatives and Two (2) Non-Executive Directors, One (1) independent Non-Executive Director: -
- Moses Ayodele Ogundeji - Chairman/Shareholder Representative
- Chief Cyril Ugwumadu - Shareholder Representative
- Ganiyu Amoo - Shareholder Representative
- Sulaiman Lawal Koguna - Non-Executive Director
- Chukwuemeka Ndu - 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 2022

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 Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

a keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act 2020;
b establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
c prepare its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standards Board and the requirements of the Companies and Allied Matters Act 2020.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit for the year ended 31 March 2022. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

....	....
Suleiman Barau (OON)	Auwalu Badamasi Babura
Chairman	Managing Director/CEO
FRC/2015/ICENNIG/00000011559	FRC/2016/ICAN/00000014402

29 June, 2022

CERTIFICATE OF ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

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 2022 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 statements and other financial information included in this report fairly present in all material respects the financial condition and results of operation of the company and its subsidiaries (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 Group 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 Group'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:**
- All significant deficiencies in the design or operation of internal controls which would adversely affect the Group's ability to record, process, summarize and report financial data and have identified for the Group'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 Group'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.

....	....
Auwalu Badamasi Babura	Valentine Onyibo
Managing Director/CEO	Chief Finance Officer (CFO)
FRC/2016/ICAN/00000014402	FRC/2013/ICAN/00000003908

29 June, 2022

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

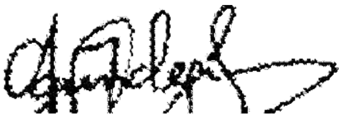
In accordance with the provisions of Section 404(4) of the Companies and Allied Matters Act, 2020, we have reviewed the Group's consolidated and separate Financial Statements for the year ended 31 March 2022 and report as follows:

(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
FRC/2019/002/00000020255
Chairman

29 June, 2022

Members of the Audit Committee

Moses Ayodele Ogundeji***	-	Chairman/Shareholders Representative
Chief Cyril Ugwummadu***	-	Shareholders Representative
Kolawole Ganiyu Amoo***	-	Shareholders Representative
Sulaiman Lawan Koguna	-	Non-Executive Director
Chukwuemeka Ndu	-	Non-Executive Director
Sule Umar Bichi	-	Non-Executive Director (retired WEF April 29 2021)

Secretary
Frances N. Akpomuka
FRC/2013/ICSAN/00000002640

29 June, 2022

SOCIETY FOR CORPORATE GOVERNANCE NIGERIA
Leadership and Integrity

BOARD OF DIRECTORS INDEPENDENT EVALUATION REPORT FOR RED STAR EXPRESS PLC

EXECUTIVE SUMMARY

The Society for Corporate Governance Nigeria was engaged to conduct an independent assessment of the performance of the Board and Directors of Red Star Express Plc for 2021 as part of stipulated regulatory requirement.

SCOPE

The scope of the evaluation covered the following areas:

- Composition, commitment, and alignment of the skills/qualifications of Directors to business requirement and performance
- Composition and effectiveness of the committees
- Compliance with existing regulatory requirement
- Effectiveness of Directors in delivery of their fiduciary responsibilities
- Effective transparency and disclosure channels

Below is a summary of our findings:

Leadership: The Board Chairman exhibits a leadership style that promotes an environment that encourages and supports the active participation and contribution of Board members at meetings. The position of the Chairman and Managing Director are held by separate individuals, which shows clear separation of powers between both offices. The Chairman is not a member of any Board Committee in line with regulatory requirements.

Board Meetings: The Board met four (4) times. Meetings held were constructive and aligned to the agenda. Board packs were circulated to Directors ahead of the meetings.

Board Composition & Capacity: The Board has one (1) female director and seven (7) male Directors. The Board is composed of three (3) Executive Directors, one (1) Independent Non-Executive Director and four (4) Non-Executive Directors, whose knowledge and understanding span across their diversity, experience, and knowledge of the business, financial and economic environment. Nonetheless, we recommend the appointment of at least two (2) additional Independent Directors, preferably females for more gender diversity and to meet the minimum requirement of three (3) Independent Directors for Public Companies in compliance with the Companies and Allied Matters Act, 2020.

Board Committees: The Board has four (4) established committees; Governance, Nomination, and Remuneration Committee; Strategy and Business Development Committee; Audit Committee; and Risk Management Committee.

Board Oversight Functions: All policy documents were sighted and assessed for content and relevance and were found to be detailed, comprehensive, and articulate in efficiently guiding the business processes and mitigating risk exposures. 2

Strategy & Planning: The Board takes its strategic oversight seriously, setting strategic initiatives and direction for the company.

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www.corpgovnigeria.org

Transparency and Accountability: The Company's communications are in plain language, readable, and understandable. Stakeholders have a true picture of the Company's financial position.

Director Appointment & Development: The Company has an induction programme for new Directors which familiarizes them with the Company's operations, plans and their fiduciary duties as Directors. Board members are encouraged to participate in regular and continuous learning programmes to keep abreast of trends in the business and regulatory environment.
Risk Management & Compliance: The Board has a Risk Management Framework for managing risk exposures and ensuring effective internal control systems.

Based on the analysis of the result, the Board of Directors of Red Star Express Plc has demonstrated dedication and commitment to the growth and success of the Company. This is demonstrated by their contributions, individual performance, attendance at Board and committee meetings and the depth of discussions and resolutions arrived at, during meetings. There is also an alignment between the competencies of Directors and the requirements and needs of the Company.

In line with the Nigerian Code of Corporate Governance (NCCG), we have found Red Star Express Plc to a large extent to be compliant with regulatory requirements and recommended best practices.

In as much as there is still room for improvement and continuous drive for effectiveness, we are pleased to state that the Board of Red Star Express Plc conducted its affairs in an acceptable and satisfactory manner in 2021.

Chioma Mordi (Mrs.)
Chief Executive Officer
FRC/2014/NIM/00000007899

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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 al 31 March 2022, 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 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 3I March 2022, 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 dressed 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.

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 2022, the Group had financial assets of N3.3 billion which represents 42.8% of total assets, and allowance for impairment of N152 million. The Group is required to regularly assess the recoverability of its receivables which forms part of 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 (ECL5) 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 analysed 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 in 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 of 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 s a net plan asset of N16.3 million (2021: N164.7| million) comprised of the fair value of plan assets of N587.3 million (2021: N898.7 million) less the present value of the defined benefit obligation of N571 million (2021: 734million). 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 of 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 of 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 Report of the Directors, Corporate Governance Report, Report of the Audit Committee, Statement or Value Added and Five-Year Financial Summary as required by the Companies and Allied Matters Act, 2020, which we obtained prior lo the date of this report, and the Annual Report, which Is expected to be made available to use after that date. Other information does not include the consolidated and separated financial statements and our auditors report thereon.

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

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

If, based on the work we have performed on the other information obtained prior to the date of this 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 Director's 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 1o 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 il 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 à 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 lo cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated separate financial Statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and even is in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding 1he financial information of the entities or business activities within the Group and the Company 1o 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 ay significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the Directors, we determine those matters that were of most SIgnificance in the audit of the consolidated and financial statements of the current year and are therefore the key audit matters. We describe these matters in our 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 of 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.

For: Ernst &Young
Lagos, Nigeria

30 June 2022

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

FOR THE YEAR ENDED 31 MARCH 2022

		The Group		The Company	
		2022	2021	2022	2021
	Notes	N'000	N'000	N'000	N'000
Revenue from contract with customers	4.3	12,598,817	9,458,014	7,399,350	5,314,436
Cost of Sales	6.2	(9,649,969)	(7,120,270)	(5,370,027)	(3,999,535)
Gross Profit		2,948,848	2,337,744	2,029,323	1,314,901
Administrative expenses	6	(2,528,457)	(1,980,999)	(1,777,457)	(1,219,851)
Credit loss expense on financial assets	6.1	(108,361)	(182,575)	(45,866)	(100,694)
Other operating income	5	153,202	74,884	79,822	245,051
Total operating profit		465,232	249,054	285,823	239,407
Finance income	7	5,274	12,625	4,334	12,036
Finance cost	7.2	(56,646)	(40,887)	(7,314)	(7,902)
Profit before taxation	8	413,860	220,792	282,843	243,541
Taxation	9.1	(326,053)	(70,727)	(159,670)	46,364
Profit after taxation		87,806	150,065	123,173	289,905
Other comprehensive income not to be reclassified to profit or loss in subsequent periods.					
Fair value (loss)/gain on Equity instruments at FVOCI	14.1	(633)	1,934	(633)	1,934
Re-measurement (Loss)/ gain on defined benefit plan	23.2	(114,542)	41,277	(114,542)	41,277
Tax effect	15.1	34,363	(12,383)	34,363	(12,383)
		(80,179)	28,894	(80,179)	28,894
Other comprehensive (loss)/ income for the year, net of tax		(80,812)	30,828	(80,812)	30,828
Total comprehensive income for the year, net of tax		6,994	180,893	42,361	320,733
Profit attributable to ordinary equity holders		87,806	150,065	123,173	289,905
Total comprehensive income for the year attributable to ordinary equity holders		6,994	180,893	42,361	320,733
Earnings per share (kobo)				-	-
Basic earnings per share	10	0.09	0.16	0.13	0.30

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

See notes to the consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	The Group 2022 N'000	The Group 2021 N'000	The Company 2022 N'000	The Company 2021 N'000
ASSETS					
Non-current assets					
Property, plant & equipment	11	2,848,651	2,550,455	1,260,569	1,030,564
Intangible assets	12	45,350	45,234	45,016	44,100
Right of use asset	21.1	185,891	283,435	109,046	127,330
Long term prepayments	13	235,186	3,599	3,085	3,599
Equity instrument at fair value through other comprehensive income	14.1	1,696	2,329	1,696	2,329
Investment in subsidiaries	14.2	-	-	1,153,065	1,153,065
Employee benefit assets	23.1	16,286	164,738	16,286	164,738
Total non- current assets		3,333,060	3,049,790	2,588,763	2,525,725
Current assets					
Inventories	16	91,707	66,541	82,755	53,551
Trade and other receivables	17	3,788,503	3,192,497	2,975,828	2,245,874
Current prepayments	13	78,574	275,260	49,675	105,791
Cash and bank balances	18	460,343	954,966	349,539	723,680
Total current assets		4,419,127	4,489,264	3,457,797	3,128,896
TOTAL ASSETS		7,752,187	7,539,054	6,046,560	5,654,621
EQUITY AND LIABILITIES					
Equity		477,211	463,176	477,211	463,176
Share capital	19	1,515,600	1,437,001	1,515,600	1,437,001
Share premium	20	2,199,653	2,330,978	1,472,769	1,568,728
Retained earnings designated at FVOCI	14.1	1,161	1,794	1,161	1,794
Total equity		4,193,625	4,232,949	3,466,741	3,470,699
Non-current liabilities					
Deferred tax liabilities	15.1	139,419	150,181	35,020	21,383
Lease Liabilities	21	68,472	56,793	47,544	56,793
Interest bearing loans and borrowings	22	274,774	379,805	-	-
Total non-current liabilities		482,665	586,779	82,564	78,176

