

Group Financials

RED STAR EXPRESS PLC

**UNAUDITED SECOND QUARTER FINANCIAL REPORT
FOR THE PERIOD ENDED 30TH SEPTEMBER 2014**

Red Star Express



Red Star Freight Ltd
Subsidiary of Red Star Express Plc



Red Star Logistics Ltd
Subsidiary of Red Star Express Plc



Red Star Support Services Ltd
Subsidiary of Red Star Express Plc



RED STAR EXPRESS PLC**UN AUDITED FINANCIAL HIGHLIGHTS
FOR THE PERIOD ENDED 30th September, 2014****MAJOR PROFIT AND LOSS ACCOUNT ITEMS**

	GROUP		THE COMPANY	
	2014	2013	2014	2013
	SEPT	SEPT	SEPT	SEPT
	2014	2013	2014	2013
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
	N' 000	N' 000	N' 000	N' 000
TURNOVER	3,308,757	3,077,071	1,930,572	1,956,159
PROFIT BEFORE TAX	299,145	306,840	155,939	170,573
PROFIT AFTER TAX	209,402	214,788	109,157	119,402

MAJOR BALANCE SHEET ITEMS

	GROUP		THE COMPANY	
	2014	2014	2014	2014
	SEPT	MARCH	SEPT	MARCH
	30/09/2014	31/03/2014	30/09/2014	31/03/2014
	N' 000	N' 000	N' 000	N' 000
TOTAL ASSETS	3,588,054	3,446,945	2,679,492	2,649,642
SHAREHOLDERS FUND	1,905,797	1,902,719	1,427,453	1,524,620
SHARE CAPITAL	294,748	294,748	294,748	294,748
SHARE PREMIUM	296,433	296,433	296,433	296,433
REVENUE RESERVE	1,314,616	1,311,538	836,272	933,439

INFORMATION PER 50 KOBO ORDINARY SHARE

	GROUP		THE COMPANY	
	2014	2014	2014	2014
	SEPT	MARCH	SEPT	MARCH
	2014	2014	2014	2014
NO OF ORDINARY SHARES	589,497	589,497	589,497	589,497
NET ASSET (N)	1,905,796	1,902,719	1,427,454	1,524,620
EARNINGS PER SHARE (KOBO)	36	36	19	20
NET ASSET PER SHARE(KOBO)	323	323	242	259

RED STAR EXPRESS PLC

UN AUDITED CONSOLIDATED COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30th SEPT, 2014

	Note	The Group		The Company	
		SEPT-14	SEPT-13	SEPT-14	SEPT-13
		N'000	N'000	N'000	N'000
Turnover	1	3,308,757	3,077,071	1,930,572	1,956,159
Cost of sales	3	(2,387,741)	(2,192,993)	(1,339,913)	(1,347,716)
Gross profit		921,015	884,078	590,659	608,443
Other income	2	8,580	18,532	6,540	3,135
		929,596	902,610	597,199	611,578
Administrative and Other Operating Expenses	3	(371,125)	(370,351)	(292,652)	(301,514)
Personell Expenses	3	(208,350)	(185,958)	(109,870)	(109,122)
Pension & Gratuity	3	(13,754)	(11,925)	(8,265)	(7,757)
Depreciation & Amortisation	4	(35,195)	(26,818)	(32,341)	(23,770)
Impairment Loss		-	-	-	-
Effect of change in estimate useful life of PPE	4	-	-	-	-
Total operating Expenses		(628,424)	(595,052)	(443,128)	(442,163)
Finance Income		8,361	9,149	8,273	8,148
Finance Costs		(10,388)	(9,867)	(6,405)	(6,991)
Net Finance Costs		(2,026)	(718)	1,868	1,157
Profit Before interest and Tax		299,145	306,840	155,939	170,573
Interest and similar charges		-	-	-	-
Provision for diminution in investments		-	-	-	-
Profit Before Income Tax		299,145	306,840	155,939	170,573
Income Tax	6	(89,744)	(92,052)	(46,782)	(51,172)
Profit from continuing operation		209,402	214,788	109,157	119,402
Profit attributable to:					
Owners of the company		209,402	214,788	109,157	119,402
Non controlling Interests		-	-	-	-
Profit for the period		209,402	214,788	109,157	119,402
Earnings per share					
Basic earnings per share (kobo)	27	36	36	19	20
Diluted earnings per share (kobo)					
Number of ordinary shares in issue	27	589,497	589,497	589,497	589,497

