

Red Star Express Plc

Annual Report

31 March 2026

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Corporate Information

Board of Directors:	Suleiman Barau (OON) Auwalu Badamasi Babura Ejekam Charles Chioma Sideso Sulaiman Lawan Koguna Peter Surulere Aletor Chukwuemeka Ndu	Chairman Group Managing Director/CEO Executive Director Independent Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
Registered office:	70, International Airport Road Lagos. Tel: 01-2715670 Email: enquiries@redstarplc.com http://www.redstarplc.com	
Registration number:	RC No. 200303	
FRC number:	FRC/2012/0000000000253	
Company secretary:	Frances Ndidi Akpomuka 70, International Airport Road Lagos.	
Company registrar:	Apel Asset Limited 8 Alhaji Bashorun Street, Off Norman Williams Street, S.W. Ikoyi Lagos.	
Company solicitor:	Uwensuyi Edosomwan & Co. 254A, Ikorodu Crescent, Dolphin Estate, Ikoyi, Lagos.	
Independent auditor:	KPMG Professional Services KPMG Tower, Bishop Aboyade Cole Street, Victoria Island, Lagos.	
Bankers:	Access Bank Plc Alpha Morgan Bank Limited Ecobank Nigeria Plc Fidelity Bank Plc First Bank of Nigeria Limited First City Monument Bank Plc Guaranty Trust Bank Limited. Jaiz Bank Plc Keystone Bank Limited Parallex Bank Limited Polaris Bank Limited Providus Bank Limited Stanbic IBTC Bank Plc Sterling Bank Plc The Alternative Bank Limited United Bank for Africa Plc Union Bank of Nigeria Plc Unity Bank Plc Wema Bank Plc Zenith Bank Plc	
Tax Identification Number:	02460096-0001	

Directors' Report

For the year ended 31 March 2026

1 Financial statements

The Directors present their annual report on the affairs of Red Star Express Plc ("the Company") and its subsidiaries ("together, the Group"), together with the independent auditor's report of Red Star Express Plc ("the Company") and its subsidiaries ("together, the Group") for the year ended 31 March 2026. The Directors have considered all the matters brought before them in the financial year ended 31 March 2026 and are satisfied that the Directors' report and Consolidated and Separate Financial Statements represents a fair, balanced and realistic view of events.

2 Legal form

Red Star Express Plc was incorporated as a Private Limited Company in Nigeria 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 14 November, 2007.

The Company has three (3) wholly owned 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.

3 Principal activities

The Group is principally engaged in the provision of courier services, mail management services, freight services, logistics, warehousing and general haulage.

4 Results for the year

The performance of the Group and Company during the year as compared with the previous year is as follows:

<i>in thousands of naira</i>	Group			Company		
	2026	2025	Chg %	2026	2025	Chg. %
Revenue	23,494,067	21,660,339	8	10,993,125	10,609,408	4
Operating profit	963,168	944,179	2	374,991	493,677	(24)
Profit before taxation	1,074,932	924,715	16	483,354	469,237	3
Income tax expense	(489,673)	(378,194)	29	(219,349)	(181,357)	21
Profit for the year	585,259	546,521	7	264,005	287,880	(8)

5 Property, plant and equipment

Information relating to changes in property plant and equipment is disclosed in Note 10 to these consolidated and separate financial statements.

6 Dividend

The Directors are pleased to recommend to shareholders at the forthcoming annual general meeting the declaration of dividend payment of 45 kobo (2025: 35 kobo) per share amounting to a total dividend of ₦429.49 million (2025: ₦334.05 million). This dividend, if approved, is subject to deduction of appropriate withholding tax.

7 Directors

Names of Directors	Designation
Suleiman Barau (OON)	Chairman
Auwalu Badamasi Babura	Group Managing Director/CEO
Ejekam Charles	Executive Director
Chioma Sideso	Independent Non-Executive Director
Sulaiman Lawan Koguna	Non-Executive Director
Peter Surulere Aletor	Non-Executive Director
Chukwuemeka Ndu	Non-Executive Director

In accordance with the Company's Articles of Association, Mr. Peter Aletor and Mr. Chukwuemeka Ndu will retire by rotation and are eligible for re-election at the Annual General Meeting.

Directors' Report (cont'd)*For the year ended 31 March 2026***8 Record of director's attendance**

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 is disclosed in the table below. The Directors have a formal schedule of meetings and met a total of four (4) times in the year. The table below shows the number of meetings (including Board and Board Committees) attended by each Director.

Frequency and Attendance of Board Meetings**Board Meetings Attendance**

Directors	2025		2026	
	24-Apr	27-Jun	23-Oct	26-Feb
Suleiman Barau (OON)	Yes	Yes	Yes	Yes
Auwalu Badamasi Babura	Yes	Yes	Yes	Yes
Ejekam Charles	Yes	Yes	Yes	Yes
Chioma Sideso	Yes	Yes	Yes	Yes
Sulaiman Lawan Koguna	Yes	Yes	Yes	Yes
Peter Surulere Aletor	Yes	Yes	Yes	Yes
Chukwuemeka Ndu	Yes	Yes	Yes	Yes

Audit Committee	2025			2026	
	23-Apr	25-Jun	28-Jul	17-Oct	29-Jan
Folorunsho Olajide	Yes	Yes	Yes	Yes	Yes
Bukola Adetunji	Yes	Yes	Yes	Yes	Yes
Kolawole Amoo	Yes	Yes	Yes	Yes	Yes
Sulaiman Koguna	Yes	Yes	Yes	Yes	Yes
Chukwuemeka Ndu	Yes	Yes	Yes	Yes	Yes

Strategy & Business Development Committee	2025		2026
	24-Jun	15-Oct	18-Feb
Chioma Sideso	Yes	Yes	Yes
Peter Aletor	Yes	Yes	Yes
Chukwuemeka Ndu	Yes	Yes	Yes
Sulaiman Koguna	Yes	Yes	Yes
Auwalu Badamasi Babura	Yes	Yes	Yes
Ejekam Charles	Yes	Yes	Yes

Risk Management	2025	2026
	13-Oct	19-Feb
Peter Aletor	Yes	Yes
Chioma Sideso	Yes	Yes
Chukwuemeka Ndu	Yes	Yes
Auwalu Badamasi Babura	Yes	Yes
Ejekam Charles	Yes	Yes

Directors' Report (cont'd)

For the year ended 31 March 2026

Governance, Nomination and Remuneration Committee	2025		2026
	23-Jun	15-Oct	24-Feb
Sulaiman Koguna	Yes	Yes	Yes
Chioma Sideso	Yes	Yes	Yes
Peter Aletor	Yes	Yes	Yes

Legend:

Yes - Present

No - Absent

9 Directors and their interests

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:

	No of Shares held as at 31 March 2026		No of Shares held as at 31 March 2025	
	Direct	Indirect	Direct	Indirect
Suleiman Barau	79,656,679	Nil	79,656,679	Nil
Sulaiman Koguna	8,377,818	Nil	8,377,818	Nil
Auwalu Babura	375,764	Nil	375,764	Nil
Ejekam Charles	248,637	Nil	248,637	Nil
Chukwuemeka Ndu	Nil	96,419,958	Nil	96,419,958
Peter Aletor	Nil	101,977,912	Nil	101,977,912
Chioma Sideso	Nil	Nil	Nil	Nil

Other than as disclosed above, the Directors are not aware of any disclosable interests or transactions in the share capital of the Company or any of its subsidiaries as at 31 March 2026 or at the date of this report.

10 Director's interest in contracts

In accordance with Section 303 of the Companies and Allied Matters Act (CAMA) 2020, none of the Directors has notified the Company of any disclosable interests in contracts in which the Company was involved during the year ended 31 March 2026 or at the date of this report.

11 Analysis of Shareholding

According to the register of members, the spread of shareholding in the Company as at 31 March 2026 was as follows:

Share Range	No. of shareholders	No. of shareholders	No. of Holdings	% Shareholding
1 - 1,000	1,857	32.04%	358,896	0.04%
1,001 - 5,000	1,229	21.20%	2,882,109	0.30%
5,001 - 10,000	694	11.97%	4,614,133	0.48%
10,001 - 50,000	1,354	23.36%	29,441,230	3.08%
50,001 - 100,000	275	4.74%	17,879,127	1.87%
100,001 - 500,000	290	5.00%	55,861,931	5.85%
500,001 - 1,000,000	39	0.67%	26,795,282	2.81%
1,000,001 - 5,000,000	40	0.69%	83,737,225	8.77%
5,000,001 - 10,000,000	9	0.16%	68,639,714	7.19%
10,000,001 - 50,000,000	4	0.07%	85,726,321	8.98%
50,000,001 - 100,000,000	3	0.05%	246,076,637	25.78%
100,000,001 - 500,000,000	2	0.03%	332,410,720	34.83%
TOTAL	5,796	100%	954,423,325	100%

Directors' Report (cont'd)

For the year ended 31 March 2026

31 March 2025

Share Range	No. of shareholders	% of shareholders	No. of Holdings	% Shareholding
1 - 1,000	1,857	32.04%	358,896	0.04%
1,001 - 5,000	1,229	21.20%	2,882,109	0.30%
5,001 - 10,000	694	11.97%	4,614,133	0.48%
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50,000,001 - 100,000,000	3	0.05%	246,076,637	25.78%
100,000,001 - 500,000,000	2	0.03%	332,410,720	34.83%
TOTAL	5,796	100%	954,423,325	100%

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

NAME	2026	%	2025	%
Koguna, Mohammed Hassan	186,863,273	19.58%	186,863,273	19.58%
Koguna Babura Insurance Brokers Limited	145,547,447	15.25%	145,547,447	15.25%
Petra Properties Limited	96,419,958	10.10%	96,419,958	10.10%
Suleiman Barau	79,656,679	8.35%	79,656,679	8.35%
Apel Capital & Trust Limited - Nominees	70,000,000	7.33%	70,000,000	7.33%

12 Donations

During the year, the Company made the following donations:

<i>in thousands of naira</i>	2026	2025
NBCC Maritime and Logistics	3,000	1,000
Special Persons Association of Nigeria	1,350	200
Embassy of the United States of America	850	-
	5,200	1,200

In accordance with Section 43(2) of the Companies and Allied Matters Act, 2020 ("CAMA"), the Company did not make any donation or give gifts to any political party, political association or for any political purpose during the year (2025: Nil).

13 Corporate social responsibility

Our corporate social responsibility (CSR) integrates social, environmental and economic concerns into the Group's values, culture, decision making, strategy and operations in a transparent and accountable manner and thus, establishes better practices within the Group, creates wealth and improves the society at large.

14 Employment of physically challenged persons

It is the Company's policy to give special consideration to disabled persons having regard to the individual applicant's aptitude and abilities. There were no physically challenged persons in the Company as at year end. (2025: Nil).

Directors' Report (cont'd)*For the year ended 31 March 2026***15 Employment equity, gender policies and practices**

Our resourcing and promotion policy ensures equity, and is free from discriminatory bias of gender, ethnic origin, age, marital status, gender, sexual orientation, disability, religion and other diversity issues. This is role-modelled throughout our end-to-end employee life cycle process.

16 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 Nigeria Social Insurance Trust Fund (NSITF) schemes, as well as a Contributory Pension Scheme for the benefit of the employees.

17 Employees' 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.

18 Events after the reporting date

Other than those disclosed in note 30 of the Financial Statements, there were no other events after the reporting date which could have had a material effect on the financial position of Red Star Express Plc ("the Company") and its Subsidiaries (together "the Group") as of 31 March, 2026, which have not been adequately provided for or disclosed in the Financial Statements.

19 Independent auditor

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as independent auditors to the Company. In accordance with Section 401(2) of the Companies and Allied Matters Act (CAMA) 2020, therefore, the independent auditors will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

BY ORDER OF THE BOARD

**FRANCES NDIDI AKPOMUKA**

Company Secretary

FRC/2013/PRO/NBA/004/00000002640

Lagos, Nigeria

27 June 2026

Corporate Governance Report

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 during the year.

Shareholding

The Company maintains a varied shareholding structure.

The Board Governance Structure

Board of Directors

The Board is currently constituted of Seven (7) 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 Four (4) Non - Executive Directors (which includes the Chairman), One (1) Independent Non-Executive Director and Two (2) Executive Directors. The positions of the Chairman and Group Managing Director are separate, and the other responsibilities of the Board are as contained in the duly approved Board Charter.