		The Group		The Company	
	Note	2021	2020	2021	2020
Current liabilities		N'000	N'000	N'000	N'000
Trade and other payables	24	2,722,303	2,314,885	2,312,464	1,984,929
Lease liabilities.	21	21,495	123,636	21,495	27,522
Income tax liabilities	9.2	227,526	176,232	163,296	93,295
Borrowings -current	22	104,573	104,573	-	-
		3,075,897	2,719,326	2,497,255	2,105,746
Total liabilities		3,558,562	3,306,105	2,579,819	2,183,922
TOTAL EQUITY AND LIABILITIES		7,752,187	7,539,054	6,046,560	5,654,621

The consolidated and separate financial statements were approved by the Board on 28 June, 2022 and signed on its behalf by:

Suleiman Barau	Auwalu Badamasi Babura	Valentine Onyibo
Chairman	Managing Director/CEO	Chief Finance Officer (CFO)
29 June, 2022	29June, 2022	29 June, 2022
FRC/2015/ICENNIG/00000011559	FRC/2016/ICAN/00000014402	FRC/2013/ICAN/00000003908

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 2021	463,176	1,437,001	2,330,978	1,794	4,232,949
Profit for the period	-	-	87,806	-	87,806
Other comprehensive income:					
Remeasurement loss on defined benefit plan	-	-	(80,180)	-	(80,180)
Fair value loss on equity instrument designated at FVOCI (Note 14.1)	-	-		(633)	(633)
Bonus issue (Note 19)	14,035	78,599	(92,634)	-	-
Dividend declared (Note 27)	-	-	(46,318)	-	(46,318)
As at 31 March 2022	477,211	1,515,600	2,199,653	1,161	4,193,625
As at 1 April 2020	463,176	1,437,001	2,476,242	(140)	4,376,279
Profit for the period	-	-	150,065	-	150,065
Other comprehensive income:					
Remeasurement gain on defined benefit plan	-	-	28,894	-	28,894
Fair value gain on equity instrument designated at FVOCI (Note 14.1)	-	-	-	1,934	1,934
Dividend declared (Note 27)	-	-	(324,223)	-	(324,223)
As at 31 March 2021	463,176	1,437,001	2,330,978	1,794	4,232,949

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 2021	463,176	1,437,001	1,568,728	1,794	3,470,699
Profit for the period	-	-	123,173	-	123,173
Other comprehensive income:					
-Remeasurement loss on defined					
benefit plan	-	-	(80,180)	-	(80,180)
Fair value loss on equity					
instrument designated at FVOCI	-	-		(633)	(633)
(Note 14.1)					
Bonus issue (Note 19)	14,035	78,599	(92,634)	-	-
Dividend declared (Note 27)	-	-	(46,318)	-	(46,318)
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As at 31 March 2022	477,211	1,515,600	1,472,769	1,161	3,466,741
	======	=======	========	=======	=======
As at 1 April 2020	463,176	1,437,001	1,574,152	(140)	3,474,189
Profit for the period					
Other comprehensive income:	-	-	289,905	-	289,905
Remeasurement gain on defined					
benefit plan					
Fair value gain on equity	-	-	28,894	-	28,894
instrument designated at FVOCI					
(Note 14.1)	-	-	-	1,934	1,934
Dividend declared (Note 27)	-	-	(324,223)	-	(324,223)
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As at 31 March 2021	463,176	1,437,001	1,568,728	1,794	3,470,699
	======	=======	========	=======	=======

See notes to the consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Note	The Group 2022 N'000	The Group 2021 N'000	The Company 2022 N'000	The Company 2021 N'000
CASHFLOW FROM OPERATING ACTIVITIES					
Profit before taxation		413,860	220,792	282,843	243,541
Adjustment to reconcile net income to net cash provided by operating activities:					
Depreciation of property, plant& equipment	11	453,868	392,165	163,796	152,563
Depreciation of ROU assets	21.1	153,294	140,645	64,187	39,545
Amortisation of intangible assets	12	35,569	40,677	34,769	39,878
Long term prepayment utilized	13	393,734	449,272	176,866	153,831
Profit on disposal of fixed assets	5	(8,782)	(16,686)	(4,668)	(1,137)
Finance cost	7.2	56,646	40,887	7,314	7,902
Finance income	7.1	(5,274)	(12,625)	(4,334)	(12,036)
Expected Credit losses on financial assets	17.1	108,361	182,575	45,866	100,694
Exchange difference	26.1	14,369	(31,003)	4,077	(33,464)
Dividend income	5	-	-	(25,449)	(194,121)
Service cost		98,436	26,153	98,436	26,153
Net interest(income)/ expense		(39,916)	(54,370)	(39,916)	(54,370)
Lease modification	5.2	(21,916)	116	(21,916)	116
Changes in assets and liabilities:					
Increase in inventories		(25,166)	(14,890)	(29,204)	(8,686)
(Increase)/decrease in trade and other receivables		(848,300)	(207,536)	(809,986)	117,801
Increase in trade and other payables		475,466	149,306	405,874	114,426
Decrease/(increase) in employee benefits		(24,610)	(21,256)	(24,610)	(20,870)
		1,229,638	1,284,222	323,944	671,766
Tax Paid	9.2	(107,225)	(53,712)	(7,503)	(20,696)
Cash flow from long term Prepayment	13	(428,635)	(486,369)	(120,236)	(141,716)
Net cash provided by operating activities	26	693,778	744,141	196,205	509,354
CASHFLOW FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	11	(756,308)	(1,596,481)	(395,700)	(490,074)
Prepaid lease payment	21.1	(56,424)	(48,483)	(46,577)	(41,998)
Purchase of intangible assets	12	(35,685)	(24,621)	(35,685)	(24,621)
Proceeds from sale of property plant and equipment		13,026	33,873	6,567	1,635
Additional investment in subsidiaries		-	-	-	(779,000)
Interest received	7.1	5,274	12,625	4,334	12,036
Dividend received	5	-	-	25,449	194,121
Net cash used in investing activities		(830,117)	(1,623,087)	(441,612)	(1,127,901)
CASHFLOW FROM FINANCING ACTIVITIES					
Dividend paid	27	(128,734)	(297,225)	(128,734)	(297,225)
Proceeds from borrowings	22	-	500,000	-	-
Payment of principal - borrowings	22	(105,031)	(59,867)	-	-
Refund of unclaimed dividend from Registrars	27	-	25,820	-	25,820
Interest paid	21&22	(24,580)	(33,636)	-	(651)
Payment of principal -lease obligation		(99,938)	(126,357)	-	(29,236)
Net cash (used in)/provided by financing activities		(358,283)	8,735	(128,734)	(301,292)
Net increase/ (decrease) in cash and cash equivalents	22	(494,623)	(870,211)	(374,141)	(919,839)
Net foreign exchange difference	18.1	219	(10,655)	66	(10,546)
Cash and cash equivalents at the beginning of the year		955,743	1,836,609	724,287	1,654,672
Cash and cash equivalents at the end of the year		461,339	955,743	350,212	724,287

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
- Inventories measured at net realizable

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 forwardlooking 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 standalone 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 passthrough 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, the details below consist of the current year reassessed useful life.

Asset category	**Useful lives**
Building	40 years
Improvement on building	Remaining depreciable life
Plants and Machinery	3 – 12 years
Motor Vehicles	3 –10 years
Motor cycles	4 – 5 years
Furniture, Fittings and Equipment	5 – 10 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
6-10 KVA	5 years
15-40 KVA	8 years
50-100 KVA	10 years
Above 100 KVA	12 years

COURIER BIKES

Lagos/Abuja/Phc	4 years
Other Stations	5 years

Motor Vehicles

Category	**Policy**
4 Wheel Operational	3-5 Years
4 Administration	5 Years
Light Trucks 5-14 tonnes	4-8 Years
Trucks & Trailers 15-45 tonnes	4-10 Years

FURNITURE AND FITTINGS

Office Table	5 Years
Operational Table	10 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 rightof-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:

AssetsLease 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 2022.

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 intragroup 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

Group and Company	Fair value measurement using			Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	31 March 2022			31 March 2021		
in thousands of Nigerian Naira	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial Assets:						
Equity Instruments at FVOCI	1,696	-	-	2,329	-	-
Interest bearing loans and borrowings*	-	-	400,733	-	-	517,827

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	2022	2021				
In thousands of Nigerian Naira		**Carrying amount**	**Fair value**		**Carrying amount**	**Fair value**
Financial Assets:						
Equity Instruments at FVOCI			1,696	1,696	2,329	2,329
Interest bearing loans and borrowings*	379,347	400,733	-	484,378	517,827	

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.

*Interest bearing loans and borrowings are carried at amortized cost. The estimated fair value of borrowings represent the discounted amount of the estimated future cashflows expected to be received. The discount rate used is 13%.

3.18 New standards and interpretations issued not yet adopted

The company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when a RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

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 a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022.The amendment applies to annual reporting periods beginning on or after 1 April 2021.

However, the Company has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

3.18.1 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 Company's financial statements are disclosed below. The company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach); and
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.

Reference to the Conceptual Framework – Amendments to IFRS 3
In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements. Effective for annual periods beginning on or after 1 January 2022.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments to IFRS 3 is not expected to have a significant impact on the financial statements of the Company.

Definition of Accounting Estimates - Amendments to IAS 8
In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Company.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12
In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

The amendments to IAS 12 are applicable for annual periods beginning on or after 1 January 2023. The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
Effective for annual periods beginning on or after 1 January 2022.
The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendments to IFRS 16 is not expected to have a significant impact on the financial statements.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. Effective for annual periods beginning on or after 1 January 2022.

The amendments are intended to provide clarity and help ensure consistent application of the standard. Entities that previously applied the incremental cost approach will see provisions increase to reflect the inclusion of costs related directly to contract activities, whilst entities that previously recognised contract loss provisions using the guidance from the former standard, IAS 11 Construction Contracts, will be required to exclude the allocation of indirect overheads from their provisions. Judgement will be required in determining which costs are “directly related to contract activities”, but we believe that guidance in IFRS 15 Revenue from Contracts with Customers will be relevant.

The amendments to IAS 37 is not expected to have a significant impact on the financial statements.

IFRS 1 First-time Adoption of International Financial Reporting Standards: Subsidiary as a first-time adopter
The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on

the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted. These amendments had no impact on the financial statements of the Company.

IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities.

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39.

An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted. These amendments had no impact on the financial statements of the Company.

Classification of Liabilities as Current or Non-current - Amendments to IAS 1
In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. Effective for annual periods beginning on or after 1 January 2022.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not

Impact its classification
The amendments to IAS 1 is not expected to have a significant impact on the financial statements.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28
In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

The amendments address the conflict between IFRS 10 Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments to IFRS 10 and IAS 28 is not expected to have a significant impact on the financial statements.