RED STAR EXPRESS PLC

UN AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER, 2014

		<u>The Group</u>		<u>The Company</u>	
		<u>Sep-14</u>	<u>March 14</u>	<u>Sep-14</u>	<u>March 14</u>
	<u>Note</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>
ASSETS					
<u>Non Current Assets</u>					
Property, plant and equipments	7	1,042,443	1,064,599	552,071	543,635
Intangible Assets	9	11,654	10,698	10,866	10,351
Long Term Prepayments	12	6,153	11,938	6,153	11,939
Financial Assets Available for Sale	8	1,193	1,193	285,258	285,258
Deposit for shares		1,500	1,500	1,500	1,500
Employee Benefit asset	16	-	-	-	-
Total Non Current Assets		1,062,943	1,089,928	855,847	852,682
<u>Current Assets</u>					
Inventories	10	59,043	59,642	56,010	57,203
Trade debtors	11	1,479,798	1,289,687	966,414	854,584
Other debtors and prepayments	12	520,750	398,372	382,335	311,156
Due from related company	26			74,393	23,755
Cash and cash equivalents	13	465,519	609,316	344,492	550,262
Total Current Assets		2,525,111	2,357,017	1,823,645	1,796,960
TOTAL ASSETS		3,588,054	3,446,945	2,679,492	2,649,642
EQUITY AND LIABILITIES					
LIABILITIES					
<u>Non-current liabilities</u>					
Deferred taxation	15	131,456	131,456	33,190	33,190
Term Loan		77,933	90,644		
Provision for liabilities and charges					
Employee Benefit Liabilities		26,700	10,429	17,318	10,429
Total Non Current Liabilities		236,089	232,529	50,508	43,619
<u>Current liabilities</u>					
Trade creditors		254,030	265,910	253,988	265,910
Other creditors and accruals	14	906,543	849,935	568,563	618,853
Due to related companies	26			205,513	69,955
Income tax liabilities	6	285,596	195,852	173,467	126,685
Total Current Liabilities		1,446,169	1,311,697	1,201,530	1,081,403
TOTAL LIABILITIES		1,682,257	1,544,226	1,252,038	1,125,022
Equity					
Share capital		294,748	294,748	294,748	294,748
Share premium		296,433	296,433	296,433	296,433
General reserve		1,314,616	1,311,538	836,272	933,439
Total Equity		1,905,797	1,902,719	1,427,453	1,524,620
TOTAL EQUITY AND LIABILITIES		3,588,054	3,446,945	2,679,492	2,649,642

The consolidated financial statements on pages - to - were approved by the Board of Directors on -----
and signed on its behalf by:

_____))
_____))
_____) Directors
_____))
_____))

The accounting policies on pages - to - and the explanatory notes on pages - to - form part of these consolidated financial statements.

RED STAR EXPRESS PLC

STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30th SEPT, 2014

NOTE	GROUP		THE COMPANY	
	Sep-14 N	Sep-13 N	Sep-14 N	Sep-13 N
Cash flows from operating activities:				
Cash receipts from customers	3,180,817	2,976,886	2,152,120	2,342,137
Payment to suppliers and employees	(2,982,359)	(2,558,089)	(2,070,598)	(2,170,410)
Cash generated from operating activities	198,459	418,797	81,522	171,727
VAT (NET)	(55,587)	(48,862)	(45,520)	(38,813)
Withholding Tax credit utilised	-	-	-	-
Taxes paid	-	(10,419)	-	-
Net cash provided by operating activities	142,872	359,515	36,002	132,914
Cash flows from investing activities:	-	-	-	-
Interest received	8,361	2,867	827	2,867
Dividend received	-	-	-	-
Proceeds from sale of PPE	1,692	1,049	1,692	1,049
Purchase of Intangible assets	(5,425)	-	(4,900)	-
Acquisition of PPE	(107,978)	(366,121)	(78,184)	(78,804)
Increase in investment	-	-	-	-
Net cash provided by investing activities	(103,350)	(362,205)	(80,565)	(74,888)
Cash flows from financing activities:	-	-	-	-
Proceeds from issue of share capital	-	-	-	-
Proceeds from Long term borrowings	-	-	-	-
Proceeds of Share premium	-	-	-	-
Term Loan repayment	(12,711)	-	-	-
Interest Paid	(9,401)	-	-	-
Dividend paid	(161,207)	(149,409)	(161,207)	(149,409)
Net cash provided by financing activities	(183,319)	(149,409)	(161,207)	(149,409)
Net (decrease)/increase in cash and cash equivalents	(143,797)	(152,100)	(205,769)	(91,384)
Cash and cash equivalents at the beginning of the year	609,316	515,588	550,262	349,660
Cash and cash equivalents at the end of the year	465,519	363,488	344,493	258,276