Board Membership

Suleiman Barau (OON)	Chairman
Auwalu Badamasi Babura	Group Managing Director/CEO
Ejekam Charles	Executive Director
Chioma Sideso	Independent Non-Executive Director
Sulaiman Lawan Koguna	Non-Executive Director
Peter Surulere Aletor	Non-Executive Director
Chukwuemeka Ndu	Non-Executive Director

Board Committees

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

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, 2018.

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

Corporate Governance Report (cont'd)

Strategy and Business Development Committee

This committee is comprised of six (6) members: four (4) Non-Executive Directors and two (2) Executive Directors:-

Mrs. Chioma Sideso	Chairman/Independent Non - Executive Director
Mr. Sulaiman Koguna	Non-Executive Director
Mr. Peter Aletor	Non-Executive Director
Mr. Chukwuemeka Ndu	Non-Executive Director
Mr. Auwalu Babura	Group Managing Director/CEO
Mr. Charles Ejekam	Executive Director

Risk Management Committee

This committee is comprised of five (5) members: three (3) Non-Executive Directors and two (2) Executive Directors: -

Mr. Peter Aletor	Chairman/Non-Executive Director
Mrs. Chioma Sideso	Independent Non - Executive Director
Mr. Emeka Ndu	Non-Executive Director
Mr. Auwalu Babura	Group Managing Director/CEO
Mr. Charles Ejekam	Executive Director

Audit Committee

This committee is comprised of Five (5) members: Three (3) Shareholders' representatives and Two (2) Non-Executive Directors: -

Mr. Folorunsho Olajide	Chairman/Shareholder Representative
Mrs. Bukola Adetunji	Shareholder Representative
Mr. Kolawale Amoo	Shareholder Representative
Mr. Sulaiman Koguna	Non-Executive Director
Mr. 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, Chief Operating Officers, 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.

Corporate Governance Report (cont'd)

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

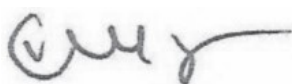
The Company's Directors remuneration policy takes into consideration the industry in which it operates as well as the performance of the Company at the end of each financial year. The component of the policy includes: -

For Non-Executive Directors:

- Payment of Directors annual fees and 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



Suleiman Barau (OON)
Chairman
FRC/2015/PRO/DIR/003/00000011559
27 June 2026



Frances Ndidi Akpomuka
Company Secretary
FRC/2013/PRO/NBA/004/00000002640
27 June 2026

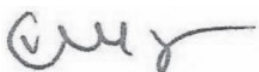
Statement of Directors responsibilities in relation to the Consolidated and Separate Financial Statements

The Directors accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA) 2020 and the Financial Reporting Council of Nigeria Act, 2011 (as amended).

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA) 2020 and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement whether due to fraud or error.

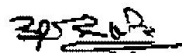
The Directors have made an assessment of the Group and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Suleiman Barau (OON)
Chairman

FRC/2015/PRO/DIR/003/00000011559
27 June 2026



Auwalu Badamasi Babura
Group Managing

FRC/2016/PRO/DIR/003/00000014402
27 June 2026

Statement of Corporate responsibility for the Consolidated and Separate Financial Statements

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Group Managing Director/CEO and Chief Financial Officer, hereby certify the consolidated and separate financial statements of Red Star Express Plc for the year ended 31 March 2026 as follows:

- (a) That we have reviewed the audited consolidated and separate financial statements of Red Star Express Plc ("the Company") and its Subsidiaries (together "the Group") for the year ended 31 March 2026."
- (b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- (c) That the audited consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group and Company as of and for, the year ended 31 March 2026.
- (d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company and its subsidiaries is made known to us by other officers of the companies during the year ended 31 March 2026.



Auwalu Badamasi Babura
Group Managing Director/CEO
FRC/2016/PRO/DIR/003/00000014402
27 June 2026



Onyibo Valentine Uchenna
Chief Financial Officer (CFO)
FRC/2013/PRO/ICAN/001/00000003908
27 June 2026

AUDIT COMMITTEE REPORT

TO THE SHAREHOLDERS OF RED STAR EXPRESS PLC

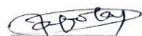
In accordance with Section 404 (7) of the Companies and Allied Matters Act (CAMA), 2020 and Section 30.4 of the SEC Code, the members of the Audit Committee of Redstar Express Plc hereby report as follows:

We have exercised our statutory functions under Section 404 (7) of the Companies and Allied Matters Act, 2020 and we acknowledge the cooperation of the Board, management and staff in the conduct of these responsibilities. After careful consideration of the report of the external auditors, we accepted the report that the Consolidated and Separate Financial Statements give a true and fair view of the state of the Group and Company's financial affairs as at 31 March, 2026 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA) 2020 and the Financial Reporting Council of Nigeria Act, 2011 (as amended).

We confirm that:

- I. The accounting and reporting policies of the Group and Company are in accordance with legal and regulatory requirements as well as agreed ethical practices.
- II. We reviewed the scope and planning of audit requirements and found them adequate.
- III. We reviewed the findings on the management letter prepared by the external auditors and found management responses to the findings satisfactory.
- IV. The accounting and internal controls system is constantly and effectively being monitored through an effective internal audit function.
- V. We made recommendations to the Board on the reappointment and remuneration of the external auditors and also reviewed the provision made in the Consolidated and Separate Financial Statements for the remuneration of the external auditors.
- VI. We considered that the external auditors are independent and qualified to perform their

The Committee therefore recommends that the Audited Consolidated and Separate Financial Statements for the year ended 31 March, 2026 and the External Auditors' report thereon be presented for adoption at this Annual General Meeting."



Folorunso Olajide Alakija
FRC/2023/PRO/ICAN/004/378190
Chairman
27 June 2026

Members of the Audit Committee:

Mr. Folorunso Olajide Alakija - Chairman/Shareholder Representative
Mrs Bukola Adetunji - Shareholder Representative
Mr. Kolawale Amoo - Shareholder Representative
Mr. Sulaiman Koguna - Non-Executive Director
Mr. Chukwuemeka Ndu - Non-Executive Director

**Certification of Management's Assessment of Internal Control over Financial Reporting -
Group Managing Director (GMD)**

For the year ended 31 March 2026

I, Auwalu Badamasi Babura, certify that:

- (a) I have reviewed the Management's Report on the Effectiveness of Internal Control over Financial Reporting as of 31 March 2026 of Red Star Express Plc ("the Company") and its subsidiaries (together "the Group");
- (b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (c) Based on my knowledge, the consolidated and separate financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the period 31 March 2026, presented in this report;
- (d) The Group's other certifying officer and I:
 - (i). are responsible for establishing and maintaining internal controls;
 - (ii). have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (iii). have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;
 - (iv). have evaluated the effectiveness of the Group's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- (e) The Group's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors and the Audit committee:
 - (i). All significant deficiencies and that there are no material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Group's ability to record, process, summarize and report financial information; and
 - (ii). That there was no fraud, whether or not material, that involves management or other employees who have a significant role in the Group's internal control system
- (f) The Group's other certifying officer and I have not identified any significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation



Auwalu Badamasi Babura

Group Managing Director/CEO

FRC/2016/PRO/DIR/003/00000014402

27 June 2026

Certification of Management's Assessment of Internal Control over Financial Reporting - Chief Financial Officer (CFO)

For the year ended 31 March 2026

I, Onyibo Valentine Uchenna, certify that:

- (a) I have reviewed the Management's Report on the Effectiveness of Internal Control over Financial Reporting as of 31 March 2026 of Red Star Express Plc ("the Company") and its subsidiaries (together "the Group");
- (b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (c) Based on my knowledge, the consolidated and separate financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the period 31 March 2026, presented in this report
- (d) The Group's other certifying officer and I:
 - (i). are responsible for establishing and maintaining internal controls;
 - (ii). have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (iii). have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;
 - (iv). have evaluated the effectiveness of the Group's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- (e) The Group's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors and the audit committee:
 - (i). All significant deficiencies and that there are no material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Group's ability to record, process, summarize and report financial information; and
 - (ii). That there was no fraud, whether or not material, that involves management or other employees who have a significant role in the Group's internal control system
- (f) The Group's other certifying officer and I have not identified any significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation.



Onyibo Valentine Uchenna

Chief Financial Officer

FRC/2013/PRO/ICAN/001/00000003908

27 June 2026

Management's Report on the Effectiveness of Internal Control over Financial Reporting as of 31 March 2026

The management of Red Star Express Plc ("the Company") is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Investment and Securities Act 2025 and the Financial Reporting Council of Nigeria Act, 2011 (as amended).

The management of Red Star Express Plc assessed the effectiveness of the internal control over financial reporting of the Company and its subsidiaries (together "the Group") as of 31 March 2026 using the criteria set forth in Internal Control—Integrated Framework (2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and in accordance with the SEC Guidance on Implementation of Internal Control over Financial Reporting.

As of March 31, 2026, the management of Red Star Express Plc did not identify any material weakness in its assessment of internal control over financial reporting. As a result, management has concluded that, as of March 31, 2026, the Group's internal control over financial reporting was effective.

The Company's independent auditor, KPMG Professional Services, who audited the consolidated and separate financial statements included in this Annual Report, issued an unmodified conclusion on the effectiveness of the Group's internal control over financial reporting as of 31 March 2026, based on the limited assurance engagement performed by them. KPMG Professional Services' limited assurance report is included in the Annual Report .

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred subsequent to the date of our evaluation of the effectiveness of internal control over financial reporting that significantly affected, or are reasonably likely to significantly affect, the Group's internal control over financial reporting.



Auwalu Badamasi Babura
Group Managing Director/CEO
FRC/2016/PRO/DIR/003/00000014402
27 June 2026



Onyibo Valentine Uchenna
Chief Financial Officer
FRC/2013/PRO/ICAN/001/00000003908
27 June 2026



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Independent Auditor's Limited Assurance Report

To the Shareholders of Red Star Express Plc

Report on Limited Assurance Engagement Performed on Management's Assessment of Internal Control Over Financial Reporting

Conclusion

We have performed a limited assurance engagement on whether internal control over financial reporting of Red Star Express Plc ("the Company") *and its* subsidiaries (together "the Group") as of 31 March 2026 is effective in accordance with the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and the Securities and Exchange Commission Guidance on Implementation of Internal Control over Financial Reporting.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Group's internal control over financial reporting as of 31 March 2026 is not effective, in all material respects, in accordance with the criteria established in the COSO Framework and the Securities and Exchange Commission Guidance on Implementation of Internal Control over Financial Reporting.

Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB) and the Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. Our responsibilities are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (*including International Independence Standards*) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

We have audited the *consolidated and separate* financial statements of Red Star Express Plc in accordance with the International Standards on Auditing, and our report dated 30 June 2026 expressed an unmodified opinion of those *consolidated and separate* financial statements. Our conclusion is not modified in respect of this matter.



Responsibilities for Internal Control over Financial reporting

The Board of Directors of Red Star Express Plc is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on the Effectiveness of Internal Control over Financial Reporting as of 31 March 2026*. Our responsibility is to express a conclusion on *the Group's* internal control over financial reporting based on our assurance engagement.

Our responsibilities

The Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting ("the Guidance") requires that we plan and perform the assurance engagement and provide a limited assurance report on *the Group's* internal control over financial reporting based on our assurance engagement.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Definition and Limitations of Internal Control Over Financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Signed:

Dunni D. Okegbemila, FCA

FRC/2012/PRO/ICAN/004/00000000411

For: KPMG Professional Services

Chartered Accountants

30 June 2026

Lagos, Nigeria





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Independent Auditor's Report

To the Shareholders 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 (together, "the Group"), which comprise:

- the consolidated and separate statements of financial position as at 31 March 2026;
- 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
- the notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 March 2026, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 (as amended).

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 Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated and separate financial statements of public interest entities in Nigeria. We have also 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 period. 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.