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 2022			
	Services N'000	Logistics N'000	Freight N'000	Total N'000
Courier (note 4.3i)	7,399,349	810,152	1,710,961	8,209,501
Mail management services	917,845	-	-	917,845
Freight (note 4ii)	-	-	-	1,710,961
Logistics (note 4.3iv)	-	1,022,266	1,710,961	1,022,266
Support services (note 4.3iii)	738,244	-	-	738,244
Total revenue from contracts with customers	9,055,438	1,832,418	1,710,961	12,598,817
Geographical markets				
Within Nigeria	8,708,569	1,832,418	1,710,961	12,251,948
Outside Nigeria	346,869	-	-	346,869
Total revenue from contracts with customers	9,055,438	1,832,418	1,710,961	12,598,817
Timing of revenue recognition				
Services transferred over time	9,055,438	1,832,418	1,710,961	12,598,817
Total revenue from contracts with customers	9,055,438	1,832,418	1,281,543	12,598,817

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
Logistics	-	1,399,695	1,281,543	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				
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

4.1 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.

4.3 Revenue from contract with customers

	The Group		**The Company**	
	2022	**2021**	**2022**	**2021**
Analysis by services	**N'000**	**N'000**	**N'000**	**N'000**
Courier (note 4.3i)	7,399,349	5,314,436	7,399,350	5,314,436
Logistics (note 4.3iv)	1,832,418	1,399,695	-	-
Freight (note 4.3ii)	1,710,961	1,281,543	-	-
Support services (note 4.3iii)	1,656,089	1,462,340	-	-
	12,598,817	9,458,014	7,399,350	5,314,436

4.3i Courier relates to the delivery of documents and parcels both locally and internationally, it includes the mail management services.

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	
		2022	2021	2022	2021
5	**Other operating income**	**N'000**	**N'000**	**N'000**	**N'000**
	Dividend from subsidiaries	-	-	25,449	194,121
	Sundry income (note 5.1)	122,504	27,195	27,789	16,329
	Lease Modification (Note 5.2)	21,916	-	21,916	-
	Profit on disposal of property, plant and equipment	8,782	16,686	4,668	1,137
	Exchange gain	-	31,003	-	33,464
		153,202	74,884	79,822	245,051

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

5.2	Lease Modification (gains)/losses				
	Modification on right of use asset (Note 21.1)	674	(8,769)	674	(8,769)
	Modification on lease Liabilities (Note 21)	(22,590)	8,885	(22,590)	8,885
		(21,916)	116	(21,916)	116

6	**Administrative expenses**				
	Repairs and maintenance	335,003	415,360	216,200	122,912
	Power and water	256,130	146,819	208,098	119,816
	Printing and stationery	177,957	118,936	153,704	99,123
	Employee benefit expenses	650,795	397,013	552,688	347,535
	Insurance	124,300	75,502	47,495	29,966
	Communication and telephone	121,521	104,596	87,919	81,632
	Subscriptions and donations	93,217	61,228	72,209	40,971
	Hotel accommodation and entertainment	72,563	54,206	54,221	39,440
	Transportation and travelling costs	71,901	54,886	55,550	47,607
	Legal and professional charges	78,415	73,475	57,364	62,223
	Security expenses	53,712	45,165	26,378	24,130
	Training	53,399	32,350	47,605	29,267
	Publicity and promotion	43,343	38,268	33,058	15,516
	Exchange loss	14,369	-	4,077	-
	Amortisation of intangible assets (Note 12)	35,569	40,678	34,769	39,878
	Bank charges	35,783	31,230	23,660	22,407
	Audit fee	15,217	15,300	11,917	12,000
	Annual general meeting expenses	11,734	7,876	4,424	2,370
	Newspaper and periodicals	2,200	2,187	1,561	1,566
	Bad debt	1,941	-	1,941	-
	Depreciation (Note 11)	189,131	163,419	49,139	45,769
	Medical	90,257	96,664	33,480	29,882
	Lease Modification (Note 5.2)	-	116	-	116
	Litigation expenses	-	5,725	-	5,725
		2,528,457	1,980,999	1,777,457	1,219,851

6.1 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:

2022	Group Stage 1 Collective N'000	Simplified Model N'000	Total N'000	Company Stage 1 Collective N'000	Simplified Model N'000	Total N'000
Trade receivables (Note 17.1)	-	107,293	107,293	-	50,056	50,056
Intercompany receivables (Note 17.2)	-	-	-	(4,256)	-	(4,256)
Short term deposits (Note 18.1)	219	-	219	66	-	66
Other receivables (Note 17.3)	849	-	849	-	-	-
Allowance for impairment for financial assets	1,068	107,293	108,361	(4,190)	50,056	45,866

6.1 Credit loss expense of financial assets

2021	Group Stage 1 Collective N'000	Simplified Model N'000	Total N'000	Company Stage 1 Collective N'000	Simplified Model N'000	Total N'000
Trade receivables (Note 17.1)	-	184,902	184,902	-	103,594	103,594
Intercompany receivables (Note 17.2)	-	-	-	(682)	-	(682)
Short term deposits (Note 18.1)	(10,655)	-	(10,655)	(10,546)	-	(10,546)
Other receivables (Note 17.3)	8,328	-	8,328	8,328	-	8,328
	(2,327)	184,902	182,575	(2,900)	103,594	100,694

6.2 Cost of Sales

	The Group 2022 N'000	The Group 2021 N'000	The Company 2022 N'000	The Company 2021 N'000
International delivery costs	2,232,400	1,749,749	1,963,922	1,427,770
Staff cost	1,518,521	1,368,509	503,464	488,499
Vehicle running costs	1,409,554	745,896	427,363	319,040
Clearing and documentation charges	1,274,267	733,139	367,592	258,618
Domestic freight & Local deliveries	1,048,538	637,897	897,218	487,438
Direct Operational Costs	476,634	433,065	291,604	254,790
Depreciation-properties, plant and equipment (Note 11)	264,737	228,746	114,657	106,794
Medical-direct staff	210,599	222,606	78,119	99,608
Agent costs	284,731	238,308	264,645	225,731
Projects and Consolidation expenses	277,637	265,216	-	-
Local transport	235,860	150,421	236,212	151,894
Depreciation-right of use asset (Note 21)	153,294	140,645	64,187	39,545
Pension	135,582	86,404	59,540	44,736
Retirement benefit	58,520	28,217	58,520	28,217
Rents and rates of outlets	69,096	91,452	42,983	66,855
	9,649,969	7,120,270	5,370,027	3,999,535

7.1 Finance income

Interest received from fixed deposit**	5,274	12,625	4,334	12,036
	========	========	========	========

7.2 Finance cost

Interest expense on Lease liabilities (Note 21)*	49,332	34,495	7,314	7,902
Interest on term loan (Note 22)	7,314	6,392	-	-
	-------------	-------------	-------------	-------------
	56,646	40,887	7,314	7,902
	========	========	========	========

*The interest is calculated using the effective interest method.

** This relates to interest received from short term deposits with commercial banks, the interest is calculated using the effective interest method.

8. Profit before taxation was obtained after deducting:

Depreciation - Admin (Note 11)	189,131	163,419	49,139	45,769
Depreciation - Cost of sales (Note 11)	264,737	228,746	114,657	106,794
Depreciation - right of use asset (Note 21)	153,294	140,645	64,187	39,545
Amortisation of intangible assets (Note 12)	35,569	40,678	34,769	39,878
Audit fee	15,217	15,300	11,917	12,000
Profit on disposal of property, plant and equipment	(8,782)	(16,686)	(4,668)	(1,137)
Directors emoluments	66,808	56,318	66,808	56,318
Exchange (gain)/loss	14,369	(31,003)	4,077	(33,464)
Dividend received	-	-	(25,449)	(194,121)
	========	========	========	========

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
9 Taxation	**N'000**	**N'000**	**N'000**	**N'000**

9.1 Statement of Profit or loss

Income taxation	138,397	97,402	84,663	33,004
Education tax	29,215	15,520	15,884	6,577
Back duty charge	134,413	-	11,109	-
Nigerian Police trust fund levy	16	15	14	10
Capital gain tax	411	1,914	-	39,591
	-------------	-------------	-------------	-------------
Deferred tax (credit)/expense	302,452	114,851	111,670	39,591
	23,601	(44,124)	48,000	(85,955)
	-------------	-------------	-------------	-------------
	326,053	70,727	159,670	(46,364)
	========	========	========	========

	The Group		The Company	
	2022	2021	2022	2021
9.2 Statement of Financial Position	**N'000**	**N'000**	**N'000**	**N'000**
At 1 April	176,232	332,141	93,295	233,936
Current year tax provision	168,039	114,851	100,561	39,591
Back duty charge*	134,413	-	11,109	-
Payment during the year	(107,225)	(53,712)	(7,503)	(20,696)
Withholding tax credit utilized	(143,933)	(217,048)	(34,166)	(159,536)
At 31 March	227,526	176,232	163,296	93,295

*During the year, a back duty assessment was carried out by FIRS on Red star services and Red Star Logistics from 2014 to 2019 tax assessment years, this has resulted in an additional tax assessment of N44.274m and N79.030m respectively.

9.3 Reconciliation of income tax expense

Profit before tax	413,860	220,792	282,843	243,541
Nigeria's statutory income tax rate of 30%	124,158	66,238	84,853	73,062
Disallowable expenses*	44,257	117,190	57,006	51,898
Impact of non-taxable income**	(14,824)	(136,445)	(14,824)	(178,276)
Education tax	29,215	15,520	15,884	6,577
Back duty charge	134,413	-	11,109	-
Capital gain tax	411	1,914	-	-
Balancing charge on PPE disposal	8,415	6,295	5,634	365
Nigerian Police trust fund levy	8	15	8	10
Income tax expense	326,053	70,727	159,670	(46,364)
Effective tax rate	79%	32%	56%	(19) %

* 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.

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.

Profit attributable to ordinary equity holders	87,806	150,065	123,173	289,905
Weighted average number of ordinary shares for basic earnings per share	954,422	954,422	954,422	954,422
Basic earnings per share (N)	0.09	0.16	0.13	0.30

*The prior year EPS has been restated as a result of the bonus issue made during the year.

11. Property, plant and equipment The Group - 31 March 2022

	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
COST									
At 1 April 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
Additions	34,619	21,390	28,794	215,804	87,699	113,137	17,473	237,392	756,308
Disposals*	-	-	(680)	(89,143)	(20,706)	(63)	-	-	(110,592)
Transfer	-	-	-	-	34,349	-	-	(34,349)	-
At 31 March 2022	553,729	532,558	121,626	2,152,947	729,939	614,796	159,877	458,228	5,323,700
DEPRECIATION									
At 1 April 2020	-	135,486	74,142	853,992	505,360	333,471	85,049	-	1,987,500
Charge for the year	-	13,971	8,487	269,307	33,585	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
Charge for the year	-	14,227	47,119	222,750	80,705	72,556	16,511	-	453,868
Disposals*	-	-	(614)	(84,965)	(20,706)	(63)	-		(106,348)
At 31 March 2022	-	163,684	128,924	1,011,528	597,021	458,613	115,279	-	2,475,049
NET BOOK VALUE									
At 31 March 2022	553,729	368,874	(7,298)	1,141,419	132,918	156,183	44,598	458,228	2,848,651
At 31 March 2021	519,110	361,711	11,093	1,152,543	91,575	115,602	43,636	255,185	2,550,455

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.
*There was a reclassification from Intangible asset to computer equipment relating to hard drive wrongly posted to Intangible asset.