RED STAR EXPRESS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	The Group		The Company	
	SEPT-14 2014 N'000	SEPT-13 2014 N'000	SEPT-14 2014 N'000	SEPT-13 2014 N'000
SHARE CAPITAL				
Authorised				
1,000,000,000 ordinary shares of 50 kobo each	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Issued and fully paid				
589,496,760 ordinary shares of 50 kobo each	<u>294,748</u>	<u>294,748</u>	<u>294,748</u>	<u>294,748</u>
GENERAL RESERVE				
At the beginning of the year	1,311,538	1,130,193	933,439	823,958
Profit and loss account	209,402	214,788	109,157	119,402
Other comprehensive Income	-	-	-	-
Transfer to RSE Foundation	-	-	-	-
Effects of changes in estimated useful Life of PPE	-	-	-	-
Acturial Loss on defined benefit plan	-	-	-	-
Dividend declared (Note 18.2)	<u>(206,324)</u>	<u>(188,639)</u>	<u>(206,324)</u>	<u>(188,639)</u>
At the end of the year	<u>1,314,616</u>	<u>1,156,342</u>	<u>836,272</u>	<u>754,721</u>

Notes to the Accounts (Profit and Loss)

FOR THE PERIOD ENDED 30th SEP, 2014

	The Group		The Company	
	SEP'2014	SEP'2013	SEP'2014	SEP'2013
	N'000	N'000	N'000	N'000
1 TURNOVER				
Turnover	3,308,757	3,077,071	1,930,572	1,956,159
	<u>3,308,757</u>	<u>3,077,071</u>	<u>1,930,572</u>	<u>1,956,159</u>
2 OTHER OPERATING INCOME				
a. Other Income				
Insurance Claim	3,080	16,351	3,080	2,244
Profit on Disposals of fixed Assets	1,450	891	1,450	891
Exchange gain	2,010	-	2,010	-
Other Sundry income	2,040	1,190	-	-
Bad debt recovered	-	100	-	-
Interest received	-	-	-	-
	<u>8,580</u>	<u>18,532</u>	<u>6,540</u>	<u>3,135</u>
b. Investment Income				
Related Company Dividend	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER OPERATING INCOME	<u>8,580</u>	<u>18,532</u>	<u>6,540</u>	<u>3,135</u>
	The Group		The Company	
	SEP'2014	SEP'2013	SEP'2014	SEP'2013
	N'000	N'000	N'000	N'000
3 COST OF SALES				
Staff cost	597,093	515,760	290,919	279,004
Pension	27,404	20,446	11,908	9,876
Gratuity	27,611	27,251	21,153	21,153
Medical	76,607	65,346	26,763	27,612
Training	12,537	11,534	6,798	7,639
International delivery costs	358,746	357,086	279,114	300,112
Domestic freight	455,081	443,062	255,229	264,902
Vehicle running costs	356,355	290,585	97,124	90,589
Agent costs	100,850	112,876	100,564	112,380
Local transport	127,949	127,024	102,819	92,505
Clearing and documentation charges	46,897	51,845	28,933	37,648
Rents and rates of outlets	32,742	41,510	26,702	33,423
Insurance	20,944	21,811	10,391	11,381
Depreciation	99,308	60,550	44,700	24,973
Repairs and maintenance	47,617	46,307	36,798	34,516
	<u>2,387,741</u>	<u>2,192,993</u>	<u>1,339,913</u>	<u>1,347,716</u>