Revenue Recognition - Group and Company	
Refer to material accounting policies (Note 3(q)) and related disclosures (Note 5) of the consolidated and separate financial statements.	
Key audit matter	How the matter was addressed in our audit
<p>The Group generates revenue majorly from the following key activities - provision of courier services, freight services, logistics, mail management services, warehousing, and general haulage services while the Company generates revenue mainly from courier services.</p> <p>Revenue is a key driver of the Group and Company's financial performance and an important measure in assessing the performance of Directors.</p> <p>We consider revenue recognition to be a key audit matter due to the number of transactions that occur close to year-end and the potential impact of the cutoff date of these transactions on the consolidated and separate financial statements.</p>	<p>Our audit procedures included the following:</p> <p>We evaluated the design, implementation, and operating effectiveness of identified controls around the recognition of revenue.</p> <p>We tested revenue transactions using statistical sampling methods and agreed such transactions to invoices and waybills.</p> <p>We reconciled cash sales transactions to receipts in the bank statements.</p> <p>We performed revenue cut-off procedures by assessing whether revenue transactions occurring both prior to and after the year end date were recognized in the appropriate period.</p> <p>We evaluated the adequacy and appropriateness of the Group's revenue disclosures in line with IFRS 15.</p>

Other information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Directors' report, Corporate governance report, Statement of Directors' responsibilities in relation to the Consolidated and Separate Financial Statements, Statement of Corporate responsibility for the Consolidated and Separate Financial Statements, Audit Committee's Report, Certification of Management's assessment of Internal Control over Financial Reporting - GMD, Certification of Management's assessment of Internal Control over Financial Reporting - CFO, Management's report on the Effectiveness of Internal Control over Financial Reporting as of 31 March 2026, and Other National Disclosures which we obtained prior to the date of this auditor's report, but does not include the consolidated and separate financial statements and our auditor's report thereon. Other information also includes the Corporate profile, Profile of Board of Directors, Chairman's statement, Group Managing Director's review, Sustainability & CSR report and Red Star Foundation report, together the "outstanding reports", which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express 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 identified above, 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 that we have 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.

When we read the outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Responsibilities of the Directors for the consolidated and separate financial statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 (as amended), and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the group, as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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



We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period 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

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Group's internal control over financial reporting as of 31 March 2026. The work performed was done in accordance with ISAE 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated 30 June 2026. That report is included in the annual report.

Signed:

Dunni D. Okegbemila, FCA

FRC/2012/PRO/ICAN/004/00000000411

For: KPMG Professional Services

Chartered Accountants

30 June 2026

Lagos, Nigeria



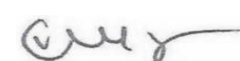
Consolidated and Separate Statements of Financial Position

As at 31 March

in thousands of naira

Assets	Note	Group		Company	
		2026	2025	2026	2025
Property, plant and equipment	10(a)	2,944,328	2,811,340	1,842,446	1,737,882
Intangible assets	11	114,210	154,627	114,210	154,627
Prepayments	12	22,556	55,518	15,963	7,870
Equity investments	13	12,065	3,357	12,065	3,357
Investments in subsidiaries	14	-	-	1,153,065	1,153,065
Right-of-use assets	21(a)&(b)	285,549	145,317	261,705	133,817
Employee benefit	23v(ii)	209,552	155,076	209,552	155,076
Non-current assets		3,588,260	3,325,235	3,609,006	3,345,694
Inventories	16	100,782	73,141	87,778	61,796
Trade and other receivables	17	5,457,139	5,189,610	3,312,572	2,847,999
Prepayments	12	322,250	322,959	167,532	113,498
Cash and cash equivalents	18	1,992,688	1,367,989	1,205,872	878,056
Current assets		7,872,859	6,953,699	4,773,754	3,901,349
Total assets		11,461,119	10,278,934	8,382,760	7,247,043
Equity					
Share capital	19(a)	477,211	477,211	477,211	477,211
Share premium	19(b)	1,515,600	1,515,600	1,515,600	1,515,600
Other reserves	19(c)	11,530	2,822	11,530	2,822
Retained earnings		3,151,344	2,886,934	1,537,276	1,594,120
Total equity		5,155,685	4,882,567	3,541,617	3,589,753
Liabilities					
Deferred tax liabilities	9(d)	317,133	216,632	190,178	122,399
Lease liabilities	20	112,565	13,640	112,565	13,640
Long-term service awards	23(b)	1,236	1,512	1,236	1,512
Non-current liabilities		430,934	231,784	303,979	137,551
Current tax liabilities	9(c)	378,681	283,848	149,309	108,974
Lease liabilities	20	23,763	45,497	23,763	45,497
Loans and borrowings	22	-	113,306	-	113,306
Trade and other payables	24	5,472,056	4,721,932	4,364,092	3,251,962
Current liabilities		5,874,500	5,164,583	4,537,164	3,519,739
Total liabilities		6,305,434	5,396,367	4,841,143	3,657,290
Total equity and liabilities		11,461,119	10,278,934	8,382,760	7,247,043

These consolidated and separate financial statements were approved by the Board of Directors on 27 June 2026 and are signed on its behalf by:



Suleiman Barau
Chairman
FRC/2016/IODN/00000011542
FRC/2015/PRO/DIR/003/00000011559



Auwalu Badamasi Babura
Group Managing Director/CEO
FRC/2016/IODN/00000011542
FRC/2016/PRO/DIR/003/00000014402



Valentine Onyibo
Chief Financial Officer (CFO)
FRC/2016/IODN/00000011542
FRC/2013/PRO/ICAN/001/00000003908

The accompanying notes form an integral part of these consolidated and separate financial statements

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31 March

		Group		Company	
<i>in thousands of naira</i>	Note	2026	2025	2026	2025
Revenue	5	23,494,067	21,660,339	10,993,125	10,609,408
Cost of sales	7(a)	(16,204,435)	(15,733,611)	(6,770,379)	(7,098,814)
Gross profit		7,289,632	5,926,728	4,222,746	3,510,594
Other operating income	8	103,333	439,305	197,153	166,127
Administrative expenses	7(b)	(6,305,426)	(5,171,001)	(4,055,819)	(2,904,720)
Impairment losses on financial assets	27(b(i))	(124,371)	(250,853)	10,911	(278,324)
Operating profit		963,168	944,179	374,991	493,677
Finance income	6(a)	145,886	39,752	142,485	34,776
Finance costs	6(b)	(34,122)	(59,216)	(34,122)	(59,216)
Net finance costs		111,764	(19,464)	108,363	(24,440)
Profit before taxation		1,074,932	924,715	483,354	469,237
Income tax expense	9(a)	(489,673)	(378,194)	(219,349)	(181,357)
Profit for the year		585,259	546,521	264,005	287,880
Other comprehensive income, net of tax					
<i>Items that will never be reclassified to profit or loss:</i>					
Net change in fair value of equity investments at FVOCI	13	8,708	1,183	8,708	1,183
Re-measurement loss on defined benefit plan	23(a(v))	24,547	(121,300)	24,547	(121,300)
Related taxes		(11,348)	40,029	(11,348)	40,029
Other comprehensive loss, net of tax		21,907	(80,088)	21,907	(80,088)
Total comprehensive income for the year		607,166	466,433	285,912	207,792
Profit attributable to ordinary equity holders		585,259	546,521	264,005	287,880
Total comprehensive income for the year attributable to ordinary equity holders		607,166	466,433	285,912	207,792
Basic earnings per share	15	0.61	0.57	0.28	0.30
Diluted earnings per share	15	0.61	0.57	0.28	0.30

The accompanying notes form an integral part of these consolidated and separate financial statements

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

<i>in thousands of naira</i>	Share capital	Share premium	Retained earnings	Other reserves	Total
Balance at 1 April 2024	477,211	1,515,600	2,679,378	1,639	4,673,828
Profit for the year	-	-	546,521	-	546,521
Other comprehensive loss, net of tax	-	-	(81,271)	1,183	(80,088)
Total comprehensive income	-	-	465,250	1,183	466,433
Transactions with owners of the company					
Dividends 24(c)	-	-	(257,694)	-	(257,694)
Total transactions with the owners of the Company	-	-	(257,694)	-	(257,694)
Balance at 31 March 2025	477,211	1,515,600	2,886,934	2,822	4,882,567

<i>in thousands of naira</i>	Note	Share capital	Share premium	Retained earnings	Other reserves	Total
Balance at 1 April 2025		477,211	1,515,600	2,886,934	2,822	4,882,567
Profit for the year		-	-	585,259	-	585,259
Other comprehensive income, net of tax		-	-	13,199	8,708	21,907
Total comprehensive income		-	-	598,458	8,708	607,166
Transactions with owners of the company						
Dividends 24(c)		-	-	(334,048)	-	(334,048)
Total transactions with the owners of the Company		-	-	(334,048)	-	(334,048)
Balance at 31 March 2026		477,211	1,515,600	3,151,344	11,530	5,155,685

The accompanying notes form an integral part of these consolidated and separate financial statements

Separate Statement of Changes in Equity

For the year ended 31 March 2026

<i>in thousands of naira</i>		Share capital	Share premium	Retained earnings	Fair value reserve	Total
Balance at 1 April 2024		477,211	1,515,600	1,645,205	1,639	3,639,655
Profit for the year		-	-	287,880	-	287,880
Other comprehensive loss, net of tax		-	-	(81,271)	1,183	(80,088)
Total comprehensive income		-	-	206,609	1,183	207,792
Transactions with owners of the company						
Dividends	24(c)	-	-	(257,694)	-	(257,694)
Total transactions with the owners of the Company		-	-	(257,694)	-	(257,694)
Balance at 31 March 2025		477,211	1,515,600	1,594,120	2,822	3,589,753
<i>in thousands of naira</i>	Note	Share capital	Share premium	Retained earnings	Fair value reserve	Total
Balance at 1 April 2025		477,211	1,515,600	1,594,120	2,822	3,589,753
Profit for the year		-	-	264,005	-	264,005
Other comprehensive income, net of tax		-	-	13,199	8,708	21,907
Total comprehensive income		-	-	277,204	8,708	285,912
Transactions with owners of the company						
Dividends	24(c)	-	-	(334,048)	-	(334,048)
Total transactions with the owners of the Company		-	-	(334,048)	-	(334,048)
Balance at 31 March 2026		477,211	1,515,600	1,537,276	11,530	3,541,617

The accompanying notes form an integral part of these consolidated and separate financial statements

Consolidated and Separate Statements of Cash Flows

For the year ended 31 March 2026

in thousands of naira

	Note	Group		Company	
		2026	2025	2026	2025
Cash flow from operating activities					
Profit before taxation		1,074,932	924,715	483,354	469,237
<i>Adjustments for:</i>					
Depreciation of property, plant and equipment	10 (a)	406,044	464,746	244,696	223,588
Write-off of property, plant and equipment	10 (a)	-	161,821	-	-
Depreciation of right-of-use assets	21(a) &(b)	117,764	81,592	81,083	62,686
Amortisation of intangible assets	11	69,834	24,007	69,834	24,007
(Gain)/loss on sale of property, plant and equipment	8	(97)	(243,119)	(29,750)	-
Finance costs	6(b)	34,122	59,216	34,122	59,216
Finance income	6(a)	(145,886)	(39,752)	(142,485)	(34,776)
Impairment losses/(gain) on short term deposits	18(a)	1,725	(197)	1,725	-
Impairment losses on other financial assets	27(b(i))	124,371	250,853	(10,911)	278,324
Net interest income	23(a(v))	(29,929)	(23,748)	(29,929)	(23,748)
Net measurement loss in long term service award	23(b(iv))	12,336	9,637	12,336	9,637
Changes in:					
- Inventory	16	(27,641)	(2,503)	(25,982)	1,416
- Prepayments	12	33,671	(177,965)	(62,127)	(47,090)
- Trade and other receivables	17(a)	(602,674)	(1,361,594)	(551,518)	24,452
- Trade and other payables	24(a)	750,124	1,003,322	1,112,130	156,307
		1,818,696	1,131,031	1,186,579	1,203,256
Income taxes paid	9(c)	(94,914)	(43,692)	(24,727)	(17,975)
Employee benefits paid	23b(iii)	(12,612)	(8,125)	(12,612)	(8,125)
Net cash generated from operating activities		1,711,170	1,079,214	1,149,240	1,177,156
Cash flows from investing activities					
Acquisition of property, plant and equipment	10 (a)	(609,325)	(478,575)	(419,553)	(282,759)
Acquisition of right-of-use assets	21	(145,171)	(61,737)	(96,146)	(38,737)
Acquisition of intangible assets	11	(29,417)	(17,203)	(29,417)	(17,203)
Proceeds from sale of property, plant and equipment	10(a(viii)) & 10(b(viii))	97	382,842	29,750	-
Interest received	6(a)	136,634	6,910	129,382	5,219
Net cash used in investing activities		(647,182)	(167,763)	(385,984)	(333,480)
Cash flow from financing activities					
Dividends paid	24(c)	(334,048)	(257,694)	(334,048)	(257,694)
Principal repayment of borrowings	22	(112,088)	(314,391)	(112,088)	(187,911)
Interest repayment of borrowings	22	(7,976)	(52,216)	(7,976)	(52,216)
Repayment of lease liabilities	20	(62,998)	(67,027)	(62,998)	(67,027)
Net cash used in financing activities		(517,110)	(691,328)	(517,110)	(564,848)
Net increase in cash and cash equivalents		546,878	220,123	246,146	278,828
Cash and cash equivalents at the beginning of the year		1,367,989	1,119,488	878,056	571,191
Effects of movement in exchange rates on cash held		77,821	28,378	81,670	28,037
Cash and cash equivalents at the end of the year	18	1,992,688	1,367,989	1,205,872	878,056

The accompanying notes form an integral part of these consolidated and separate financial statements

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 March 2026

1 Reporting entity

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 14 November, 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 consolidated and separate financial statements.