11. Property, plant and equipment The Company - 31 March 2022

	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
COST									
At 1 April 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
Disposals	-	-	(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
Additions*	7,500	2,670	27,300	98,209	27,925	107,487	6,283	118,326	395,700
Disposals	-	-	(680)	(9,894)	(956)	(63)	-	-	(11,593)
At 31 March 2022	221,844	371,869	107,028	597,803	196,555	585,401	101,981	334,462	2,516,943
DEPRECIATION									
At 1 April 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
Disposals	-	-	(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
Charge for the year	-	10,410	4,744	47,032	20,958	68,745	11,907		163,796
Disposals*	-	-	(614)	(8,061)	(956)	(63)	-	-	(9,694)
At 31 March 2022	-	130,499	78,052	394,570	141,717	437,739	73,797	-	1,256,374
NET BOOK VALUE									
At 31 March 2022	221,844	241,370	28,976	203,233	54,838	147,662	28,184	334,462	1,260,569
At 31 March 2021	214,344	249,110	6,486	153,889	47,871	108,920	33,808	216,136	1,030,564

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.

*There was a reclassification from Intangible asset to computer equipment relating to hard drive wrongly posted to Intangible asset.

12 Intangible assets Cost:	The Group	The Company
	N'000	N'000
At 1 April 2020	191,032	188,132
Additions	24,621	24,621
At 31 March 2021	215,653	212,753
Additions	35,685	35,685
At 31 March 2022	251,338	248,438
Amortization:		
At 1 April 2020	129,742	128,775
Charge for the year	40,677	39,878
At 31 March 2021	170,419	168,653
Charge for the year	35,569	34,769
At 31 March 2022	205,988	203,422
Net Book Value:		
At 31 March 2022	45,350	45,016
At 31 March 2021	45,234	44,100

The Group's intangible asset represents N251,338,000 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 2022.
There was a reclassification from Intangible asset to computer equipment relating to hard drive wrongly posted to Intangible asset.

	The Group		The Company	
13 Prepayment	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Current portion	78,574	275,260	49,675	105,791
Non-current portion	235,186	3,599	3,085	3,599
At 31 March	313,760	278,859	52,760	109,390
At 1 April	278,859	241,762	109,390	121,505
Addition	428,635	486,369	120,236	141,716
Utilised in the year	(393,734)	(449,272)	(176,866)	(153,831)
At 31 March	313,760	278,859	52,760	109,390

Prepayments are mainly attributable to short term leases, insurance and other prepaid charges during the year.
During 2022, N 150,592,890.04 and N 26,232,181.40 (2021: N 89,094,378 and N 76,185,377) was recognised as short term lease expense for the Group and the Company respectively. This is recognised in cost of sales.

14.1 Equity instrument at fair value through OCI

	The Group		The Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
At 1 April	2,329	395	2,329	395
Fair value (loss)/gain	(633)	1,934	(633)	1,934
At 31 March	1,696	2,329	1,696	2,329

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

14.2 Investment in Subsidiaries

Investment in subsidiaries measured at costs:				
Investment in Red Star Freight Limited	-	-	354,000	354,000
Investment in Red Star Support Services Limited	-	-	49,065	49,065
Investment in Red Star Logistics Limited	-	-	750,000	750,000
	-	-	1,153,065	1,153,065

The Consolidated financial statement include:

Name	Principal Activities	Country of Incorporation	% equity interest 2022	2021
Red Star Freight Limited	Freight and custom clearance	Nigeria		
	Mail management and despatch		100%	100%
Red Star Supports Services Limited	services	Nigeria	100%	100%
Red Star Logistics Limited	Haulage and warehousing services	Nigeria		

15.1 Deferred taxation

At 1 April	150,181	181,922	21,383	94,955
Deferred tax (write back)/charge for the year	23,601	(44,124)	48,000	(85,955)
Tax (income)/expense during the period recognized in OCI	(34,363)	12,383	(34,363)	12,383
At 31 March	139,419	150,181	35,020	21,383

15.2 Deferred tax relates to the following:

Accelerated depreciation for tax purposes	234,702	124,092	118,253	85,271
Provision for defined benefit plan	(171,746)	(53,006)	(147,347)	(52,716)
Impairment of financial assets	(25,606)	(36,371)	(25,606)	(44,103)
Lease liabilities	(91,045)	(26,981)	(91,045)	(26,981)
Exchange difference	23,691	8,615	11,342	8,615
Property, plant & equipment	92,790		82,535	92,790-
Right of use assets	110,996	40,746	110,996	40,746
Effect of actuarial assumptions Recorded in OCI	(34,363)	12,383	(34,363)	12,383
Litigation expenses	-	(1,832)	(34,363)	(1,832)
At 31 March	139,419	150,181	35,020	21,383

16 Inventories

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	N'000	**N'000**	**N'000**	**N'000**
Stationeries and packaging materials	68,969	42,448	60,576	35,792
Fuel & Oil	17,125	17,406	16,646	12,433
	5,613	6,687	5,533	5,326
Spares	91,707	66,541	82,755	53,551

During 2022, N1,049,243,876 and N897,924,234 (2021: N719,450,328 and N250,743,680) were recognised as an expense in cost of sales. 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 2022 N'000	The Group 2021 N'000	The Company 2022 N'000	The Company 2021 N'000
Trade receivables.	2,433,780	2,263,032	1,457,893	1,164,164
Related parties (Note 25)	52,794	-	964,270	843,093
Other receivables (Note 17.4)	1,419,259	1,118,005	676,482	376,436
	3,905,833	3,381,037	3,098,645	2,383,693
Allowance for expected credit losses:				
Trade receivable (Note 17.1)	(117,330)	(188,540)	(118,767)	(129,513)
Related parties (Note 17.2)	-	-	(4,050)	(8,306)
	3,788,503	3,192,497	2,975,828	2,245,874

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)

17.1 Allowance for expected credit losses on trade receivables

An analysis of changes in the aggregate ECL allowances. Trade receivables is as follows:

	The Group 2022 N'000	The Group 2021 N'000	The Company 2022 N'000	The Company 2021 N'000
As at 1 April	188,540	171,230	129,513	123,482
Provision for expected credit losses (Note 6.1)	118,039	184,902	60,802	103,594
Write off	(178,503)	(167,126)	(60,802)	(97,097)
Unused amount reversed (Note 6.1)	(10,746)	(466)	(10,746)	(466)
As at 31 March	117,330	188,540	118,767	129,513

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

17.2 Allowance for expected credit losses on related parties

An analysis of changes in the aggregate ECL allowances. related parties is as follows:

	The Company	
	2022	**2021**
	N'000	**N'000**
As at 1 April	8,306	8,988
Provision for expected credit losses (Note 6.1)	1,134	342
Write-off (Note 6.1)	(5,390)	(1,024)
As at 31 March	4,050	8,306

17.3 Allowance for expected credit losses on other receivable

An analysis of changes in the aggregate ECL allowances. other receivable is as follows:

	The Group		The Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
As at 1 April	31,498	23,170	29,656	21,328
Provision for expected credit losses (Note 6.1)	849	8,328	-	8,328
As at 31 March	32,347	31,498	29,656	29,656

17.4 Other receivables

	The Group 2022 N'000	The Group 2021 N'000	The Company 2022 N'000	The Company 2021 N'000
Withholding tax receivables	1,074,078	874,196	447,987	238,610
Staff loan**	77,920	58,244	58,918	43,862
Sundry receivables***	65,610	7,835	65,610	7,835
Other staff and operational advances*	233,998	217,063	133,623	123,620
Expected credit losses on other receivable (Note 17.3)	(32,347)	(31,498)	(29,656)	(29,656)
	1,419,259	1,125,840	676,482	384,271

*These are housing advance and other advances to staff in the ordinary course of business operation, which are yet to be retired as at the end of the year.
** This relates to advance for car loan to staff.
***Sundry receivables relates to receivables from stations.

18 Cash and bank balances

	The Group 2022 N'000	The Group 2021 N'000	The Company 2022 N'000	The Company 2021 N'000
Cash balances	4,148	2,944	3,508	1,870
Cash -in- transit ***	117,618	41,128	115,337	37,570
Bank balances *	275,671	763,397	178,367	626,766
Short term deposit **	63,902	148,274	53,000	58,081
Expected credit losses on short term deposit (Note 18.1)	(996)	(777)	(673)	(607)
	460,343	954,966	349,539	723,680

*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

18.1 Allowance for expected credit losses on short term deposit

An analysis of changes in the aggregate ECL allowances. short term deposit is as follows:

	The Group		The Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
As at 1 April	777	11,432	607	11,153
Provision for expected credit losses (Note 6.1)	219	-	66	-
Unused amount reversed (Note 6.1)	-	(10,655)	-	(10,546)
As at 31 March	996	777	673	607

(i) Cash and cash equivalent

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				
Cash and bank balances	460,343	954,966	349,539	723,680
Expected credit losses on short term deposit (Note 18.1)	996	777	673	607
	461,339	955,743	350,212	724,287

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	463,176	477,211	463,176
Bonus issue*	14,035	-	14,035	-
At 31 March	477,211	463,176	477,211	463,176

20 Share premium

At 1 April	1,437,001	1,437,001	1,437,001	1,437,001
Bonus issue*	78,599	-	78,599	-
At 31 March	1,515,600	1,437,001	1,515,600	1,437,001

*At the Board of Directors' meeting held on 16 September 2021, the Board passed a resolution to raise additional capital through bonus issue of 10 kobo per share in proportion of 33 shares to 1 to all Shareholders, whose names appear on the Register of Members at the close of business on 3rd September, 2021.

21 Lease liabilities

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

	The Group		The Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
At 1 April				
IFRS 16 transition	180,429	249,366	84,315	56,131
Addition	-	41,284		41,284
Lease modification (Note 5.2)*	(22,590)	8,885	(22,590)	8,885
Accretion of interest (Note 7.2)**	49,332	34,495	7,314	7,902
Payments of principal	(99,938)	(126,357)	-	(29,236)
Interest paid	(17,266)	(27,244)	-	(651)
At 31 March	89,967	180,429	69,039	84,315
Non-current	68,472	56,793	47,544	56,793
Current	21,495	123,636	21,495	27,522
Total	89,967	180,429	69,039	84,315

* Lease modification resulted from default in payment of lease rentals *The interest is calculated using the effective interest method.