	The Group		The Company	
	SEP'2014	SEP'2013	SEP'2014	SEP'2013
	N'000	N'000	N'000	N'000
Administration Costs				
3.1 Administrative & other Expenses				
Repairs and maintenance	48,583	44,980	43,991	41,133
Transportation and travelling costs	27,519	32,439	24,273	26,155
Legal and professional charges	24,881	26,941	22,297	24,117
Publicity and promotion	15,111	20,002	8,983	11,597
Communication and telephone	24,560	37,667	22,198	35,631
Printing and stationery	47,119	38,762	38,908	32,152
Subscriptions and donations	14,848	13,213	11,779	10,420
Audit fee	8,450	8,800	6,500	6,000
Medical	19,152	16,336	6,691	6,903
Power and water	39,363	41,196	38,895	40,408
Rent and rates	-	-	-	-
Licence and registration	-	-	-	-
Office protection services	18,069	18,510	11,897	12,253
Hotel accommodation and entertainment	18,894	17,170	16,733	14,208
Insurance	5,236	5,453	2,598	2,845
Training	3,134	2,884	1,700	2,270
Newspaper and periodicals	861	1,165	717	1,069
Provision for doubtful trade debts	44,763	36,250	28,513	29,000
Non Current Assets written off	-	-	-	-
Exchange loss	-	-	-	-
Loss on disposal of Non Current Assets	-	-	-	-
Annual general meeting expenses	10,582	8583	5,981	5,353
	<u>371,125</u>	<u>370,351</u>	<u>292,652</u>	<u>301,514</u>
3.2 Personnel Expenses				
Directors' emoluments	33,459	34,890	24,658	27,401
Staff costs	174,890	151,068	85,211	81,721
	<u>208,350</u>	<u>185,958</u>	<u>109,870</u>	<u>109,122</u>
3.3 Pension & Gratuity				
Pension	6,851	5,112	2,977	2,469
Gratuity	6,903	6,813	5,288	5,288
	<u>13,754</u>	<u>11,925</u>	<u>8,265</u>	<u>7,757</u>
3.4 Finance Income/ Finance Costs				
Interest Received	8,361	9,149	8,273	8,148
Finance Cost - Bank charges and commission	10,388	9,867	6,405	6,991
	<u>(2,026)</u>	<u>(718)</u>	<u>1,868</u>	<u>1,157</u>
3.5 Depreciation & Amortisation				
Depreciation charge	<u>35,195</u>	<u>26,818</u>	<u>32,341</u>	<u>23,770</u>

RED STAR EXPRESS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30th SEPT, 2014

	The Group		The Company	
	Sep'2014 N'000	Sep'2013 N'000	Sep'2014 N'000	Sep'2013 N'000
6. TAXATION				
.1 Statement of Comprehensive Income				
Income tax	89,744	92,052	46,782	51,172
Education tax	-	-	-	-
Irrecoverable WHT	-	-	-	-
	89,744	92,052	46,782	51,172
Deferred taxation (Note 15)				-
	89,744	92,052	46,782	51,172

	The Group		The Company	
	Sep'2014 N'000	Mar'2014 N'000	Sep'2014 N'000	Mar'2014 N'000
.2 Statement of Financial Position				
At the beginning of the year	195,852	233,220	126,685	119,810
Charge for the year	89,744	181,012	46,782	108,182
Payments during the year	-	(61,320)	-	(12,362)
Withholding tax credit utilised (Note 12.1)	-	(157,060)	-	(88,945)
At the end of the year	285,596	195,852	173,467	126,685

- .3 The charge for income tax in these consolidated financial statements is based on the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 as amended to date. Education tax is based on the provisions of the Education Tax Act, CAP E4, LFN 2004.