The Group is principally engaged in the provision of courier services, mail management services, freight services, logistics, warehousing and general haulage, and its ultimate parent entity is Red Star Express Plc.

2 Basis of preparation

(a) Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA) 2020, and the Financial Reporting Council of Nigeria Act, 2011 (as amended). The consolidated and separate financial statements of the Group and Company were authorised for issue by the Board of Directors on 27 June 2026.

These consolidated and separate financial statements cover the financial year from 1 April 2025 to 31 March 2026.

(b) Basis of measurement

The consolidated and separate financial statements have been prepared in accordance with the going concern assumption under the historical cost concept except for the following items, which are measured on an alternative basis on each reporting date:

- Non-derivative financial instruments – Initially measured at fair values and subsequently measured at amortized cost using effective interest rate
- Equity investments – initially measured at fair values and subsequently measured at fair value through other comprehensive income
- Long term employee benefit obligation (gratuity and long service award) - fair value of plan assets less the present value of the defined benefit obligation

(c) Functional and presentation currency

The consolidated and separate financial statements are presented in Naira, which is the Group and Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

(d) Use of judgment and estimates

In preparing these consolidated and separate financial statements, management has made judgments, estimates and assumptions that affect the application of the Group and Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 March 2026

2 Basis of preparation (cont'd)

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

Note 27 - Measurement of expected credit loss (ECL) allowance for trade receivables, other receivables, contract assets and all financial assets : key assumption on determining the weighted average loss rate.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant impact on the reported amounts, and have a risk of resulting in a material adjustment in the financial statements is included in the following notes:

Note 29 – Recognition and measurement of provisions, contingent liabilities and commitments: judgments about the likelihood and magnitude of an outflow of resources.

Note 27 - Measurement of expected credit loss (ECL) allowance for trade receivables, other receivables, contract assets and all financial assets : key assumption on determining the weighted average loss rate.

Note 23 - Measurement of long-term employee benefits: actuarial and financial assumptions.

(e) Measurement of fair values

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.

A number of the Group and Company's accounting policies and disclosures require the determination of fair values, for both financial and non- financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

When measuring the fair value of an asset or a liability, the Group uses observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- | | | |
|---------|---|---|
| Level 1 | – | quoted prices (unadjusted) in active markets for identical assets or liabilities. |
| Level 2 | – | inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as derived from prices). |
| Level 3 | – | inputs for the asset or liability that are not based on observable market data (unobservable inputs). |

In some cases, if the inputs used to measure the fair value of an asset or a liability are categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group and Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 27 – financial instruments - financial risk management and fair values.

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 March 2026

3 Material accounting policies

The Group and Company have consistently applied the following material accounting policies to all periods presented in these consolidated and separate financial statements.

(a) Basis of consolidation

(i) Business combination

The Group and Company account for business combinations using the acquisition method when control is transferred to the Group and Company. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. The excess of the purchase consideration over the fair value of identifiable net asset is recognised as goodwill on acquisition. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are modified where necessary to align them with the policies adopted by the Company.

(iii) Loss of control

When the Company loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(b) Leases

At inception of a contract, the Group and Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group and Company use the definition of a lease in IFRS 16.

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 March 2026

3 Material accounting policies (cont'd)

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group and Company allocate the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group and Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group and Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group and Company by the end of the lease term or the cost of the right-of-use asset reflects that the Group and Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group and Company's incremental borrowing rate. Generally, the Group and Company use its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group and Company are reasonably certain to exercise, lease payments in an optional renewal period if the Group and Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group and Company is reasonably certain it will exercise the option to terminate the lease early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group or Company's estimate of the amount expected to be payable under a residual value guarantee, if the Group or Company change its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liabilities are presented on the face of the consolidated and separate statements of financial position, differentiating between current liabilities and non-current liabilities.

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 March 2026

3 Material accounting policies (cont'd)

The Group and Company present right-of-use assets that do not meet the definition of investment property in right-of-use assets in the consolidated and separate statements of financial position.

Short-term leases and leases of low-value assets

The Group and Company have elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group and Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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:

- 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.

(c) Foreign currency

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates as of the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined.

Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss .

(d) Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group and Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and measurement

On initial recognition, a financial asset is classified as measured at: amortised cost or Fair value through other comprehensive income FVOCI - equity investment. Financial assets are not reclassified subsequent to their initial recognition unless the Group and Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 March 2026

3 Material accounting policies (cont'd)

(ii) Classification and measurement (cont'd)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL

- it is held within a business model whose objective is to hold assets to collect contractual cash flows;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investments that are not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Group and Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group and Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group and Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 March 2026

3 Material accounting policies (cont'd)

Financial assets – Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group and Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group and Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
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Notes to the Consolidated and Separate Financial Statements

For the year ended 31 March 2026

3 Material accounting policies (cont'd)

Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.
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Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition and offsetting

Financial Assets

The Group and Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group and Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

Financial Liabilities

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 March 2026

3 Material accounting policies (cont'd)

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 365 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(e) Capital and other reserves

(i) Share capital

The Company has only one class of shares, ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded as share premium. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(ii) Retained earnings

Retained earnings represents the Group's and Company's accumulated earnings since its inception, less any distributions to shareholders, and net of any prior period adjustments. A negative amount of retained earnings is reported as deficit or accumulated deficit.

(iii) Other reserves

Other reserves comprise of actuarial gains and losses on defined benefit plan scheme and the cumulative net change in the fair value of equity securities designed at FVOCI.

(iv) Share issue costs

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

(v) Dividends 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.

(vi) 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.

(f) Property, plant and equipment

(i) Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset 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. Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress.

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 March 2026

3 Material accounting policies (cont'd)

(i) Recognition and measurement (cont'd)

The cost of self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use including, where applicable, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Items of PPE are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. When parts of an item of PPE have different useful lives, they are accounted for as separate items (major components) of PPE.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group and Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life. Items of property, plant and equipment are depreciated from the date they are available for use.

The estimated useful life for the current and comparative periods are as follows:

- Freehold land	Indefinite
- Leasehold land	Over the lease period
- Buildings	40 years
- Improvement on building	Remaining depreciable life
- Plant and machinery	3 - 12 years
- Motor vehicles	3 - 10 years
- Motor cycles	4 - 5 years
- Furniture, fittings and equipment	5 - 10 years
- Computer equipment	3 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

(iv) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from the disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in the profit or loss.

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 March 2026

3 Material accounting policies (cont'd)

(g) Intangible assets

Intangible assets that are acquired by the Group and Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

The Group and Company's intangible assets with finite useful life comprises computer software. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific intangible asset to which it relates.

Amortisation is calculated over the cost of the asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The estimated useful life of computer software for current and comparative periods is three (3) years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss.

(h) Impairment

(i) Non-derivative financial assets

The Group and Company recognise an allowance for impairment on financial assets held at amortised cost, and also contract assets on an expected credit loss basis. Increases and decreases in the impairment allowance are recognised in profit or loss. The expected credit losses are the difference between the contractual cash flows (or transaction price) 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 advances, 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.

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 March 2026

3 Material accounting policies (cont'd)

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
- Crude Oil price
- Inflation rate

(ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGUs is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGUs. An impairment loss is recognised if the carrying amount of an asset or CGUs exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs, and then to reduce the carrying amounts of the other assets in the CGUs on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Provisions, contingent liabilities and contingent assets

Provisions

A provision is recognised if, as a result of a past event, when the Group and Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 March 2026

3 Material accounting policies (cont'd)

Provisions (cont'd)

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for restructuring is recognised when the Group and Company have approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and Company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

Contingent assets

A contingent asset is a potential economic benefit that is dependent on some future event(s) largely out of a company's control. Contingent assets are not recognised. However, when the realisation of a contingent asset is virtually certain, it is no longer considered contingent and is recognised as an asset in the statement of financial position. The asset is recognised in the period in which the change from contingent asset to asset occurs.

(j) Prepayments and advances

Prepayments and advances are non-financial assets which result when payments are made in advance of the receipt of goods or services. They are recognised when the Group and Company expect to receive future economic benefits equivalent to the value of the prepayment. The receipt or consumption of the services results in a reduction in the prepayment and a corresponding increase in expenses or assets for that reporting period.

(k) Employee benefits

(i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group and Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plan

A defined contribution plan is a post-employment benefit plan (pension fund) under which the Group and Company pay fixed contributions into a separate entity. The Group and Company have 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.

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 March 2026

3 Material accounting policies (cont'd)

(ii) Defined contribution plan(cont'd)

In line with the provisions of the Pension Reform Act 2014, the Group and Company has instituted a defined contribution pension scheme for its permanent staff. Staff contributions to the scheme are funded through payroll deductions while the Group and Company's contribution are recognised in profit or loss as employee benefit expense in the periods during which services are rendered by employees. Employees contribute 8% of their basic salary, housing and transport allowances and the Group and Company contributes 10% of each employee's basic salary, housing and transport allowances to the scheme.

(iii) 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.

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.

(iv) Long service award

The Group provides Long Service Award benefits to eligible employees. The benefits are graduated depending on the employees number of years in service to the Company. The nature and value of the awards or gifts are determined at the discretion of Management.

The obligation is determined by an independent actuary at each reporting period using the projected unit credit method. Any remeasurement gains or losses arising from this valuation are fully recognised in the profit or loss under other income or administrative expenses. The current service cost is recorded within administrative expenses, while the interest cost is included under finance costs in the profit or loss.

(I) Finance income and finance costs

Finance income comprises interest income on funds invested, gains on the disposal of financial assets, changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets except finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalized as part of the related assets and recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis and presented in finance cost or finance income depending on the net position of currency exchange rate movements.

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

3 Material accounting policies (cont'd)

(m) Impairment of investments and receivables from subsidiaries

Management estimates the recoverable amount of the Investment in subsidiaries and receivables from subsidiaries by assessing the value in use and estimated cash flows for the receivables. Estimating the recoverable amount and cash flows involve a number of assumptions, judgements and estimates regarding various inputs.

(n) Income and deferred tax

Income tax expense comprises current and deferred tax plus any tax adjustment in respect of previous years. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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. It is assessed as follows:

- Company income tax is assessed on taxable profits
- Tertiary tax is computed on assessable profits
- Nigerian police trust fund is computed on profit before tax
- Development levy is based on the assessable profits (i.e. tax profits before deducting tax depreciation and losses) of the Company. The Development Levy consolidates the Tertiary Education Tax (TET), Information Technology Levy (IT), the National Agency for Science and Engineering Infrastructure (NASENI) levy and the Police Trust Fund (PTF) levy.

Deferred tax

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

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

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

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

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

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

3 Material accounting policies (cont'd)

Tax exposures

In determining the amount of current and deferred tax, the Group and Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination.

Minimum tax

The Group and Company is subject to the Finance Act of 2020 which amended the Company Income Tax Act (CITA). Total amount of tax payable under the Finance Act is determined based on the higher of two components; Company Income Tax (based on taxable income (or loss) for the year; and Minimum tax (determined based on 0.5% (2025:0.5%) of qualifying Company's turnover less franked investment income).

Taxes based on taxable profit for the period are treated as income tax in line with IAS 12 and therefore, are presented as part of income tax in line with IAS 12; whereas Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, not presented as part of income tax expense in the profit or loss. The liability is recognised under current tax liability in the statement of financial position. Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as minimum tax.

Withholding Tax receivables and payables

Withholding Tax receivables

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

Withholding Tax payables

Withholding tax payable comprises taxes withheld at source on payments to vendors in line with statutory requirements. The Group recognises a liability for withholding tax at the time of the transaction and measures it at the amount due to the tax authority. As the Group acts as an agent, the tax is not recognised

Corporate Tax

The current income tax liabilities for the current period are measured at the amount expected to be paid to the taxation authorities. The tax rates and tax laws used to compute the amount are determined in accordance with the Nigeria Tax Act (NTA) 2025. Company Income Tax at 30% of taxable profits. Development Levy at 4% of assessable profits.

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

(o) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes, and other non-cash items have been eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Interest paid is also included in financing activities while interest received is included in investing activities.

(p) Related parties

Related parties include the subsidiaries, the Company's shareholders, directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Group and Company. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Related parties transactions of similar nature are disclosed in aggregate except where separate disclosure is necessary for understanding of the effects of the related party transactions on the financial statements of the Company.