21.1 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 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
Additions	1,000	45,577	-	9,847	56,424
Lease modification*	-	(674)	-	-	(674)
At 31 March 2022	109,877	118,547	9,500	473,676	711,600
Accumulated depreciation:					
At 1 April 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
Depreciation charge for the year	18,315	39,212	-	95,767	153,294
At 31 March 2022	34,118	78,100	9,500	403,991	525,709
Net book value:					
At 31 March 2022	75,759	40,447	-	69,685	185,891
At 31 March 2021	93,074	34,756	-	155,605	283,435

* Lease modification resulted from default in payment of lease rentals

21.1 Company as a Lessee

Costs:	**Land**	**The Company Office Building**	**Total**
	N'000	**N'000**	**N'000**
At 31 March 2020	55,500	30,970	86,470
Additions	44,608	38,674	83,282
Lease modification*	8,769	-	8,769
	108,877	69,644	178,521
Additions	1,000	45,577	46,577
Lease modification*	-	(674)	(674)
At 31 March 2022	109,877	114,547	224,424
Accumulated depreciation:			
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
Depreciation charge for the year	18,315	45,872	64,187
At 31 March 2022	34,118	81,260	115,378
Net book value:			
At 31 March 2022	75,759	33,287	109,046
At 31 March 2021	**93,074**	**34,256**	**127,330**

* Lease modification resulted from default in payment of lease rentals

22 Interest bearing loans and borrowings

Interest bearing loans and borrowings background

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.

The movement in total borrowings during the period is as follows:	**2022**	**2021**
	N'000	**N'000**
At 1 April	484,378	44,245
Addition	-	500,000
Interest accrued (Note 7.2)	7,314	6,392
Payment of principal	(105,031)	(59,867)
Repayment of interest during the year	(7,314)	(6,392)
At 31 March	379,347	484,378
Non-current	274,774	379,805
Current	104,573	104,573
	379,347	**484,378**

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	**2022** **N**	**2021** **N**	**Nature**
Investment Property	95,781,088	95,781,088	Buildings (Unquoted)
Investment in Shares	3,440,060	3,440,060	Quoted
FGN Bond	273,980,685	585,451,631	Quoted
Bank deposits	12,028,960	12,028,960	Quoted
Cash and Bank	92,760,699	92,760,699	Unquoted
Others*	109,263,967	109,263,967	Unquoted
Total	**587,255,459**	**898,726,405**	

*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:

	The Group		**The Company**	
	2022 **N'000**	**2021** **N'000**	**2022** **N'000**	**2021** **N'000**
Present value of Defined benefit obligation	(570,969)	(733,988)	(570,969)	(733,988)
Fair value of plan assets	587,255	898,726	587,255	898,726
Net employee defined benefit	16,286	164,738	16,286	164,738

23.2 2021 changes defined benefit obligation- Continued

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

	2022	2021
	%	%
Discount rate	13	11.8
Future salary increases	4	10
Mortality rate	11.5	11.2

	Discount Sensitivity		Salary Sensitivity		Mortality Sensitivity	
Sensitivity level	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
2022						
Impact on defined benefit obligation	129,008	(351,045)	362,857	(119,008)	259,581	(258,103)
2021						
Impact on defined benefit obligation	294,590	(101,398)	100,371	(296,703)	251,289	(164,341)

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 both the Group and the Company's defined benefit plan in future years:

	2022	2021
	N'000	**N'000**
Within the next 12 months (next annual reporting period)	116,420	223,525
Between 2 and 5 years	682,006	919,128
Between 5 and 10 years	1,705,547	1,190,261
Beyond 10 years	4,370,325	1,931,804
Total expected payments	**6,874,298**	**4,264,718**

The average duration of the defined benefit obligation at the end of the reporting period for the Group and the Company is 20.0 years (2021: 19.7 years).

23.2 2022 Movement in defined benefit obligation

The Group

	Pension obligation charged to profit or loss					Re-measurement (gains)/losses in other comprehensive income					
	1-Apr-21 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	(733,988)	(98,436)	(66,134)	(164,570)	71,165	-	26,518	229,906	256,424	-	(570,969)
Fair value of plan assets	898,726	-	106,050	106,050	(71,165)	-	-	(370,966)	(370,966)	24,610	587,255
	164,738	(98,436)	39,916	(58,520)	-		26,518	(141,060)	(114,542)	24,610	16,286

The 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	(733,988)	(98,436)	(66,134)	(164,570)	71,165	-	26,518	229,906	256,424	-	(570,969)
Fair value of plan assets	898,726	-	106,050	106,050	(71,165)	-	-	(370,966)	(370,966)	24,610	587,255
	164,738	(98,436)	39,916	(58,520)	-		26,518	(141,060)	(114,542)	24,610	16,286

2021 Movement in defined benefit obligation

The Group

		Pension obligation charged to profit or loss				Re-measurement (gains)/losses in other comprehensive income					
	1-Apr-20	Service cost	Net interest expense	Sub-total included in profit of loss	Benefits paid	Actuarial changes arising from changes indemographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contribution by employer	31 March 2021
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	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
	73,988	(26,153)	54,370	28,217	-		65,444	(24,167)	41,277	21,256	164,738

2021 Movement in defined benefit obligation

The Company

		Pension obligation charged to profit or loss				Re-measurement (gains)/losses in other comprehensive income					
	1-Apr-20	Service cost	Net interest expense	Sub-total included in profit of loss	Benefits paid	Actuarial changes arising from changes indemographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contribution by employer	31 March 2021
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	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
	73,988	(26,153)	54,370	28,217	-		65,444	(24,167)	41,277	21,256	164,738

	The Group		The Company	
	2022	2021	2022	2021
24 Trade and other payables	**N'000**	**N'000**	**N'000**	**N'000**
Trade Creditor	1,086,998	763,366	1,074,752	763,368
Other Creditors and accruals (Note 24.1)	1,630,479	1,551,519	1,232,886	1,133,626
Related parties payable (Note 25)	4,826	-	4,826	87,935
	2,722,303	2,314,885	2,312,464	1,984,929

24.1 Other creditors and accruals

Accruals*	277,064	414,153	157,134	281,457
Agent clearing charges	665,751	466,133	661,378	462,140
Witholding tax	85,753	110,985	80,821	96,378
Value Added Tax	294,804	279,690	126,895	78,663
Staff pension (note 24.2)	72,905	33,297	2,186	4,998
Unclaimed dividend (Note 27) Sundry payables**	147,513	151,190	147,513	151,190
Legal and Litigation expenses	65,714	70,746	35,984	33,475
	20,975	25,325	20,975	25,325
	1,630,479	1,551,519	1,232,886	1,133,626

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

24.2 Staff pension

At 1 April	33,297	56,520	4,998	5,433
Accrual for the year	243,801	160,968	74,317	57,260
	277,098	217,488	79,315	62,693
	(204,193)	(184,191)	(77,129)	(57,695)
Payment during the year	72,905	33,297	2,186	4,998

At 31 March The Group The Company *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

24 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.

Company	Nature of transaction	Transaction value 2022 N'000	Balance receivable/ (payable) 2022 N'000	Transaction value 2021 N'000	Balance receivable/ (payable) 2021 N'000
Related Companies:					
TNT	Mail management and despatch	27,274	34,521		-
FEDEX	Mail management and despatch	3,754	18,273		-
			------------		------------
			52,794		-
Red Star Freight Ltd	Freight and custom clearance.	270,369	246,234	122,730	290,492
Red Star Logistics Ltd	Haulage and warehousing services	269,340	662,564	457,711	552,601
Red Star Support Services Ltd	Mail management and despatch services	374,073	2,678		-
			------------		------------
			964,270		843,093
Allowance for Impairment Intercompany recievable			(4,050)		(8,306)
			------------		------------
			960,220		834,787
			=======		=======
Red Star Support Services Ltd (Note 24) despatch services	Mail management and	-	(4,826)	121,556	(87,935)

26.1 Reconciliation of exchange (gain)/ loss for cash flow purpose

	The Group 2022 N'000	The Group 2021 N'000	The Company 2022 N'000	The Company 2021 N'000
Exchange gain (Note 5)	-	(31,003)	-	(33,464)
Exchange loss (Note 6)	14,369	-	4,077	-
	------------	------------	------------	------------
	14,369	(31,003)	4,077	(33,464)
	=======	=======	=======	=======

27 Dividend distributions made and proposed

	2022 N'000	2021 N'000
At 1 April	151,190	130,794
Dividend declared	138,952	324,223
Withholding tax	(13,895)	(32,422)
Unclaimed dividend returned by the Registrars	-	25,820
	276,246	448,415
Dividend paid during the year	(125,056)	(291,801)
Payment from unclaimed dividend	(3,678)	(5,424)
Total Dividend Payments At 31 March	(128,734)	(297,225)
	147,513	151,190

28 Compensation paid of key management personnel:

	The Group		The Company	
Directors	**2022 N'000**	**2021 N'000**	**2022 N'000**	**2021 N'000**
Remuneration paid to the Directors was:				
Short-term employee benefit				
Director fees	7,766	5,375	7,766	5,375
Directors Sitting Allowance	10,514	11,670	10,514	11,670
Executive compensation	10,784	9,804	10,784	9,804
Other Directors benefits	37,744	29,469	37,744	29,469
Short term employee benefits	66,808	56,318	66,808	56,318
Post-employment benefit	-	-	-	
Total compensation	66,808	56,318	66,808	56,318

Fees and other emoluments disclosed above include amounts paid to:

	2022 N'000	2021 N'000
The Chairman	3,500	3,125
The highest paid Director	15,563	14,148

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
	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	
	2022	2021	2022	2021
	Number	Number	Number	Number
Managerial	5	5	3	3
Senior	52	43	21	24
Supervisors	243	279	85	76
Junior	1762	1,610	176	176
	----------	----------	----------	----------
	2,062	1,937	285	279
	======	======	======	======

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

	The Group		The Company	
	2022	2021	2022	2021
	Number	Number	Number	Number
N140,001 - N210,000	1,560	1,506	180	169
N210,001 - N360,000	468	400	75	80
N360,001 - N900,000	23	20	22	22
N900,001 - N1,700,000	8	8	5	5
N1,700,001 - N2,011,000	3	3		
	----------	----------	----------	----------
	2,062	1,937	285	279
	======	======	======	======

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 Strategic Business Units (SBU) 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, 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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Revenue (External customer)	7,399,350	5,314,436	1,710,960	1,281,544	1,832,418	1,399,695	1,656,089	1,462,339	(0)	-	12,598,817	9,458,014
Finance income	4,334	12,036	(2)	306	223	283	-	-	-	-	5,274	12,625
Cost of sales	(5,370,027)	(3,999,535)	(1,487,268)	(1,107,247)	(1,568,892)	(1,153,792)	(1,399,754)	(1,257,659)	175,971	397,963	(9,649,969)	(7,120,270)
Other Income	79,822	245,051	1,971	-	97,286	13,318	133	10,907	(26,009)	(194,392)	153,202	74,884
Admin expenses and ECL	(1,823,323)	(1,320,545)	(160,448)	(101,981)	(251,336)	(212,112)	(221,550)	(130,568)	(180,161)	(398,368)	(2,636,818)	(2,163,574)
Finance Cost	(7,314)	(7,902)	-	(1,934)	(49,109)	(29,189)	-	(1,862)	-	-	(56,646)	(40,887)
Profit before taxation	282,843	243,541	65,213	70,688	60,590	18,203	34,918	83,157	(30,200)	(194,797)	413,860	220,792
Taxation	(159,670)	46,364	(23,698)	(39,903)	(71,625)	(45,697)	(71,060)	(31,491)	-		(326,053)	(70,727)
Profit after taxation	123,173	289,905	41,515	30,785	(11,035)	(27,494)	(36,142)	51,666	(30,200)	(194,797)	87,806	150,065