#	SCHEDULE OF PROPERTY PLANT AND EQUIPMENT.											
	30th SEPT, 2014											
	Company											
	Cost	Land	Buildings	Plant & Machinery	TRUCKS AND TRAILERS	Motor Vehicles	MOTOR CYCLES	COMPUTER EQUIPMENT	Furniture, Fittings & Equip	WORK IN PROGRESS	Total	INTANGIBLES
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
	At 1 April 2014	74,647	230,703	57,802	7,825	186,852	63,895	180,500	27,434	1,120	830,778	34,566
	Addition	-	405	66	-	14,934	10,191	16,681	10,735	25,172	78,184	4,900
	Reclassifications	-	-	-	-	-	-	-	-	-	-	-
	Disposals	-	-	(0)	(0)	(3,409)	(817)	(0)	(20)	-	(4,246)	-
	Adjustment	-	-	-	-	-	-	-	-	-	-	-
	At 30th Sept, 2014	74,647	231,108	57,868	7,825	198,377	73,268	197,181	38,149	26,292	904,716	39,466
	Depreciation and impairment											
	At 1 April 2014	-	18,790	18,412	6,579	93,472	38,144	94,319	17,427	-	287,143	24,215
	Depreciation charge for the year	-	4,683	5,436	-	23,089	13,742	15,493	7,212	-	69,656	4,386
	Disposals	-	-	-	-	(3,315)	(817)	-	(19)	-	(4,152)	-
	Adjustment	-	-	-	-	-	-	-	-	-	-	-
	At 30th Sept, 2014	-	23,473	23,848	6,579	113,246	51,069	109,812	24,620	-	352,647	28,601
	Net book value		-		-	-						
	At 30th Sept, 2014	74,647	207,635	34,020	1,246	85,131	22,199	87,368	13,529	26,292	552,071	10,866
	At 31 March 2014	74,647	211,913	39,390	1,246	93,380	25,751	86,180	10,007	1,120	543,635	10,351
	SCHEDULE OF PROPERTY PLANT AND EQUIPMENT.											
	30th SEPT, 2014											
	Group											
	Cost	Land	Buildings	Plant & Machinery	TRUCKS AND TRAILERS	Motor Vehicles	MOTOR CYCLES	COMPUTER & OTHER EQUIPMENT	Furniture, Fittings & Equip	WORK IN PROGRESS	Total	INTANGIBLES
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
	At 1 April 2014	141,208	344,107	66,176	365,095	283,850	204,039	188,025	46,066	1,492	1,640,058	35,066
	Addition	1,868	13,630	66	500	15,284	23,731	16,829	10,898	25,172	107,978	5,425
	Reclassifications	-	-	-	-	-	-	-	-	-	-	-
	Disposals	-	-	(0)	(0)	(3,409)	(817)	(0)	(20)	-	(4,246)	-
	Adjustments	-	-	-	-	-	-	-	-	-	-	-
	At 30th Sept, 2014	143,076	357,737	66,242	365,595	295,725	226,953	204,854	56,944	26,664	1,743,790	40,491
	Depreciation and impairment											
	At 1 April 2014	-	27,298	21,665	98,331	105,893	195,306	99,328	27,638	-	575,459	24,368
	Depreciation charge for the year	-	6,171	5,968	19,834	29,281	44,022	15,803	8,956	-	130,039	4,469
	Disposals	-	-	-	-	(3,315)	(817)	-	(19)	-	(4,152)	-
	Adjustment	-	-	-	-	-	-	-	-	-	-	-
	At 30th Sept, 2014	-	33,469	27,633	118,165	131,859	238,511	115,131	36,574	-	701,347	28,837
	Net book value		-		-	-						
	At 30th Sept, 2014	143,076	324,268	38,609	247,430	163,866	(11,558)	89,723	20,370	26,664	1,042,443	11,654
	At 31 March 2014	141,208	316,809	44,511	266,764	177,957	8,733	88,697	18,428	1,492	1,064,599	10,698

RED STAR EXPRESS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30th SEPT, 2014

		The Group		The Company	
		Sep'2014 N'000	Mar'2014 N'000	Sep'2014 N'000	Mar'2014 N'000
8.	FINANCIAL ASSETS AVAILABLE FOR SALE				
a.	Quoted Equities				
	Nemeith International Pharmaceuticals Plc				
	822,743 ordinary shares of 50 Kobo each				
	Market value - N929,700 (2012: N1,522,075).	2,057	2,057	2,057	2,057
		2,057	2,057	2,057	2,057
	Provision for diminution in investment	(864)	(864)	(864)	(864)
		1,193	1,193	1,193	1,193
		-	-	-	-
9	Investment in subsidiaries:				
	% Holding				
	Investment in Red Star Freight Limited	100		10,000	10,000
	Investment in Red Star Supports Services Lin	100		49,065	49,065
	Investment in Red Star Logistics Limited	100		225,000	225,000
				284,065	284,065
		1,193	1,193	285,258	285,258
10.	STOCKS				
	Stationeries and packaging materials	50,295	53,597	47,261	51,158
	Fuel and oil	8,749	6,045	8,749	6,045
	Spare parts	-	-	-	-
	Provision for obsolete stock	-	-	-	-
		59,043	59,642	56,010	57,203
11.	TRADE DEBTORS				
	Trade debtors	1,620,118	1,430,005	1,064,479	952,648
	Provision for doubtful debts	(140,320)	(140,318)	(98,064)	(98,064)
		1,479,798	1,289,687	966,414	854,584

RED STAR EXPRESS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30th SEPT, 2014