(q) Revenue from contracts with customers

The Group is principally engaged in the provision of courier services, mail management services, freight services, logistics, warehousing 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.

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.

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

3 Material accounting policies (cont'd)

Identification of contracts with customer (Cont'd)

- (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.

Identifying performance obligation

IFRS 15 requires 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.

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.

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

3 Material accounting policies (cont'd)

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.

Performance Obligation

Information about the Group and Company performance obligations on the Group's revenue streams are summarised below:

Courier services

Courier services relate to the delivery of documents and parcels both locally and internationally and include mail management services. Revenue is recognized at the point in time when the delivery is completed, as this is when the performance obligation is satisfied. Customers are generally granted credit terms of 30 to 90 days from the date of delivery. Discounts granted to credit customers under contractual arrangements are accounted for as variable consideration and recognized as a reduction of the transaction price and, consequently, revenue.

Logistics

Logistics services comprise the haulage of domestic heavy-weight cargo, trucking and cargo consolidation services. Revenue is recognized at a point in time upon completion of delivery, being the point at which the performance obligation is satisfied. Customers are generally granted credit terms of 30 to 90 days from the date of delivery. Discounts granted to credit customers in accordance with contractual terms are recognized as a deduction from the transaction price and, consequently, revenue.

Freight services

Freight service revenue comprises air and sea transportation of heavyweight cargo and container handling services. The nature of these services requires the Group to transport goods and handle containers in accordance with agreed customer terms. Performance obligations are satisfied at a point in time upon delivery of the goods to the destination specified by the customer, at which point control is transferred and revenue is recognised.

The transaction price may include variable consideration arising from factors such as volume-based pricing, surcharges, or other contractual adjustments. The Group does not grant discounts or rebates to customers. Payment is typically due within 30 to 90 days from the date of delivery.

Ware housing

Warehousing services comprise the secure storage of customers' goods over an agreed period. Customers are invoiced and required to pay in advance, typically for periods ranging from less than one year to multiple years. Amounts received in advance are recognised as revenue over time on a straight-line basis as the storage services are provided.

The transaction price includes variable consideration in the form of volume-based discounts, which is constrained in accordance with IFRS 15.

General haulage

General haulage services consist of the transportation of domestic heavyweights, trucking, cargo consolidation, ancillary services, and warehousing. Supported by a fleet of heavy-duty trucks delivering shipments across Nigeria, the performance obligation is fulfilled at the point of delivery. Obligations arising from contractual agreements are assessed as services satisfied at a specific point in time, with payment generally due within 30 to 90 days from the date of delivery.

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

3 Material accounting policies (cont'd)

(r) 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.

Capitalisation of borrowing costs are suspended during extended periods in which the Company and Group suspend active development of a qualifying asset. Any borrowing costs incurred during the extended period in which it suspends the activities necessary to prepare the asset for its intended use or sale. Such costs are costs of holding partially completed assets and do not qualify for capitalisation.

(s) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Red Star Express Plc.

An operating segment is a distinguishable component of the Group that earns revenue and incurs expenditure from providing related products or services (business segment) or providing products or services within a particular economic environment (geographical segment) and which is subject to risks and returns that are different from those of the other segments.

The Group and Company's primary format for segment reporting is based on business operating segments. Where applicable, segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The basis of segmental reporting has been set out in Note 26.

(t) 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.

(u) Expenses

Expenses encompass losses as well as those expenses that arise in the course of the ordinary activities of the entities within the Group. This usually takes the form of an outflow or depletion of assets.

Losses represent other items that meet the definition of expenses and may or may not, arise in the course of the ordinary activities of the Group. Losses represent decreases in economic benefits and as such they are no different in nature from other expenses.

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

(v) Prepayments

Prepayments are non-financial assets which result when payments are made in advance of the receipt of goods and services. They are recognised when the Group expects to receive future economic benefits equivalent to the value of the prepayments. The receipt or consumption of the services results in a reduction in the prepayment and a corresponding increase in expenses or assets for that reporting period.

(w) Investment in subsidiaries

Investments in subsidiaries are measured at cost less impairment in the Company's separate financial statements. Impairment losses are recognised in profit or loss where applicable, and dividend income is recognised when the right to receive payment is established.

Management estimates the recoverable amount of the Investment in subsidiaries by assessing the value in use and estimated cash flows. Estimating the recoverable amount and cash flows involve a number of assumptions, judgements and estimates regarding various inputs.

4 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 consolidated and separate financial statements are disclosed below. The Company and Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The following amended standards and interpretations are:

- Presentation and Disclosure in Financial Statements (IFRS 18)
- Subsidiaries without Public Accountability :Disclosures (IFRS 19)

Presentation and Disclosure in Financial Statements (IFRS 18)

IFRS 18 will replace 1AS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
 - Management-defined performance measures(MPMs) are disclosed in a single note in the financial statements.
 - Enhanced guidance is provided on how to group information in the financial statements.
- In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.
- The Company and Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs.

The Directors of the Group and Company are in the process of assessing the impact of these standards on the financial statements. Preliminary assessments have been performed; however, the extent of the impact, if any, is yet to be fully determined.

Subsidiaries without Public Accountability: Disclosures (IFRS 19)

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. The effective date of the amendment is for years beginning on or after 1 January 2027. The new standard introduces the following key new requirements:

The Standard provides that subsidiaries using IFRS Accounting Standards but that do not have public accountability, and have parents that produce consolidated accounts, can substantially reduce their disclosures and focus more on users' needs.

The standard offers eligible subsidiaries a practical way of addressing the problems of over-disclosure while reducing reporting costs by removing the need to either provide disclosures beyond users' needs or to maintain two separate sets of accounting records.

The Directors of the Group and Company anticipate that the application of these amendments will have no impact on the consolidated and separate financial statements.

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

4b New and amendments to standards and interpretation

In the current period, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 April 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements. Those applicable to the Company include:

Classification and Measurement of Financial Instrument (Amendments to IFRS 9 and IFRS 7)

The amendments apply for reporting periods beginning on or after 1 January 2026. The key amendments include the following:

- *Settlement of financial liabilities through electronic payment systems*: The amendments clarify that a financial liability is derecognised on the 'settlement date'. However, the amendments provide an exception for the derecognition of financial liabilities. This exception allows the company to derecognise its trade payable before the settlement date when it uses an electronic payment system, provided that specified criteria are met.
- *Additional SPPI Test for Contingent Features*: The amendments introduce an additional SPPI test for financial assets with contingent features that are not directly related to a change in basic lending risks or costs – for example, where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract. Under the amendments, certain financial assets, including those with ESG-linked features, could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature.
- *Clarification on Contractually Linked Instruments (CLIs)*: The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. They also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).
- *Additional Disclosure Requirements*: The amendments require additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that are not directly related to a change in basic lending risks or costs and are not measured at fair value through profit or loss.

These amendments did not have any material impact on the financial statements.

IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements & IAS 7 Statement of Cash Flows - Annual Improvements

The annual improvements process is a targeted amendments to improve clarity and internal consistency of IFRS Accounting Standards.

The amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments by a first time adopter. The amendment in IFRS 7 among others addresses a potential confusion in paragraph B38 arising from an obsolete reference to a paragraph that was deleted from the standard relating to gain or loss on derecognition. The amendment in IFRS 9 among others addresses a potential lack of clarity in the application of the requirements of paragraph 23 to account for a derecognition of a lessee's lease liability

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

4b New and amendments to standards and interpretation (Cont'd)

The amendment of IFRS 10 addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of IFRS 10 related to an investor determining whether another party is acting on its behalf. Lastly, the amendment of IAS 7 addresses a potential confusion in applying paragraph 37 that arises from the use of the term 'cost method' that is no longer defined in IFRS Accounting Standards.

The effective date of the amendment is for years beginning on or after 1 January 2026.

The Directors of the Company anticipate that these amendments are expected to have no material impact on the financial statements.

These amendments did not have any material impact on the financial statements.

4c Changes in material accounting policies

A. Nigeria Tax Act 2025

The Group has adopted the Nigeria Tax Act, 2025 (the "NTA" or "the Act"), which was signed into law by President Bola Ahmed Tinubu on 26 June 2025 and takes effect from 1 January 2026.

The NTA is the most comprehensive overhaul of Nigeria's fiscal architecture in decades. It repeals and consolidates over a dozen existing federal tax statutes — including the Companies Income Tax Act (CITA), the Personal Income Tax Act (PITA), the Capital Gains Tax Act (CGTA), the Value Added Tax Act (VAT Act) and the Stamp Duties Act — replacing them with a single unified piece of legislation. The Act is one of four reform bills signed simultaneously, the others being the Nigeria Tax Administration Act, 2025 (NTAA), the Nigeria Revenue Service (Establishment) Act, 2025 (NRSA), and the Joint Revenue Board (Establishment) Act, 2025 (JRBA), collectively referred to as the "Tax Reform Acts".

The NTA was substantively enacted on 26 June 2025, which falls within the Group's current reporting period (1 April 2025 to 31 March 2026). Accordingly, the Group has recognised the tax effects of the NTA in the current year in accordance with IAS 12 Income Taxes. No adjustment has been made to opening deferred tax balances at 1 April 2025, as the NTA had not been enacted or substantively enacted at that date and therefore did not constitute an adjusting event under IAS 10 Events after the Reporting Period in respect of the prior year financial statements.

The tax effects of the NTA have been recognised in the period from 1 January 2026 (the effective date of the Act) to 31 March 2026, being the portion of the current reporting period in which the new rates and provisions apply. Deferred tax balances at 31 March 2026 have been measured using the tax rates enacted under the NTA that are expected to apply when the relevant assets are realised or liabilities settled, in accordance with IAS 12.47. The effect of the movement in the opening deferred tax balance amounts to N7 million and N2 million for the Group and the Company, respectively, as disclosed in Note 9(b).

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

4c Changes in material accounting policies (Cont'd)

The NTA introduces the following key changes that have a direct impact on the Group's income tax accounting under IAS 12:

(i) Companies Income Tax rate: The headline CIT rate for large companies — defined as companies with annual gross turnover exceeding ₦100 million or total fixed assets exceeding ₦250 million — remains at 30% under the NTA. Red Star Express Plc and its subsidiaries qualify as large companies and accordingly continue to be subject to CIT at 30%. The NTA provides for a future reduction of the CIT rate to 25% upon the issuance of a Presidential Order on the advice of the National Economic Council; no such Order had been issued as at 31 March 2026.

(ii) Development Levy: The NTA introduces a new consolidated Development Levy of 4% on assessable profits, payable by all companies other than small companies and non-resident companies. This levy replaces the following charges that were previously payable separately: the Tertiary Education Tax (3%), the National Information Technology Development Agency (NITDA) Levy (1%), the National Agency for Science and Engineering Infrastructure (NASENI) levy (0.25%), and the Police Trust Fund (PTF) levy (0.005%). As the Development Levy is assessed on the taxable profits of the Group, it falls within the scope of IAS 12, and its introduction has given rise to new deferred tax assets and liabilities where relevant temporary differences are expected to reverse after 1 January 2026.

(iii) Capital allowance regime: The NTA replaces the variable initial and annual capital allowance rates previously applicable under the Third Schedule of CITA with uniform annual rates of 10%, 20% or 25%, depending on asset category, with a requirement to retain a notional residual value of 1% until asset disposal. Capital allowances are only claimable on capital expenditure in respect of which VAT or import levies have been duly paid. These changes affect the rate at which temporary differences on property, plant and equipment and right-of-use assets are expected to reverse, and accordingly affect the measurement of the Group's deferred tax liabilities on accelerated capital allowances at 31 March 2026.

(iv) Capital Gains Tax rate: The CGT rate for companies has increased from 10% to 30%, aligning it with the standard CIT rate. Where the Group holds assets whose disposal would give rise to a chargeable gain (rather than trading income), the applicable deferred tax rate has been updated to 30% from 1 January 2026.

Applying the tax rates and provisions of the NTA in measuring the Group's current and deferred tax balances provides more relevant and faithfully representative financial information as the NTA is the enacted law that governs the Group's tax obligations from 1 January 2026.

Continuing to apply superseded rates and provisions (such as the separate Tertiary Education Tax or the prior variable capital allowance schedule) beyond the date of substantive enactment would produce tax balances that do not reflect the Group's actual obligations. Measuring deferred tax using the NTA rates ensures that the amounts recognised on the statement of financial position represent the Group's best estimate of the tax it expects to pay or recover when temporary differences reverse.