*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	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000	2022 N'000	2021 N'000	2022 N'000	2021 N'000	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Total Non-current assets	2,588,763	2,525,725	181,960	181,882	1,333,767	1,351,805	149,534	143,444	(920,964)	(1,153,066)	3,333,060	3,049,790
Current assets	3,457,797	3,128,896	744,781	420,369	1,050,136	659,042	314,305	360,583	(1,147,892)	(79,626)	4,419,127	4,489,264
Total assets	6,046,560	5,654,621	926,741	602,251	2,383,903	2,010,847	463,839	504,027	(2,068,856)	(1,232,692)	7,752,187	7,539,054
Ordinary share capital	477,211	463,176	354,000	354,000	750,000	750,000	49,065	49,065	(1,153,065)	(1,153,065)	477,211	463,176
Share premium	1,515,600	1,437,001	-	-	-	-	-	-	-	1,515,600	1,437,001	
Retained earnings	1,472,769	1,568,728	164,485	132,474	292,103	303,135	268,773	320,860	1,523	5,781	2,199,653	2,330,978
Fair value of equity instrument designated at FVOCI	1,161	1,794	-	-	-	-	-	1,161	1,794			
Non-current liabilities	82,564	78,176	32,609	23,784	305,383	671,105	25,194	11,868	36,915	(198,154)	482,665	586,779
Current liabilities	2,497,255	2,105,746	375,647	91,993	1,036,417	286,607	120,807	122,234	(954,229)	112,746	3,075,897	2,719,326
Total equity and liabilities	6,046,560	5,654,621	926,741	602,251	2,383,903	2,010,847	463,839	504,027	(2,068,856)	(1,232,692)	7,752,187	7,539,054

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

29 (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 rating	National scale longterm rating	National scale short term rating	Agusto rating	Implied S&P rating class	Implied S&P rating categories
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.

Forward looking information:
In incorporating the effect of ECL, 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	**The Group**		**The Company**	
	2022	**2021**	**2022**	**2021**
	N'000	**N'000**	**N'000**	**N'000**
Gross carrying amount for trade receivables				
Gross carrying amount as at 1-Apr	2,263,032	2,453,676	1,164,164	1,388,011
New amount originated	2,612,283	2,430,158	1,518,695	1,261,261
Amount derecognised or repaid (excluding write offs)	(2,263,032)	(2,453,676)	(1,164,164)	(1,388,011)
Amount written off	(178,503)	(167,126)	(60,802)	(97,097)
	2,433,780	2,263,032	1,457,893	1,164,164

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

	The Group		**The Company**	
	2022	**2021**	**2022**	**2021**
	N'000	**N'000**	**N'000**	**N'000**
As at 1 April	188,540	171,230	129,513	123,482
New amount originated	118,039	184,902	60,802	103,594
Amount derecognised or repaid (excluding write offs)	(178,503)	(167,126)	(60,802)	(97,097)
Amount written off	(10,746)	(466)	(10,746)	(466)
As at 31 March	117,330	188,540	118,767	129,513

	The Group		The Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Gross carrying amount				
Gross carrying amount as at 1-Apr	275,307	278,025	167,482	174,844
New amount originated	1,419,259	275,307	676,482	167,482
Amount derecognised	(275,307)	(278,025)	(167,482)	(174,844)
	1,419,259	275,307	676,482	167,482

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

	The Group		The Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
As at 1 April	31,498	23,170	29,656	21,328
New amount originated	849	8,649	4,546	8,649
Amount derecognised	(45)	(321)	(4,546)	(321)
As at 31 March	32,347	31,498	29,656	29,656

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.

	The Company	
	2022	2021
	N'000	N'000
Internal grading system	-	-
Standard grade	964,270	843,093
	964,270	843,093

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

	The Company	
	2022	2021
	N'000	N'000
Gross carrying amount as at 1 April	843,093	960,422
New amount originated	964,270	843,093
Amount derecognised or repaid (excluding write offs)	(843,093)	(960,422)
	964,270	843,093

	The Company	
	2022	2021
	N'000	N'000
ECL allowance as at 1 April	8,306	8,988
New amount originated	1,134	342
Amount derecognised	(5,390)	(1,024)
At 31 March	4,050	8,306

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

	The Group		The Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
External grading system	-	-	-	-
Standard grade	275,671	763,397	178,367	626,766
	275,671	763,397	178,367	626,766

An analysis of changes in the carrying amount is as follows:

	The Group		The Company	
	2022	2021	2022	2021
	Stage 1	Stage 1	Stage 1	Stage 1
Gross carrying amount for bank balances	Collective	Collective	Collective	Collective
	N'000	N'000	N'000	N'000
Gross carrying amount as at 1 April	763,397	285,523	626,766	181,467
New amount originated	275,671	763,397	178,367	626,766
Amount derecognised or repaid	(763,397)	(285,523)	(626,766)	(181,467)
	275,671	763,397	178,367	626,766

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

	The Group		The Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
External grading system	-	-	-	-
Standard gradeThe Company	63,902	148,274	53,000	58,081
	63,902	148,274	53,000	58,081

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

	The Group		The Company	
	2022	2021	2022	2021
	Stage 1	Stage 1	Stage 1	Stage 1
Gross carrying amount for bank balances	Collective	Collective	Collective	Collective
	N'000	N'000	N'000	N'000
Gross carrying amount as at 1 April	148,274	1,513,759	58,081	1,438,270
New amount originated	63,902	148,274	53,000	58,081
Amount derecognised or repaid (excluding write offs)	(148,274)	(1,513,759)	(58,081)	(1,438,270)
	63,902	148,274	53,000	58,081
ECL allowance as at 1 April	777	11,432	607	11,153
New amount originated	996	777	673	607
Amount derecognised or repaid	(777)	(11,432)	(607)	(11,153)
At 31 March	996	777	673	607

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 and Company's trade receivables using a provision matrix:

Group

31-Mar-22

	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	0.16%	0.21%	0.25%	0.16%	0.30%	100.00%	
Estimated total gross carrying amount at default	763,560	170,608	132,929	68,229	202,537	116,112	1,453,975
Expected credit loss	1,244	357	336	111	607	116,112	118,767

1-Apr-21

	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	0.56%	0.52%	0.57%	0.58%	0.72%	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	4,637	2,706	1,725	308	2,755	176,409	188,540

Company

31-Mar-22

	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	0.16%	0.21%	0.25%	0.16%	0.30%	100.00%	
Estimated total gross carrying amount at default	763,560	170,608	132,929	68,229	202,537	116,112	1,453,975
Expected credit loss	1,244	357	336	111	607	116,112	118,767

1-Apr-21

		Current days N'000	**0-90 days N'000**	**91-180 days N'000**	**180-270 days N'000**	**271-360 impaired N'000**	**Credit Total N'000**
Expected credit loss rate	0.53%	0.51%	0.56%	0.59%	0.73%	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	1,970	1,463	447	225	1,927	123,482	129,513

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

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

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.

31 March 2021	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 (19%)	189	6,146	6,335	128	770	5,635	6,532
Base (70%)	697	22,643	23,340	471	2,835	20,759	24,065
Downturn (11%)	110	3,558	3,668	74	446	3,262	3,782
Total	**996**	**32,347**	**33,343**	**673**	**4,050**	**29,656**	**34,379**

31 March 2021	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 (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	7,071
Total	**777**	**31,498**	**32,275**	**607**	**8,306**	**29,656**	**38,569**

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 2022 and 31 March 2022.

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, 2022

Key drivers **ECL**

EDTF 3

GDP growth%	**Scenario**	**2021**	**2022**	**2023**	**Subsequent years**
	Upturn	0.32	0.35	0.38	0.36
	Base	0.15	0.19	0.16	0.17
	Downturn	0.08	0.10	0.09	0.11
Oil Price (USD)					
	Upturn	70.68	112.00	116.00	118.00
	Base	68.17	107.00	97.04	85.30
	Downturn	47.62	97.00	95.00	83.40
Inflation rate %					
	Upturn	18.68	18.24	19.64	18.64
	Base	17.57	17.07	16.00	35.00
	Downturn	16.32	16.74	14.80	32.00

Group and Company
31 March, 2021

EDTF 3

GDP growth%	**Scenario**	**2020**	**2021**	**2022**	**Subsequent years**
	Upturn	0.31	0.32	0.35	0.33
	Base	0.17	0.15	0.19	0.11
	Downturn	0.10	0.08	0.10	0.09
Oil Price					
	Upturn	69.64	70.68	112.00	114.00
	Base	67.13	68.17	107.00	84.30
	Downturn	46.58	47.62	97.00	79.40
Inflation rate %					
	Upturn	17.59	18.68	18.24	19.64
	Base	16.48	17.57	17.07	20.14
	Downturn	15.23	16.32	16.74	17.74

*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 2022, the Group had 238 customers (2021: 236 customers) that owed the Group more than N1,000,000 each and accounted for approximately 83% (2021: 78%) of all receivables.

There were 37 customers (2021: 35 customers) with balances greater than N10 million accounting for over 45% (2021: 42%) 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 2022 and 2021 is the net carrying amounts as illustrated below:

	The Group		The Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Trade and other receivables*	2,714,425	2,318,301	2,527,841	2,007,264
	========	========	========	========

* 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 2022 and 2021 is the carrying amounts as illustrated below:

	The Group		The Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Cash and cash equivalents**	338,577	910,894	230,694	684,240
	========	========	========	========

** 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:

The table below summarises the maturity profile of the Group's undiscounted financial liabilities

Year ended 31 March 2022	**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 *	147,534	1,423,789	697,518	-	2,268,841
Lease liability	-	-	34,856	174,729	209,585
Interest bearing loans and borrowing update	-	-	139,096	320,207	459,303

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	510,225	1,229,498	-	1,890,913
Lease liability	-	-	16,800	226,385	243,186
Interest bearing loans and borrowing update	-	-	139,096	425,238	564,334

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

Year ended 31 March 2022	**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 *	147,534	1,290,714	664,314	-	2,102,562
Lease liability	-	-	38,757	70,261	109,017

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	340,257	1,225,508	-	1,804,890
Lease liability	-	-	44,784	79,510	124,293

* This includes trade and other payable less, 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**	
	2022	**2021**	**2022**	**2021**
	N	**N**	**N**	**N**
Pound (GBP)	545.26	522.09	545.26	522.09
US$ 1	416.17	408.67	416.17	408.67
CFA	0.70	0.65	0.70	0.68

Changes in US Dollars Rate			
Impact on Profit or loss		**Group**	**Company**
		N'000	**N'000**
	2022 (+5%)	2.081	1.892
	(-5%)	-1.857	-1.769
	2021 (+5%)	1.892	1.892
	(-5%)	-1.769	-1.769
Changes in Pounds			
	2022 (+5%)	-55	-50
	(-5%)	-53	-50
	2021 (+5%)	50	-50
	(-5%)	-48	-50
Changes in CFA			
		Group	Company
	2022 (+5%)	268	244
	(-5%)	-256	-244
	2021 (+5%)	244	244
	(-5%)	-232	

(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	**2022**	**2021**	**2022**	**2021**
	N'000	**N'000**	**N'000**	**N'000**
Lease liability (Note 21)	89,967	180,429	69,039	84,315
Interest bearing loans and borrowing update (Note 22)	379,347	484,378	-	-
	469,314	664,807	69,039	84,315
Total equity	4,193,625	4,232,949	3,466,741	3,470,699
Adjusted net debt to equity ratio:	11.19%	16%	1.99%	2.43%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 2021. 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.