	The Group		The Company	
	Sep'2014 N'000	Mar'2014 N'000	Sep'2014 N'000	Mar'2014 N'000
12. OTHER DEBTORS AND PREPAYMENTS				
Prepayments	80,402.25	41,405	53,308	32,684
Unutilised withholding tax receipts	242,166	150,410	200,006	140,545
Other debtors	18,255	87,099	26,440	70,934
Advances to Staff	179,926	119,458	102,581	66,993
				-
	520,750	398,372	382,335	311,156
12.1 Long Term Prepayments				
Prepayments	6,153	11,938	6,153	11,938
	6,153	11,938	6,153	11,938
12.2 Unutilised withholding tax receipts				
At the beginning of the year	101,137	36,245	93,008	31,604
Withholding tax receipts during the year	141,029	199,897	106,998	155,778
Withholding tax credit utilised (Note 7.2)	-	(135,005)	-	(94,374)
At the end of the year	242,166	101,137	200,006	93,008
13. Cash, Bank balances and other equivalents				
Cash balances	5,875	1,930	5,860	1,915
Cash-in-transit	44,032	29,941	41,892	28,990
Bank balances	217,084	231,957	98,212	173,869
Business Deposits	198,528	345,488	198,528	345,488
	465,519	609,316	344,492	550,262
	465,519	609,316	344,492	550,262
14. OTHER CREDITORS AND ACCRUALS				
Accruals	452,702	333,321	195,076	215,362
Customers deposit		98,739		98,739
Agents clearing charges	15,823	38,566	15,823	38,566
Withholding Taxes	55,752	44,339	47,226	35,816
Value added tax	164,973	108,223	108,358	64,891
Staff pension accruals (Note 14.1)	52,464	42,206	6,968	699
Un-claimed Dividend	50,051	114,570	50,051	114,570
Other creditors	114,779	69,971	145,062	50,210
	906,543	849,935	568,563	618,853
14.1 Staff pension accruals				
At the beginning of the year	42,206	40,033	699	9,563
Provision for the year	67,048	112,660	28,759	51,287
Payments and remittances	(56,790)	(110,487)	(22,490)	(60,151)
At the end of the year	52,464	42,206	6,968	699
15. DEFERRED TAXATION				
At the beginning of the year	131,456	112,211	33,190	40,543
Charge for the year		26,598		-
Write-back	-	(7,353)	-	(7,353)
At the end of the year	131,456	131,456	33,190	33,190

RED STAR EXPRESS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30th SEPT, 2014

	<u>The Group</u>		<u>The Company</u>	
	2014 Sep-14 N'000	2014 Mar' 2014 N'000	2014 Sep-14 N'000	2014 Mar' 2014 N'000
19. RECONCILIATION OF NET PROFIT AFTER TAXATION TO CASH PROVIDED BY OPERATING ACTIVITIES				
Net profit after taxation	<u>209,402</u>	<u>403,634</u>	<u>109,157</u>	<u>331,770</u>
Adjustment to reconcile net income to net cash provided by operating:				
Depreciation	134,508	211,391	74,041	114,044
Interest income	(8,361)	(18,014)	(8,273)	(17,195)
Interest paid	9,401	20,767	-	-
Provision for diminution in investments	864	-	864	-
Profit on disposal of fixed assets	(1,450)	(2,951)	(1,450)	(2,901)
Loss on disposal of investment	-	-	-	-
Adjustment to investment	-	-	-	-
Adjustment to fixed assets	-	-	-	-
Gain - Acturial valuation	-	-	-	-
Dividend received	-	-	-	(82,513)
Changes in assets and liabilities:				
(Increase)/decrease in stocks	599	(7,259)	1,193	(6,481)
(Increase)/decrease in trade debtors	(190,111)	(8,838)	(111,830)	70,521
(Increase)/Decrease in other debtors and prepayments	(175,433)	(103,354)	(71,179)	(90,652)
Decrease/(increase) in due from related companies	-	-	(50,638)	64,509
Decrease/(increase) in Long term Loans	12,711	-	-	-
(Decrease)/increase in trade creditors	(11,880)	56,277	(11,922)	56,277
Increase/(decrease) in other creditors	56,608	163,083	(83,189)	95,049
Increase/(decrease) in due to related companies	-	-	135,558	(40,671)
(Decrease)/increase in taxation	89,744	(37,368)	46,782	6,875
(Decrease)/increase in deferred taxation	-	19,245	-	(7,353)
Increase/(decrease) in employee benefits	<u>16,271</u>	<u>9,425</u>	<u>6,889</u>	<u>9,425</u>
	<u>(66,530)</u>	<u>302,404</u>	<u>(73,154)</u>	<u>168,934</u>
Net cash provided by operating activities	<u><u>142,871</u></u>	<u><u>706,038</u></u>	<u><u>36,003</u></u>	<u><u>500,704</u></u>