Additionally, the consolidation of multiple levies into a single Development Levy and the introduction of uniform capital allowance rates reduce estimation complexity and produce a more transparent and decision-useful tax charge. Users of the financial statements are better placed to assess the Group's future tax cash flows and effective tax rate trajectory.

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

5 Revenue

Revenue streams

The Group generates revenue from provision of courier services, mail management services, freight services, logistics, warehousing and general haulage.

	Group		Company	
<i>in thousands of naira</i>	2026	2025	2026	2025
Revenue from contract with customers	23,494,067	21,660,339	10,993,125	10,609,408
Total Revenue	23,494,067	21,660,339	10,993,125	10,609,408

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is analysed by nature and timing of revenue recognition as follows:

Nature of revenue	Group		Company	
<i>in thousands of naira</i>	2026	2025	2026	2025
Courier	10,993,125	10,609,408	10,993,125	10,609,408
Logistics	4,069,129	3,698,489	-	-
Freight	5,439,586	4,262,489	-	-
Support services	2,992,227	3,089,953	-	-
Revenue from contracts with customers	23,494,067	21,660,339	10,993,125	10,609,408

- Revenue from contracts with customers is recognised at a point in time and over time
- Revenue from courier relates to the delivery of documents and parcels both locally and internationally, and is recognised at a point in time.
- Revenue from logistics relates to services involving warehousing and chain distribution services. Revenue generated from warehousing is recognised over time.
- Revenue from freight services involves clearing and forwarding of goods (importation and export services) and is recognised at a point in time.
- Revenue from support services relates to mail room management and other delivery services and is recognised at a point in time

Disaggregated revenue information

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

	2026			
<i>in thousands of naira</i>	Services	Logistics	Freight	Total
Courier	10,993,125	-	-	10,993,125
Mail management services	1,824,212	-	-	1,824,212
Freight	-	-	5,439,586	5,439,586
Logistics	-	4,069,129	-	4,069,129
Support services	1,168,015	-	-	1,168,015
Total revenue	13,985,352	4,069,129	5,439,586	23,494,067

	2025			
<i>in thousands of naira</i>	Services	Logistics	Freight	Total
Courier	10,609,408	-	-	10,609,408
Mail management services	1,591,910	-	-	1,591,910
Freight	-	-	4,262,489	4,262,489
Logistics	-	3,698,489	-	3,698,489
Support services	1,498,043	-	-	1,498,043
Total revenue	13,699,361	3,698,489	4,262,489	21,660,339

Contract liabilities from contracts with customers

This represents consideration received from customers in advance of the Group and Company satisfying its performance obligations under contracts. These amounts are recognised as revenue when control of the related goods or services is transferred to the customer.

	Group		Company	
<i>in thousands of naira</i>	2026	2025	2026	2025
At April 1	486,770	93,331	424,086	93,211
At March 31	563,484	486,770	532,830	424,086

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

6 Finance income and costs

(a) Finance income comprises the following:

in thousands of naira

	Group		Company	
	2026	2025	2026	2025
Interest on cash and cash equivalents*	136,634	6,910	129,382	5,219
Derecognition of lease liabilities	-	18,662	-	18,662
Net exchange gain	9,252	14,180	13,103	10,895
	145,886	39,752	142,485	34,776

* The increase in interest on cash and cash equivalents reflects increased investment activity in current year relative to prior year.

(b) Finance costs comprise the following:

	Group		Company	
	2026	2025	2026	2025
Interest on loans and borrowings	6,758	50,106	6,758	50,106
Interest on lease liabilities	27,364	9,110	27,364	9,110
Net finance cost	34,122	59,216	34,122	59,216

7 Expense by nature

(a) Cost of sales

in thousands of naira

	Group		Company	
	2026	2025	2026	2025
National Network Provider (NNP) pick-up and delivery charges *	2,340,356	3,226,202	1,517,168	2,487,717
Staff cost	1,965,125	1,744,040	1,098,202	859,051
Vehicle running costs	4,047,544	3,998,616	1,114,969	1,098,668
Clearing and documentation charges	2,914,198	2,250,754	271,026	222,492
Domestic freight and local deliveries	1,947,085	1,974,727	1,062,984	963,144
Direct operational costs	798,135	509,701	483,056	395,954
Depreciation of property, plant and equipment (PPE) - (Note 10)	284,231	325,323	171,231	156,432
Medical - direct staff	238,675	300,128	124,587	154,477
Agent costs	403,465	312,036	359,038	283,927
Training	76,402	75,147	50,051	62,350
Projects and consolidation costs	522,878	401,202	-	-
Local transport	429,709	375,453	382,432	318,982
Depreciation - right of use asset	117,764	81,592	81,083	62,686
Retirement benefit	6,172	5,638	3,937	-
Rents and rates of outlets	112,696	153,052	50,615	32,934
	16,204,435	15,733,611	6,770,379	7,098,814

* These expenses represent the costs incurred by RedStar Express Plc in engaging local logistics or courier services on behalf of FedEx to ensure the efficient delivery of goods within the country.

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

7 Expense by nature (cont'd)

(b) Administrative expenses

in thousands of naira

	Group		Company	
	2026	2025	2026	2025
Repairs and maintenance	970,991	528,087	694,611	293,530
Power and water	527,774	445,735	445,090	343,242
Printing and stationery	292,427	323,234	257,640	271,930
Staff cost	2,001,307	1,731,305	999,055	805,930
Insurance and licensing	369,531	366,101	107,984	52,957
Communication and telephone	469,354	329,314	430,228	285,437
Subscriptions	172,836	133,168	78,450	47,368
Donations	5,200	1,200	5,200	1,200
Hotel accommodation and entertainment	188,274	173,957	128,005	111,165
Transportation and travelling costs	218,518	154,899	203,393	84,732
Legal and professional charges	231,259	126,048	95,598	87,551
Security expenses	102,728	94,879	83,108	70,443
Training	50,934	50,098	33,367	41,566
Publicity and promotion	125,030	99,842	91,098	74,213
Amortisation of intangible assets	69,834	24,007	69,834	24,007
Bank charges	81,713	74,422	57,888	50,524
Auditor's remuneration (Note 7(c))	50,417	37,686	30,240	26,235
Annual general meeting expenses	17,564	27,348	12,675	17,206
Newspaper and periodicals	1,310	3,008	981	2,165
Write off of trade receivables*	56,653	115,729	26,994	30,585
Depreciation of PPE (Note 10)	121,813	139,423	73,465	67,156
Medical expenses	102,289	128,626	53,394	66,205
Other expenses**	77,670	62,885	77,521	49,373
	6,305,426	5,171,001	4,055,819	2,904,720

*The receivables were written off following management's assessment that the balances are no longer recoverable.

** Other expenses relate to items provided to corporate bodies and individuals in the ordinary course of business, primarily for promotional purposes, stakeholder engagement, and the maintenance of business relationships.

(c) Auditors' remuneration is detailed in the table below:

	Group		Company	
<i>in thousands of naira</i>	2026	2025	2026	2025
Audit fees	39,429	28,886	22,512	19,635
Non-audit fees*	10,988	8,800	7,728	6,600
	50,417	37,686	30,240	26,235

*Non-audit fees relate to assurance services provided in connection with attestation of internal control over financial reporting.

8 Other operating income

	Group		Company	
<i>in thousands of naira</i>	2026	2025	2026	2025
Dividend from subsidiaries	-	-	144,752	158,362
Sundry income*	103,236	196,186	22,651	7,765
Gain on sales of property, plant and equipment	97	243,119	29,750	-
	103,333	439,305	197,153	166,127

*Sundry income relates to recovery of bad debt and insurance claims received. (2025: ₦196 million)

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

9 Taxation**(a) Income tax expense**

The tax charge for the year has been computed after adjusting for certain items of expenditure and income, which are not deductible or chargeable for tax purposes, and comprises:

Current tax expense

<i>in thousands of naira</i>	Group		Company	
	2026	2025	2026	2025
Income tax	312,560	188,666	123,087	84,169
Tertiary education tax	-	44,545	-	24,703
Development levy	64,906	-	26,143	-
Nigerian Police trust fund levy	-	54	-	23
Capital gains tax	-	24,312	-	-
Prior year underprovision	23,054	100,561	13,688	89,539
	400,520	358,138	162,918	198,434
Deferred tax charge				
Origination and reversal of temporary differences	89,153	20,056	56,431	(17,077)
	489,673	378,194	219,349	181,357

(b) Reconciliation of effective tax rate

<i>in thousands of naira</i>	Group				Company			
	%	2026	%	2025	%	2026	%	2025
Profit before income tax		1,074,932		924,715		483,354		469,237
Nigeria's statutory income tax rate of 30%	30	322,480	30	277,415	30	145,006	30	140,771
Development levy	4	42,997	-	-	4	19,334	-	-
Tertiary education tax	-	-	3	27,741	-	-	3	14,077
Nigerian Police trust fund levy	-	-	-	46	-	-	-	23
Non-deductible expenses	10	108,679	2	16,145	19	92,560	0	1,360
Increase in tax rate	-	(7,537)	-	-	-	(2,023)	-	-
Tax exempt income	-	-	(5)	(43,714)	(10)	(49,216)	(14)	(64,413)
Prior year underprovision	2	23,054	11	100,561	3	13,688	19	89,539
	46	489,673	41	378,194	45	219,349	39	181,357

Notes to the Consolidated and Separate Financial Statements (cont'd)*For the year ended 31 March 2026***9 Taxation (cont'd)****(c) Movement in current tax liability**

<i>in thousands of naira</i>	Group		Company	
	2026	2025	2026	2025
At 1 April	283,848	124,484	108,974	6,362
Current tax provision*	400,520	358,138	162,918	198,434
Payment during the year	(94,913)	(43,692)	(24,727)	(17,975)
Withholding tax credit utilized	(210,774)	(155,082)	(97,856)	(77,847)
Current tax liabilities, net	378,681	283,848	149,309	108,974

*This consists of income tax, tertiary education tax, Nigerian Police trust fund levy, prior year underprovision and capital gains tax in the current period as applicable

(d) Deferred taxation

<i>in thousands of naira</i>	Group		Company	
	2026	2025	2026	2025
At 1 April	216,632	236,605	122,399	179,505
Deferred tax charge/(credit) for the year recognized in profit or loss	89,153	20,056	56,431	(17,077)
Tax credit/(charge) during the year recognized in OCI	11,348	(40,029)	11,348	(40,029)
At 31 March	317,133	216,632	190,178	122,399

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

9 Taxation (cont'd)**(e) Movement in deferred income taxes during the year:****Group**

<i>in thousands of naira</i>	Deferred tax assets /(liabilities) at 31 March 2025	Deferred tax assets /(liabilities) at 1 April 2025	Recognised in profit or loss	Recognised in OCI	Deferred tax assets /(liabilities) at 31 March 2026
Property, plant and equipment	(315,193)	(315,193)	(122,351)	-	(437,544)
Right of use assets and lease liabilities	(15,421)	(15,421)	(35,960)	-	(51,381)
Impairment of financial assets	28,459	28,459	158,650	-	187,109
Retirement benefit obligations	68,048	68,048	-	(11,348)	56,700
Foreign exchange differences	17,475	17,475	(89,492)	-	(72,017)
	<u>(216,632)</u>	<u>(216,632)</u>	<u>(89,153)</u>	<u>(11,348)</u>	<u>(317,133)</u>

Group

<i>in thousands of naira</i>	Deferred tax assets /(liabilities) at 31 March 2024	Deferred tax assets /(liabilities) at 1 April 2024	Recognised in profit or loss	Recognised in OCI	Deferred tax assets /(liabilities) at 31 March 2025
Property, plant and equipment	(290,562)	(290,562)	(24,631)	-	(315,193)
Right of use assets and lease liabilities	(14,216)	(14,216)	(1,205)	-	(15,421)
Impairment of financial assets	26,235	26,235	2,224	-	28,459
Retirement benefit obligations	25,829	25,829	2,190	40,029	68,048
Foreign exchange differences	16,109	16,109	1,366	-	17,475
	<u>(236,605)</u>	<u>(236,605)</u>	<u>(20,056)</u>	<u>40,029</u>	<u>(216,632)</u>

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

9 Taxation (cont'd)**(e) Movement in deferred income tax asset during the year (Cont'd):****Company**

	Deferred tax assets /(liabilities) at 31 March 2025	Deferred tax assets /(liabilities) at 1 April 2025	Recognised in profit or loss	Recognised in OCI	Deferred tax assets /(liabilities) at 31 March 2026
<i>in thousands of naira</i>					
Property, plant and equipment	(242,397)	(242,397)	14,642	-	(227,755)
Right of use assets and lease liabilities	(23,213)	(23,213)	(21,015)	-	(44,228)
Impairment of financial assets	157,454	157,454	(25,061)	-	132,393
Retirement benefit obligations	(10,648)	(10,648)	-	(11,348)	(21,996)
Foreign exchange differences	(3,595)	(3,595)	(24,997)	-	(28,592)
	(122,399)	(122,399)	(56,431)	(11,348)	(190,178)