33 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 2022, there were no contingent liabilities. The Directors are of the opinion that based on thesolicitors' 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.

34 Guarantees

35.1 Contingent liabilities

As at 31st March 2022, there were no contingent liabilities . The Directors are of the opinion that, based on the Solicitors' advice, no material loss will arise from them. Consequently, no provision has been made in these consolidated financial statements for the amount.

35.2 Financial commitments

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

35.3 Performance Bond

The Company accepted a performance bond of N50 million (2021- N50 million) in favour of Nigeria Customs Service.

The Group

	2022 N'000	%	2021 N'000	%
Revenue	12,598,817		9,458,014	
Cost Of Goods And Other Services Local	(9,157,390)		(6,593,214)	
	3,441,427		2,864,800	
Non-Trading Items	105,123		87,509	
Total Value Added	3,546,550	100%	2,952,309	100%
APPLIED AS FOLLOWS:				
EMPLOYEES				
- as salaries and labour related expenses **	2,433,314	69%	2,117,142	72%
TO PROVIDER OF CAPITAL				
- as finance cost	56,646	2%	40,887	1%
TO GOVERNMENT:				
- as income tax	302,452	9%	114,851	4%
RETAINED FOR THE GROUP'S FUTURE				
- for assets replacement (depreciation & amortization) 15%	489,437	14%	432,843	
- for assets ROU asset (depreciation)	153,294	4%	140,645	5%
- deferred tax credit	23,601	1%	(44,124)	-1%
- for expansion (profit retained)	87,806	2%	150,065	5%
	3,546,550	100%	2,952,309	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**	2022 N'000	2021 N'000
Employee benefit expenses	2,169,316	1,765,522
Medical	210,599	319,270
Training	53,399	32,350
	2,433,314	2,117,142

The Company

	2022 N'000	%	2021 N'000	%
Revenue	7,399,350		5,314,436	
Cost Of Goods And Other Services Local	(5,921,652)		(4,093,303)	
	1,477,698		1,221,133	
Non-Trading Items	257,087		257,087	
Total Value Added	1,734,785	100%	1,478,220	100%
APPLIED AS FOLLOWS:				
EMPLOYEES				
- as salaries and labour related expenses	1,181,876	68%	994,791	67%
TO PROVIDER OF CAPITAL				
- as finance cost	7,314	0%	7,902	1%
TO GOVERNMENT:				
- as Company taxes	111,670	6%	39,545	3%
RETAINED FOR THE COMPANY'S FUTURE				
- for assets replacement (depreciation& amortization)	198,565	11%	39,591	13%
- for assets ROU asset (depreciation)	64,187	4%	39,545	3%
- deferred tax	48,000	3%	(85,955)	-6%
- for expansion (profit retained)	123,173	7%	289,905	20%
	1,734,785	100%	1,478,220	100%

The Group

	2022 N'000	2021 N'000	2020 N000	2019 N'000	2018 N'000
STATEMENT OF COMPREHENSIVE INCOME					
Revenue	12,598,817	9,458,014	10,548,984	10,066,576	8,407,507
	========	========	========	=======	=======
Profit before taxation	413,860	220,792	750,080	743,469	610,589
	========	========	========	=======	=======
Profit after taxation	87,806	150,065	468,989	466,248	347,558
Per N0.50 share date (kobo):	========	========	========	=======	=======
Earning - Basic	0.09	0.16	0.70	0.76	0.59
	====	====	====	====	====

	2022 N'000	2021 N'000	2020 N'000	2019 N'000	2018 N'000
STATEMENT OF FINANCIAL POSITION					
Assets and Liabilities					
Property, plant & equipment	2,848,651	2,550,455	1,363,326	1,388,952	1,259,512
Intangible assets	45,350	45,234	61,290	47,508	32,668
Long term prepayment	235,186	3,599	127,011	90,149	32,456
Right of use assets	185,891	283,435	325,544	-	-
Employee benefit assets	16,286	164,738	73988	-	-
Equity instrument at fair value through other comprehensive income	1,696	2,329	395	535	-
Available for sale financial instrument	-	-	-	-	477
Net current assets	1,343,230	1,769,938	2,733,538	1,488,314	1,539,091
Non-current liabilities	(482,665)	(586,779)	(308,813)	(252,535)	-336,617
	-------------	--------------	-------------	-------------	-------------
	4,193,625	4,232,949	4,376,279	2,762,923	2,527,585
	========	========	========	========	========
Capital and Reserves					
Share capital	477,211	463,176	463,176	294,748	294,748
Share premium	1,515,600	1,437,001	1,437,001	296,433	296,433
Retained earnings	2,199,653	2,330,978	2,476,242	2,171,742	1,936,404
Fair value of equity instrument designated at FVOCI	1,161	1,794	(140)	-	-
	-------------	--------------	-------------	-------------	-------------
	4,193,625	4,232,949	4,376,279	2,762,923	2,527,585
	========	========	========	========	========

The Company

	2022 N'000	2021 N'000	2020 N000	2019 N'000	2018 N'000
STATEMENT OF COMPREHENSIVE INCOME					
Revenue	7,399,350	5,314,436	6,289,699	5,849,869	4,406,118
Profit before taxation	282,843	243,541	490,671	658,599	486,487
Profit after taxation	123,173	289,905	265,182	414,773	334,772
Per N 0.50 share date (kobo):					
Earning Basic	0.13	0.30	0.39	0.68	0.57

	2022 N'000	2021 N'000	2020 N000	2019 N'000	2018 N'000
STATEMENT OF FINANCIAL POSITION					
Assets and Liabilities					
Property, plant & equipment	1,260,569	1,030,564	693,551	691,856	615,458
Intangible assets	45,016	44,100	59,357	47,508	32,668
Long term prepayment	3,085	3,599	12,877	17,861	32,456
Right of use assets	109,046	127,330	74,824	-	-
Equity instrument at fair value through other comprehensive income	1,696	2,329	395	535	-
Available for sale financial instrument	-	-	-	-	477
Long term investment	1,153,065	1,153,065	374,065	374,065	374,065
Employee benefit assets	16,286	164,738	74,374	-	-
Net current assets	960,542	1,023,150	2,320,237	1,027,560	926,832
Non-current liabilities	(82,564)	(78,176)	(135,491)	(94,745)	(108,166)
	3,466,741	3,470,699	3,474,189	2,064,640	1,873,790
Capital and Reserves					
Share capital	477,211	463,176	463,176	294,748	294,748
Share premium	1,515,600	1,437,001	1,437,001	296,433	296,433
Retained earnings	1,472,769	1,568,728	1,574,152	1,473,459	1,282,609
Fair value of equity instrument designated at FVOCI	1,161	1,794	(140)	-	-
	3,466,741	3,470,699	3,474,189	2,064,640	1,873,790

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY REPORT OF RED STAR EXPRESS PLC
FOR THE YEAR ENDED 31ST MARCH 2022

1. Introduction

2. Economic Impact
- 2.1 Relationship with Suppliers
- 2.2 Relationship with Customers

3. Social
- 3.1 Labour Practices
- 3.2 Harassment
- 3.3 Employee Benefits
- 3.4 Occupational Health, Safety& Wellbeing
- 3.5 Human Rights and Discrimination
- 3.6 Upskilling and Reskilling

4. Corporate Social Responsibility

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

6. Our Environment
- 6.1 Products and Services
- 6.2 Waste Management
- 6.3 Compliance to Environmental Laws

7. Conclusion

1. Introduction

This Sustainability Report not only covers our performance in the 2021/2022 Financial Year, but focuses primarily on our contributions toward ensuring that the United Nations Sustainability Goals through our "P.S.P" (i.e. People, Service, Profit) philosophy are achieved. Red Star Express Plc is and remains committed to investing in people, (people here connotes our staff, members of our host communities in areas where we operate and Nigerians generally), the economy, our environment and our nation Nigeria.

Always and in every way, we recognize that our greatest asset is our people and we remain committed to ensuring that we create decent work that would foster economic growth, encourage industry, innovation and infrastructure and help sustain cities and communities that drive peace, justice and strong institutions at every level.

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

2. Economic Impact

The logistics industry contributes about 3.5% to the nation's Gross Domestic Product (GDP) and Red Star Express Plc as a major player provides significant macro contributions to the national economy by creating employment, national income and foreign investment influx.

Red Star Express Plc has contributed significantly to economic development by allowing its customers to take advantage of comparative cost advantages in the production of goods and services by efficiently transporting their goods to the market, and presently serves as an employer to well over 2,000employees and indirectly, to a number of persons working with us as either 3rd party providers and/or suppliers etc.

2.1 Relationship with Suppliers

We maintain a transparent and open relationship with all its suppliers and ensure a strict Know-Your-Customer regime, Our Suppliers are restricted from engaging in acts of bribery or corruption, human trafficking or the employment of underaged children as labourers. At Red Star Express, we also prescribe minimum health and safety standards be adopted by our suppliers.

2.2 Relationship with Customers

Red Star Express Plc recognizes the importance of its customers and has adopted the following service principles:

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

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

3. Social

At Red Star Express Plc., we pride ourselves as an equal opportunities employer, even though the major categories of job offerings peculiar to the supply-chain/logistics industry are generally handled by men as they are considered inappropriate for women.

This in no way undermines the role of women in our industry as a majority of our women at Red Star Express Plc presently handle sensitive positions of leadership and we ensure that both men and women enjoy equal remuneration for similar work done.

The table below is a representation of the gender diversity/range employed in the course of the year.

Year	Total Number of Men	Total Number of Women
2021	1779	158
2022	1860	190

3.1 Labour Practices

Red Star Express Plc respects the rights of its employees as enshrined in extant laws to belong to any association of their choice. Employees are at liberty to join any trade union of their choice and partake in any collective bargaining agreement. Provided that the same is not at variance with the belief and practices of the Company.

At Red Star Express Plc., we recruit our employees mostly from our host communities which are carried out on a merit basis and discourage the use of either forced labourand/or under aged persons as workers under any guise.

3.2 Harassment

Red Star Express Plc frowns at any form of harassment at the workplace. Our Employee Handbook clearly states the procedure to be adopted by any employee seeking redress from any harassment or assault at the workplace.

3.3 Employee Benefits

Given the peculiarity of our Industry, we believe that our staff are well remunerated in comparison to other companies in the same industry. In addition, all staff are entitled to free health care under the various Company Health Management Organizations (HMOs), and are insured under the Employee Compensation Act (ECA). Red Star Express has also in place, a Welfare Scheme, where staff in appreciation of their dedication and years of service, are given a token at the end of their employment, subject of course to good behaviour and an unblemished record. Red Star Express Plc also operates a Co-operative Multipurpose Society, which facilitates saving culture amongst staff, and grants access to small loans and ownership of property in designated locations in Nigeria.