RED STAR EXPRESS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30th SEPT, 2014

	The Group		The Company	
	Sep'2014 N'000	March '14 N'000	Sep'2014 N'000	March '14 N'000
20. RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Cash balances	5,875	5,276	5,860	5,240
Cash-in-transit	44,032	36,780	41,892	36,326
Bank balances	217,084	202,045	98,212	82,459
Short term deposits	198,528	271,487	198,528	225,635
	465,519	515,588	344,492	349,660

21. EMPLOYMENT AND EMPLOYEES

.1 Staff

Average number of persons employed in the financial year under review and the staff costs were as follows:

	Number	Number	Number	Number
Managerial	13	6	10	5
Senior staff	47	46	37	36
Supervisors	343	196	71	67
Junior staff	1,466	1,293	172	189
	1,869	1,541	290	297

Staff costs:

Salaries, wages and other benefits	867,742	1,571,670	390,619	792,380
Staff pension and gratuity	68,769	123,254	41,326	77,681
	936,511	1,694,924	431,945	870,061

.2 Employees remunerated at higher rates, excluding allowances:

N	N	Number	Number	Number	Number
140,001	-	210,000	1,466	1,291	172
210,001	-	360,000	343	196	71
360,000	-	900,000	47	46	37
900,001	-	1,700,000	13	6	10
1,700,001	-	2,011,000	2	2	2

RED STAR EXPRESS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30th SEPT, 2014

22. Compensation of key management personnel of Red Star Express

	The Group		The Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
.1 Fees and sitting Allowances	4,318	8,635	4,318	8,635
Executive compensation	1,861	7,088	3,721	7,088
Other Directors and benefits	6,838	13,025	6,838	13,025
	13,016	28,748	14,877	28,748

Fees and emoluments disclosed above include ammount paid to:

	N'000	N'000	N'000	N'000
Chairman	818	1,635	818	1,635
The highest paid Director earned	5,816	11,632	5,816	11,632

- .2 The number of Directors excluding the Chairman whose emoluments were within the following ranges were:

N	N	Number	Number	Number	Number
390,001 - 400,000	-	-	-	-	-
530,001 - 540,000	5	5	5	5	5
4,600,001 and above	2	2	2	2	2

23. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

.1 Contingent liabilities

As at 30th September 2014, there were no contingent liabilities . The Directors are of the opinion that, based on the Solicitors' advice, no material loss will arise from them. Consequently, no provision has been made in these consolidated financial statements for the amount.

.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.

.3 Performance Bond

The Company accepted a performance bond of N50 million (2012- N50 million) in favour of Nigeria Customs Service.

RED STAR EXPRESS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30th SEPT, 2014

24. SUPPLIERS

The Company's significant suppliers are mainly local. Some of the major suppliers are:

Kungo-Rock Investments Limited
Chita Express Limited
Aegis Core Limited
Knight Pride Int'l Limited
Air France
British Airways

The Company is not associated with the suppliers.

25. POST BALANCE SHEET EVENTS

The Directors are of the opinion that there were no significant post balance sheet events which would have had any material effect on the balance sheet and the profit for the year ended on that date, which have not been adequately provided for or disclosed in the consolidated financial statements.

26. RELATED PARTY TRANSACTIONS

a. Parent and ultimate controlling party

The consolidated financial statements include the financial statements of Red Star Express Plc and the subsidiaries listed below

	%
Red Star Retirement Benefit Scheme	100
Red Star Freight Limited	100
Red Star Logistics Limited	100
Red Star Supports Services Limited	100

b. The company had significant transactions with its related companies in the form of transfer of funds and payments for goods and services on behalf of each other. The balances due from/to the related companies which are disclosed in the balance sheet are as follows:

	<u>The Group</u>		<u>The Company</u>	
	Jun'2014	March 14	Jun'2014	March 14
	N'000	N'000	N'000	N'000
Due from related company				
Red Star Freight Limited			36,770	1,787
Red Star Logistics Limited			37,623	21,968
			<u>74,393</u>	<u>23,755</u>
Due to related companies				
Red Star Freight Limited				
Red Star Supports Services Limited			205,513	69,955
			<u>205,513</u>	<u>69,955</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30th SEPT, 2014**

27 EARNINGS PER SHARE

Basic Earnings Per Share

The calculation of basic earnings per share at 30 June 2014 for the company was based on the profit attributable to ordinary shareholders of N87.5 million and a weighted average number of ordinary shares outstanding of 589.5 million for the company. While the group EPS calculation was based on the profit attributable to the group shareholders of N96.3 million and a weighted average number of ordinary shares outstanding of 589.5 million shares

	The Group		The Company	
	Sep'2014 N'000	SEPT-13 N'000	Sep'2014 N'000	SEPT-13 N'000
Profit for the year attributable to shareholders	209,402	214,788	109,157	119,402
	Number	Number	Number	Number
Weighted Average number of ordinary shares outstanding	589,497	589,497	589,497	589,497
Earnings per share (Kobo)	36	36	19	20

28 COMPARATIVE FIGURES

Certain prior year's figures have been reclassified in line with current year's presentation for more meaningful comparison.