Company

	Deferred tax assets /(liabilities) at 31 March 2024	Deferred tax assets /(liabilities) at 1 April 2024	Recognised in profit or loss	Recognised in OCI	Deferred tax assets /(liabilities) at 31 March 2025
<i>in thousands of naira</i>					
Property, plant and equipment	(232,410)	(232,410)	(9,987)	-	(242,397)
Right of use assets and lease liabilities	(14,216)	(14,216)	(8,997)	-	(23,213)
Impairment of financial assets	41,441	41,441	116,013	-	157,454
Retirement benefit obligations	25,829	25,829	(76,506)	40,029	(10,648)
Foreign exchange differences	(149)	(149)	(3,446)	-	(3,595)
	(179,505)	(179,505)	17,077	40,029	(122,399)

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

10 (a) Property, plant and equipment
Group

The movement in these accounts during the year was as follows:

in thousands of naira

Group	Land	Building	Plant & Machinery	Motor Vehicle	Motor Cycle	Computer & IT equipment	Furniture & Fittings	Capital work in progress	Total
Cost									
At 1 April 2024	554,129	536,666	172,447	2,543,994	819,268	778,817	184,667	1,043,760	6,633,748
Additions	-	95,398	75,255	36,323	20,415	99,720	15,144	136,320	478,575
Transfer	-	533,629	96,501	63,725	32,526	10,310	8,968	(745,658)	-
Reclassification to intangible assets*	-	-	-	-	-	-	-	(151,463)	(151,463)
Write-off	-	-	-	-	-	-	-	(161,821)	(161,821)
Disposal	(139,723)	-	-	-	-	-	-	-	(139,723)
Balance at 31 March 2025	414,406	1,165,693	344,203	2,644,042	872,209	888,847	208,779	121,138	6,659,316
At 1 April 2025	414,406	1,165,693	344,203	2,644,042	872,209	888,847	208,779	121,138	6,659,316
Additions	-	63,750	58,550	123,547	124,955	188,268	21,081	29,174	609,325
Disposals	-	-	(46,818)	(57,141)	(273,895)	(14,259)	(20,133)	-	(412,246)
Transfers	-	-	-	22,000	14,651	-	-	(36,651)	-
Write offs	-	(926)	(24,731)	(38,480)	(10,204)	(237,202)	(15,651)	-	(327,194)
Reclassification to prepayments**	-	-	-	-	-	-	-	(8,480)	(8,480)
Reclassification to right of use assets***	-	-	-	-	-	-	-	(61,813)	(61,813)
Balance at 31 March 2026	414,406	1,228,517	331,204	2,693,968	727,716	825,654	194,076	43,369	6,458,908
Accumulated depreciation and impairment									
At 1 April 2024	-	192,518	147,762	1,518,372	748,371	628,479	147,728	-	3,383,230
Charge for the year	-	19,673	27,459	248,649	64,259	90,757	13,949	-	464,746
Disposal	-	-	-	-	-	-	-	-	-
Balance at 31 March 2025	-	212,191	175,221	1,767,021	812,630	719,236	161,677	-	3,847,976
At 1 April 2025	-	212,191	175,221	1,767,021	812,630	719,236	161,677	-	3,847,976
Charge for the year	-	34,269	23,228	154,283	72,568	102,215	19,481	-	406,044
Disposals	-	-	(46,818)	(57,141)	(273,895)	(14,259)	(20,133)	-	(412,246)
Write offs	-	(926)	(24,731)	(38,480)	(10,204)	(237,202)	(15,651)	-	(327,194)
Balance at 31 March 2026	-	245,534	126,900	1,814,530	601,099	569,990	145,374	-	3,514,580
Carrying amount									
At 1 April 2024	554,129	344,148	24,685	1,025,622	70,897	150,338	36,939	1,043,760	3,250,518
At 31 March 2025	414,406	953,502	168,982	877,021	59,579	169,611	47,102	121,138	2,811,340
At 31 March 2026	414,406	982,983	204,304	879,438	126,617	255,664	48,702	43,369	2,944,328

- (i) There are no other contractual commitments in the acquisition of property, plant and equipment and no limitations in its realisability.
- (ii) There were no borrowing costs capitalised to assets under construction during the year (2025:Nil).
- (iii) During the year, the Group recorded transfers, reclassifications and write-offs within property, plant and equipment. Assets that were available for their intended use were transferred from capital work-in-progress to the relevant property, plant and equipment classes. Fully depreciated assets that were no longer in use were written off following management approval. In addition, certain balances, including prepayments and right-of-use assets, were reclassified upon the commencement of use of the underlying assets.
- (iv) Transfers include motor cycle and motor vehicle amounting to N36.7 million from capital work in progress to the respective fixed assets account.
- (v) * There were no reclassifications to intangible assets in current year (2025: ₦151.46 million)
- (vi) ** The reclassification of ₦8.48 million (2025: Nil) relates to amounts transferred to prepayments and is included within the current portion of prepayments in Note 12.
- (vii) ***The total on the reclassification of N61.8million (2025: Nil) relates to reclassification to right of use assets and is included within additions to right of use assets in Note 21
- (viii) Reconciliation of depreciation expenses in cost of sales and operating expenses to property, plant and equipment.

in thousands of naira

	2026	2025
Depreciation as per cost of sales (Note 7a)	284,231	325,323
Depreciation as per adminstration expenses (Note 7b)	121,813	139,423
Depreciation as per property, plant and equipment movement schedule (Note 10a)	406,044	464,746

- (ix) Reconciliation of sales proceeds from property, plant and equipment to statement of cashflows

in thousands of naira

	2026	2025
Gain on disposal (Note 8)	97	243,119
Net Book value of Disposed assets (Note 10a)	-	139,723
Sales proceed	97	382,842

- (x) Capital work in progress comprises amounts incurred with respect to construction of warehouses

Closing capital work in progress is analysed as follows:

in thousands of naira

	2026	2025
Buildings	43,369	121,138
	43,369	121,138

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

10 (b) Property, plant and equipment
Company

The movement in these accounts during the year was as follows:

in thousands of naira

Company	Land	Building	Plant & Machinery	Motor Vehicle	Motor Cycle	Computer & IT equipment	Furniture & Fittings	Capital work-in-progress	Total
Cost									
At 1 April 2024	221,844	375,978	157,849	805,954	198,644	740,702	114,188	893,083	3,508,242
Additions	-	105,398	41,746		8,438	109,247	17,930	-	282,759
Transfer	-	533,629	96,501	4,300	-	10,310	8,829	(653,568)	-
Reclassification to intangible assets*	-	-	-	-	-	-	-	(151,463)	(151,463)
Balance at 31 March 2025	221,844	1,015,005	296,096	810,254	207,082	860,259	140,947	88,052	3,639,538
At 1 April 2025	221,844	1,015,005	296,096	810,254	207,082	860,259	140,947	88,052	3,639,538
Additions	-	60,500	58,550	56,404	37,058	163,840	14,027	29,174	419,553
Disposals	-	-	(38,444)	(11,153)	-	-	-	-	(49,597)
Transfers	-	-	-	22,000	-	-	-	(22,000)	-
Write offs	-	(926)	(24,731)	(38,480)	(10,204)	(237,202)	(15,651)	-	(327,194)
Reclassification to prepayments**	-	-	-	-	-	-	-	(8,480)	(8,480)
Reclassification to right of use assets***	-	-	-	-	-	-	-	(61,813)	(61,813)
Balance at 31 March 2026	221,844	1,074,579	291,471	839,025	233,936	786,897	139,323	24,933	3,612,007
Accumulated depreciation and impairment									
At 1 April 2024	-	151,681	94,445	562,790	173,638	598,940	96,574	-	1,678,068
Charge for the year	-	14,919	24,625	79,925	12,776	80,535	10,807	-	223,588
Disposal	-	-	-	-	-	-	-	-	-
Balance at 31 March 2025	-	166,600	119,070	642,715	186,414	679,475	107,381	-	1,901,656
At 1 April 2025	-	166,600	119,070	642,715	186,414	679,475	107,381	-	1,901,656
Charge for the year	-	30,185	23,228	66,552	16,738	95,669	12,324	-	244,696
Disposals	-	-	(38,444)	(11,153)	-	-	-	-	(49,597)
Write offs	-	(926)	(24,731)	(38,480)	(10,204)	(237,202)	(15,651)	-	(327,194)
Balance at 31 March 2026	-	195,859	79,123	659,634	192,948	537,942	104,054	-	1,769,561
Carrying amount									
At 1 April 2024	221,844	224,297	63,404	243,164	25,006	141,762	17,614	893,083	1,830,174
At 31 March 2025	221,844	848,405	177,026	167,539	20,668	180,784	33,566	88,052	1,737,882
At 31 March 2026	221,844	878,720	212,348	179,391	40,988	248,955	35,269	24,933	1,842,446

- (i) There are no other contractual commitments in the acquisition of property, plant and equipment and no limitations in its realisability.
- (ii) There were no borrowing costs capitalised to assets under construction during the year (2025:Nil).
- (iii) During the year, the Company recorded transfers, reclassifications and write-offs within property, plant and equipment. Assets that were available for their intended use were transferred from capital work-in-progress to the relevant property, plant and equipment classes. Fully depreciated assets that were no longer in use were written off following management approval. In addition, certain balances, including prepayments and right-of-use assets, were reclassified upon the commencement of use of the underlying assets.
- (iv) Transfers include motor vehicle amounting to N22 million from capital work in progress to the respective fixed asset account.
- (v) * There were no reclassifications to intangible assets in current year (2025: ₦151.46 million)
- (vi) ** The reclassification of ₦8.48 million (2025: Nil) relates to amounts transferred to prepayments and is included within the current portion of prepayments in Note 12.
- (vii) ***The total on the reclassification of N61.81million (2025: Nil) relates to reclassification to right of use assets - Note 21
- (viii) Reconciliation of depreciation expenses in cost of sales and operating expenses to property, plant and equipment.

in thousands of naira

	2026	2025
Depreciation as per cost of sales (Note 7a)	171,231	156,432
Depreciation as per adminstration expenses (Note 7b)	73,465	67,156
Depreciation as per property, plant and equipment movement schedule	244,696	223,588

- (ix) Reconciliation of sales proceeds from property, plant and equipment to statement of cashflows

in thousands of naira

	2026	2025
Gain on disposal (Note 6)	29,750	-
Net Book value of Disposed assets	-	-
Sales proceed	29,750	-

- (x) Capital work in progress comprises amounts incurred with respect to construction of warehouses
Closing capital work in progress is analysed as follows:

in thousands of naira

	2026	2025
Buildings	24,933	88,052
	24,933	88,052

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

11 Intangible assets

in thousands of naira

Cost

At 1 April 2024
Additions
Reclassification (Note 10)
At 31 March 2025

At 1 April 2025
Additions
Write-offs
At 31 March 2026

Amortization

At 1 April 2024
Charge for the year
At 31 March 2025

At 1 April 2025
Charge for the year
Write-offs
At 31 March 2026

Carrying amounts

At 31 March 2025
At 31 March 2026

Group	Company
265,722	262,822
17,203	17,203
151,463	151,463
434,388	431,488
434,388	431,488
29,417	29,417
(13,240)	(13,240)
450,565	447,665
255,754	252,854
24,007	24,007
279,761	276,861
279,761	276,861
69,834	69,834
(13,240)	(13,240)
336,355	333,455
154,627	154,627
114,210	114,210

12 Prepayments

in thousands of naira

	Group		Company	
	2026	2025	2026	2025
Current portion	322,250	322,959	167,532	113,498
Non-current portion	22,556	55,518	15,963	7,870
	344,806	378,477	183,495	121,368

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

in thousands of naira

	Group		Company	
	2026	2025	2026	2025
Short term leases	55,200	55,801	38,203	39,360
Reclassification from capital work-in-progress	8,480	-	8,480	-
Insurance	2,242	12,948	1,533	4,290
Other prepaid charges*	318,362	309,728	135,279	77,718
	344,806	378,477	183,495	121,368

* Other prepaid charges relate to software license renewals, subscriptions to regulatory and professional bodies, subscriptions for internet services, etc

Changes in prepayments in statement of cash flows:

in thousands of naira

	Group		Company	
	2026	2025	2026	2025
At 1 April	378,477	200,512	121,368	74,278
At 31 March	(344,806)	(378,477)	(183,495)	(121,368)
	33,671	(177,965)	(62,127)	(47,090)

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

13 (a) Investments in equity securities

in thousands of naira

	Group		Company	
	2026	2025	2026	2025
Investment in equity securities - FV through OCI	12,065	3,357	12,065	3,357

13 Equity investments

in thousands of naira

	Group		Company	
	2026	2025	2026	2025
Balance at 1 April	3,357	2,174	3,357	2,174
Fair value gain	8,708	1,183	8,708	1,183
Balance at 31 March	12,065	3,357	12,065	3,357

Equity Investments represents Red Star Express Plc investments in shares of Neimeth International Pharmaceuticals Plc. As at the reporting date, the Company's equity interest in the investee is 0.03%. (2025: 0.03%). The Company designated the equity investments at fair value through other comprehensive income (FVOCI) because it represents investments that the Company intends to hold for the long term for strategic purposes.