3.4 Occupational Health, Safety& Well Being

The health and safety of staff are paramount in Red Star Express Plc., and is committed to a safe drug/alcohol-free workplace.Hence, all forms of alcohol and drugs are strictly prohibited on all its business premises. Furthermore, alcohol and drug tests are carried out on staff from time to time to ensure compliance.

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

Description	2021	2021
Total Workforce	2,000	1,937
Total number of injuries	72	74
Total number of fatalities	3	1

On safety, Red Star Express Plc understands that it has inherent duties to its employees to assess risks in the workplace. This means identifying work activities that could cause injury or illness and taking action to eliminate the hazard, or if this is not possible, control the risk. We have a team of qualified welfare marshals who ensure that the workplace remains safe at all times.

Red Star Express Plc is passionate about the maintenance of physical fitness and mental stability of its employees and achieves these through regular workout and bonding sessions. We are convinced that health and wellness promote employees' satisfaction and ensure we attract and retain motivated and productive people.

3.5 Human Rights and Discrimination

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

The rights of the Employees are stated in the Employee Handbook which is readily accessible on the Company's intranet making it illegal to discriminate against someone on the basis of race, colour, religion, national origin or sex. The Company recognizes the inherent nature of these rights and that it affects every stakeholder with whom the Company has dealings.

At Red Star Express Plc., we do not tolerate discrimination, harassment, bullying or abuse in any form whatsoever.

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

3.6 Upskilling and Reskilling

As the demand for new capacities grows within the Company, Red Star Express Plc has identified the need for upskilling and reskilling its employees to enhance their abilities and capacities within the Company and by extension, remain competitive. Red Star Express Plc has a Learning and Development Faculty manned by employees that are well-versed in different required areas and continually teach employees new and advanced skills required to close identified talent gaps. Our employees are involved in continuous education which helps them advance along their current career paths.

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 or cause any damage to species and/or habitats. Instead, our Company improves the environment in which it operates.

5. Governance

5.1 Whistle Blowing Mechanism/Code Of Business Conduct

Red Star Express Plc maintains an independent whistle-blowing system for reports of conduct inimical to the corporate existence of the business, violates 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, 08027334918.

5.2 Bribery and Corruption

Red Star Express Plc prohibits the giving or receiving of bribes or other improper advantages for business gain. This prohibition applies to any form of bribe of any value, and is not limited to cash. We also take special care to ensure that our actions are not interpreted as bribery, particularly in the areas of gifts, hospitality, entertainment, expense, charitable donations and sponsorship. All such are recorded in our accounting and financial records to avoid the risk of inadvertently facilitating an act of bribery.

Staff are also routinely exposed to anticorruption training.

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

6. Our Environment

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

6.1 Waste Management

The Company generates zero harmful, or hazardous waste and any unused product are disposed of in line with government regulations and preservation of the environment.

6.2 Compliance to Environmental Laws

Red Star Express Plc., maintains a very high standard of environmental compliance hence there was no fine/penalty for non-compliance to environmental laws and regulations in the year under review.

7. Conclusion

The Company shall continually strive to ensure that it conducts its business in a sustainable, ethical and professional manner which would be in compliance with all extant Laws.

Red Star Foundation which was incorporated on the 9th of August 2006, remains the corporate social responsibility arm of Red Star Express Plc and spearheads the company's continued efforts in improvements in the quality of life of residents where its offices are situated.

As a Foundation, we remain committed to promotion and advancement of education by the provision of scholarships, particularly to indigent students in the senior secondary school cadre in Public schools.

The Company also through the Foundation, expresses its responsibility to its host communities by the provision of basic infrastructure and amenities and just recently procured a fully functional fire truck to assist residents in event of fire outbreaks.

The Foundation has commenced the implementation of programs that would enhance and improve the living conditions of the general populace in the host communities especially in entrepreneurial, socio-economic, health and environment issues.

Red Star Foundation Scholarship Scheme
In spite of the very challenging environment, Red Star Express Plc through its Foundation ensured it sustained one of its development goals which is to assist in the provision of education to secondary school students in its host community. However, this year the Foundation was again, only able to give out scholarships to students within the Mafoluku/Oshodi Local Government area as most secondary schools in other geo-political zones (especially the North) were besieged with several incidents of kidnapping and banditry hence making the locality insecure.

This year, the Foundation awarded scholarships to three (3) new students in addition to the previous scholars totaling Ten (10) Secondary school students in Lagos. These beneficiaries are:

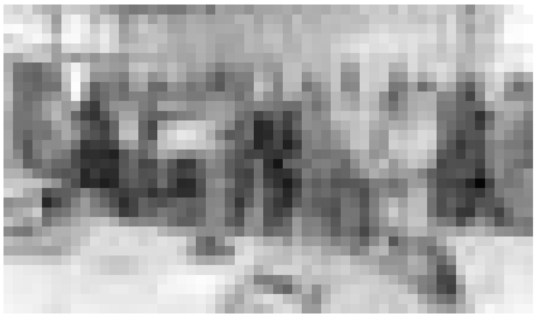
AgbalayaFathiaDamilola from Oshodi Senior High School, Ehizode Winner Iwinosa from Ewuntuntun Senior Grammar School and Amachaghi Richard Nnamdi from Bolade Senior Grammar School.

Others are AshaoluOluwadarasimi from Oshodi Senior High School; Geoffrey Chukwuma and LawalKehindeFahezoh from Oshodi Comprehensive High School; Antai Nathaniel and Agbato Samuel Sunday from Bolade Senior Grammar School and AkanniOluwafisayo Deborah from Mafoluku Senior Grammar School and OnuorahChinaza from Ewutuntun Senior Grammar School.

The scholarships will afford these(SS1-SS3) students, the opportunity of completing their Senior Secondary School Education by taking on their required expenses in the area of (tuition fees, books etc) for three (3) years. 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 Program where beneficiaries of its scholarship scheme are paired with senior level staff who act as mentors and counsellors to these students by rendering career advice and exposure to the corporate working environment.

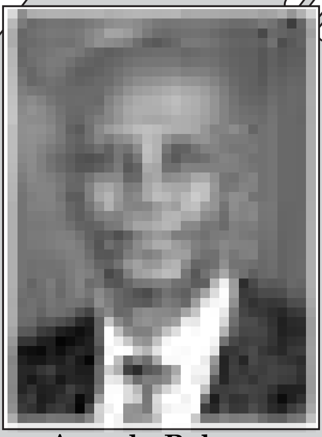


Community Outreach: Refurbishing of Science Laboratory

In July 2021, the Foundation visited a
Ekpedo, Edo State where in furtherance o
it renovated and equipped a science labora
study and experimentation of science a
subjects. This project was commissioned b
Ekpedo) - HRH Oba J. A. Obabori.

In the next financial year, the Foundat
about its possible expansion to other geo-
and is hopeful that the insecurity issu
impeded the same would have been addre

GROUP EXECUTIVE COMMITTEE
AS AT 31ST MARCH, 2022



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

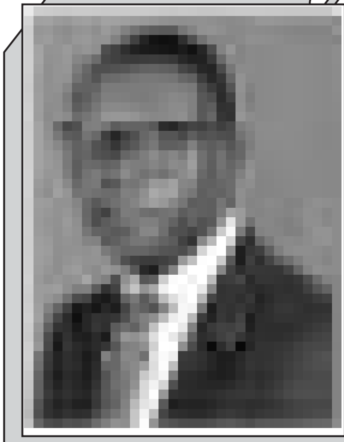
Jayson Oyarekhua
Chief Operating Officer,
RS Allied Solutions

Abdulkadri Koguna
Deputy General Manager,
Central Administration

CURRENT GROUP EXECUTIVE COMMITTEE MEMBERS

CHARLES EJEKAM
Executive Director,
Sales and Marketing

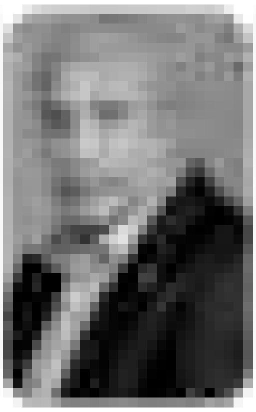
AUWALU BABURA
Group Managing Director/
CEO



TONYE PREGHAFI
Chief innovation Officer

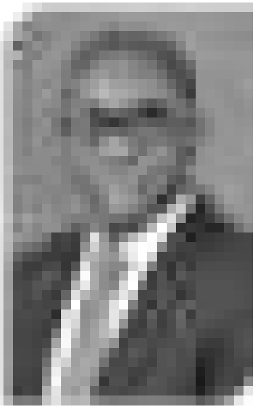
Frances Akpomuka
Head of Operation/
Company Secretary

Mudiaga Okumagba
Chief Operating Officer,
Red Star Freight



Abdulkadir Koguna
Head, Central
Administration

Inemesit James-Okoro
Head, Corporate
Resources

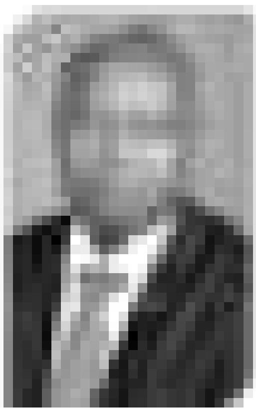


Kayode Agbe
Chief Operating Officer,
Red Star Logistics

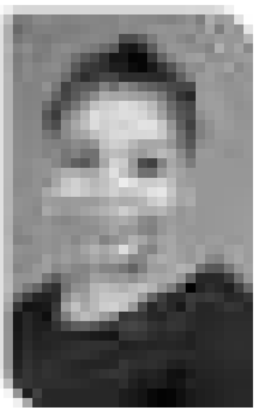
Vivienne Emeni
Chief Operating Officer,
RS Allied

Nosa Erunse
Chief Operating Officer,
Red Star Support Services

Ejide Owoeye
Head of Sales,
Red Star Express



Valentine Onyibo
Head , Finance



Ifunanya Iwuagwu
Legal Adviser

FORM OF PROXY FOR USE AT THE TWENTY-NINTH ANNUAL GENERAL MEETING OF RED STAR EXPRESS PLC. ON OCTOBER 11, 2022 AT THE SOUTHERN SUN IKOYI HOTEL, 47 ALFRED REWANE ROAD, IKOYI, LAGOS.

I/WE ………………………………………………being a member(s) of **RED STAR EXPRESS PLC.** hereby appoint:……………………………………………………………………………… or failing him Mr. Auwalu Babura 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 Tuesday 11th October 2022 and at any adjournment thereof.

Dated this……… day of ………………….. 2022.

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.	To Re-Elect Directors: a. Mr. Suleiman Barau (Non-Executive Director) b. Mrs. Chioma Sideso (Non-Executive Director)			
4.	To appoint and 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			

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 (OON) - Chairman/Non-Executive Director
2. Mr. Auwalu Babura - 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	

Certificate

RED STAR EXPRESS Plc

Quality Management System

With ISO 9001:2015


NET
WOR
KING