29 Segment Information

The Group

**Segment Statement of
Comprehensive**

	Courier		Freight		Logistics		Support services		Total	
	SEPT-14 N'000	SEPT-13 N'000	SEPT-14 N'000	SEPT-13 N'000	SEPT-14 N'000	SEPT-13 N'000	SEPT-14 N'000	SEPT-13 N'000	SEPT-14 N'000	SEPT-13 N'000
Profit and Loss										
Revenue	1,930,572	1,956,159	133,248	91,907	517,562	531,444	727,375	511,669	3,308,757	3,077,071
Total Revenue	1,930,572	1,956,159	133,248	91,907	517,562	531,444	727,375	511,669	3,308,757	3,077,071
Finance Income	8,273	8,148	-	819	-	182	89	-	8,361	9,149
Finance Charges	(6,405)	(6,991)	(1,190)	(857)	(9,963)	(9,798)	(2,230)	(1,228)	(10,388)	(9,867)
Other Income	6,540	3,135	-	-	2,040	1,373	-	-	8,580	18,532
Cost of Sales	(1,339,913)	(1,347,716)	(105,042)	(66,040)	(392,752)	(372,444)	(580,246)	(426,141)	(2,387,741)	(2,192,993)
Depreciation & Amortisation	(32,341)	(23,770)	(83)	(160)	(2,600)	(2,647)	(171)	(112)	(35,195)	(26,818)
Other Operating Expenses	(410,787)	(418,393)	(14,647)	(14,083)	(58,198)	(51,503)	(69,983)	(56,113)	(593,229)	(568,234)
Profit before income tax	155,939	170,573	12,286	11,586	56,089	96,607	74,833	28,075	299,145	306,840
Income tax expense	(46,782)	(51,172)	(3,686)	(3,476)	(16,827)	(28,982)	(22,450)	(8,423)	(89,744)	(92,052)
Profit after tax	109,157	119,401	8,600	8,110	39,262	67,625	52,383	19,653	209,402	214,788

	SEPT-14 N'000	Mar'14 N'000	SEPT-14 N'000	Mar'14 N'000	SEPT-14 N'000	Mar'14 N'000	SEPT-14 N'000	Mar'14 N'000	SEPT-14 N'000	Mar'14 N'000
<u>Segment Statement of Financial Position</u>										
Non Current Assets	855,847	852,682	499	581	293,838	372,093	130,539	148,637	1,103,684	1,089,928
Current assets	1,823,645	1,796,960	112,888	91,372	476,994	383,299	332,669	179,080	2,488,201	2,357,017
Total Assets	2,679,492	2,649,642	113,387	91,953	770,832	755,393	463,208	327,717	3,591,885	3,446,945
Ordinary Share Capital	294,748	294,748	10,000	10,000	225,000	225,000	49,065	49,065	294,748	294,748
Share Premium	296,433	296,433	-	-	-	-	-	-	296,433	296,433
Retained Earnings	836,272	933,439	57,029	48,428	268,944	229,682	137,841	85,458	1,399,059	1,301,745
Non Current Liabilities	50,508	43,619	296	98	140,013	152,749	39,968	36,133	215,918	232,529
Current liabilities	1,201,530	1,081,403	46,062	33,426	136,875	147,962	236,334	157,061	1,385,727	1,321,490
Total Equity & Liabilities	2,679,492	2,649,642	113,387	91,953	770,832	755,393	463,208	327,717	3,591,885	3,446,945

Group Financials

RED STAR EXPRESS PLC

GROUP FINANCIAL REPORTS FOR THE PERIOD ENDED

31st MARCH 2014

Red Star Express



Red Star Freight Ltd
Subsidiary of Red Star Express Plc



Red Star Logistics Ltd
Subsidiary of Red Star Express Plc



Red Star Support Services Ltd
Subsidiary of Red Star Express Plc