The Group and Company's exposure to market risk related to investments in quoted securities is disclosed in Note 27.

14 Investment in subsidiaries

	Company	
	2026	2025
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 statements include:

Name	Principal activities		% of equity interest	
			2026	2025
Red Star Freight Limited	Freight and Custom Clearance	Nigeria	100%	100%
Red Star Supports Services Limited	Mail Management and Despatch Services	Nigeria	100%	100%
Red Star Logistics Limited	Haulage and Warehousing Services	Nigeria	100%	100%

15 Earnings per share

Basic and diluted earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent (i.e the numerator) by the weighted average number of ordinary shares outstanding during the year(i.e the denominator). The following reflects the income and share data used in the basic and diluted earnings per share computations.

	Group		Company	
<i>in thousands of naira</i>	2026	2025	2026	2025
Profit attributable to ordinary equity holders	585,259	546,521	264,005	287,880
Weighted average number of ordinary shares in issue	954,423	954,423	954,423	954,423
Basic and diluted earnings per share (N)	0.61	0.57	0.28	0.30

There were no dilutive or potentially dilutive instruments as at year end.

Notes to the Consolidated and Separate Financial Statements (cont'd)*For the year ended 31 March 2026***16 Inventories**

<i>in thousands of naira</i>	Group		Company	
	2026	2025	2026	2025
Stationeries and packaging materials	60,567	41,263	48,967	30,555
Fuel & Oil	38,260	29,027	37,691	28,458
Spares	1,955	2,851	1,120	2,783
	100,782	73,141	87,778	61,796

Inventories are carried at lower of cost and net realisable value for the Group and the Company respectively. There were no inventory write down during the year (2025: Nil).

The value of Stationeries and packaging materials, Fuel and oil and Spares included in cost of sales amounted to ₦3.42billion (2025: ₦3.43billion). for the group and ₦1.04billion (2025: ₦990million) for the company.

There were no inventory obsolescence recognised for the Group and the Company during the current year (2025: Nil)

Changes in inventories in statement of cash flows:

<i>in thousands of naira</i>	Group		Company	
	2026	2025	2026	2025
Inventories at 1 April	73,141	70,638	61,796	63,212
Inventories at 31 March	(100,782)	(73,141)	(87,778)	(61,796)
	(27,641)	(2,503)	(25,982)	1,416

17 Trade and other receivables

Trade and other receivables comprises the following:

<i>in thousands of naira</i>	Group		Company	
	2026	2025	2026	2025
Trade receivables	3,515,281	3,710,205	1,980,968	1,841,275
Related parties	-	-	309,805	565,005
Other receivables	2,465,235	1,880,136	1,414,802	847,358
	5,980,516	5,590,341	3,705,575	3,253,638
Impairment loss				
Trade receivables	(523,377)	(400,731)	(380,570)	(389,391)
Related parties	-	-	(12,433)	(16,248)
	5,457,139	5,189,610	3,312,572	2,847,999

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

The Group and Company's exposure to credit risk and impairment loss is disclosed in Note 27.

(a) Other receivables comprise

<i>in thousands of naira</i>	Group		Company	
	2026	2025	2026	2025
Withholding tax receivables	1,437,227	1,302,776	526,691	443,748
Staff and other operational advances*	1,117,078	666,430	959,607	475,106
Expected credit losses on other receivables	(89,070)	(89,070)	(71,496)	(71,496)
	2,465,235	1,880,136	1,414,802	847,358

*These comprise staff advances, including car loans and housing advances, granted in the ordinary course of business operations, along with amounts receivable from the registrar and other advance payments to suppliers.

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

17 Trade and other receivables (cont'd)**Changes in trade and other receivables in statement of cash flows:**

	Group		Company	
<i>in thousands of naira</i>	2026	2025	2026	2025
At 1 April	5,189,610	4,233,951	2,847,999	3,228,622
At 31 March	(5,457,139)	(5,189,610)	(3,312,572)	(2,847,999)
	(267,529)	(955,659)	(464,573)	380,623
Withholding tax credit utilized	(210,774)	(155,082)	(97,856)	(77,847)
Impairment losses on financial assets	(124,371)	(250,853)	10,911	(278,324)
	(602,674)	(1,361,594)	(551,518)	24,452

(b) Movement in allowance for expected credit losses on trade receivables

	Group		Company	
<i>in thousands of naira</i>	2026	2025	2026	2025
As at 1 April	400,731	140,810	389,391	90,046
Expected credit loss	122,646	259,921	(8,821)	299,345
As at 31 March	523,377	400,731	380,570	389,391

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 27.

(c) Movement in Allowance for expected credit losses on related parties

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

	Company	
<i>in thousands of naira</i>	2026	2025
As at 1 April	16,248	17,646
Reversal of impairment losses on related parties	(3,815)	(1,398)
As at 31 March	12,433	16,248

(d) Movement in Allowance for expected credit losses on other receivables

An analysis of changes in the aggregate ECL allowances for other receivables is as follows:

	Group		Company	
<i>in thousands of naira</i>	2026	2025	2026	2025
As at 1 April	89,070	97,941	71,496	91,119
Expected credit loss/(Reversal)	-	(8,871)	-	(19,623)
As at 31 March	89,070	89,070	71,496	71,496

The Group and Company's exposure to credit risk and impairment loss related to trade and other receivables is disclosed in Note 27.

(e) Trade and other receivables analyzed as:

	Group		Company	
	2026	2025	2026	2025
Financial assets	4,019,912	3,886,834	2,785,881	2,404,251
Non-financial assets	1,437,227	1,302,776	526,691	443,748
	5,457,139	5,189,610	3,312,572	2,847,999

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

18 Cash and cash equivalents

	Group		Company	
	2026	2025	2026	2025
<i>in thousands of naira</i>				
Cash in hand	1,820	1,230	379	760
Cash-in-transit *	-	31,203	-	30,730
Bank balances	1,272,338	891,719	486,884	402,729
Short term deposit **	720,255	443,837	720,334	443,837
Cash and cash equivalents per the statement of cash flow	1,994,413	1,367,989	1,207,597	878,056
Impairment losses on short term deposit	(1,725)	-	(1,725)	-
Cash and cash equivalents per the statement of financial position	1,992,688	1,367,989	1,205,872	878,056

*The Cash-in-transit are cash sales at the end of the financial year by the up-country locations that have not been deposited at various banks as of year end. The Group and Company's exposure to credit and currency risks for cash and cash equivalents is disclosed in Note 27

**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 Company and earn interest at the respective short-term deposit rates.

Cash and cash equivalents include unclaimed dividends returned to the Company and amounts payable to the Unclaimed Funds Trust Fund (UFTF), amounting to ₦71 million (2025: ₦81.2 million) and ₦62million (2025: ₦66 million), respectively. These balances relate to periods prior to 2025 and are expected to be settled from bank balances.

(a) Allowance for expected credit losses on short term deposit

	Group		Company	
	2026	2025	2026	2025
<i>in thousands of naira</i>				
As at 1 April	-	197	-	-
Impairment losses on short term deposit	1,725	(197)	1,725	-
As at 31 March	1,725	-	1,725	-

19 Share capital, share premium and other reserves

(a) Share capital

Issued and fully paid:

	Group		Company	
	2026	2025	2026	2025
<i>in thousands of naira</i>				
As at 1 April	477,211	477,211	477,211	477,211
As at 31 March	477,211	477,211	477,211	477,211

(b) Share premium

As at 1 April	1,515,600	1,515,600	1,515,600	1,515,600
As at 31 March	1,515,600	1,515,600	1,515,600	1,515,600

(c) Other reserves

As at 1 April	2,822	1,639	2,822	1,639
Net change in fair value of equity instruments at FVOCI	8,708	1,183	8,708	1,183
As at 31 March	11,530	2,822	11,530	2,822

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

20 Lease liabilities

The Group leases land and office buildings for operational purposes, recognised as right of use assets and corresponding lease liabilities in accordance with IFRS 16. These lease arrangements include both leases with upfront payments at commencement and those with periodic payments over the lease term.

Movement in lease liability during the year are as follows:

<i>in thousands of naira</i>	Group		Company	
	2026	2025	2026	2025
At 1 April	59,137	74,709	59,137	74,709
Addition	-	12,584	-	12,584
Accretion of interest	27,364	9,110	27,364	9,110
Lease remeasurement	112,825	48,423	112,825	48,423
Lease payments	(62,998)	(67,027)	(62,998)	(67,027)
Derecognition of lease liabilities	-	(18,662)	-	(18,662)
As at 31 March	136,328	59,137	136,328	59,137
Non-current	112,565	13,640	112,565	13,640
Current	23,763	45,497	23,763	45,497
	136,328	59,137	136,328	59,137
Reconciliation of non- cash additions to lease liability				
<i>in thousands of naira</i>	2026	2025	2026	2025
Additions	-	12,584	-	12,584
Net cash additions	-	-	-	-
Non-cash additions (Note 21(a))	-	12,584	-	12,584

21 Right of Use Assets

(a) Group as a lessee

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

<i>in thousands of naira</i>	Office			Motor	Total
	Land	Building	Warehouse	Vehicle	
Costs:					
At 1 April 2024	106,722	171,294	9,500	473,676	761,192
Additions	-	74,321	-	-	74,321
Lease remeasurement	48,423	-	-	-	48,423
At 31 March 2025	155,145	245,615	9,500	473,676	883,936
At 1 April 2025	155,145	245,615	9,500	473,676	883,936
Additions	-	68,733	14,625	-	83,358
Reclassification from capital work-in-progress	-	61,813	-	-	61,813
Lease remeasurement	112,825	-	-	-	112,825
At 31 March 2026	267,970	376,161	24,125	473,676	1,141,932
Accumulated depreciation:					
At 1 April 2024	57,407	123,850	9,500	466,270	657,027
Charge for the year	6,394	75,198	-	-	81,592
At 31 March 2025	63,801	199,048	9,500	466,270	738,619
At 1 April 2025	63,801	199,048	9,500	466,270	738,619
Charge for the year	15,714	93,519	8,531	-	117,764
At 31 March 2026	79,515	292,567	18,031	466,270	856,383
Carrying amounts					
At 31 March 2025	91,344	46,567	-	7,406	145,317
At 31 March 2026	188,455	83,594	6,094	7,406	285,549

Reconciliation of additions to right of use asset included in the statement of cashflows

<i>in thousands of naira</i>	2026	2025
Additions per right of use asset movement	145,171	74,321
Non cash additions (Note 20)	-	(12,584)
Additions to right of use asset per statement of cashflows	145,171	61,737

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

Right of Use Assets (cont'd)

(b) Company as a lessee

in thousands of naira

Costs:

At 1 April 2024

Additions

Lease remeasurement

At 31 March 2025

At 1 April 2025

Additions

Reclassification from capital work-in-progress

Remeasurement

At 31 March 2026

Accumulated depreciation:

At 1 April 2024

Charge for the year

At 31 March 2025

At 1 April 2025

Charge for the year

At 31 March 2026

Carrying amounts

At 31 March 2025

At 31 March 2026

	Land	Office Building	Total
At 1 April 2024	106,722	160,576	267,298
Additions	-	51,321	51,321
Lease remeasurement	48,423	-	48,423
At 31 March 2025	155,145	211,897	367,042
At 1 April 2025	155,145	211,897	367,042
Additions	-	34,333	34,333
Reclassification from capital work-in-progress	-	61,813	61,813
Remeasurement	112,825	-	112,825
At 31 March 2026	267,970	308,043	576,013
At 1 April 2024	58,626	111,913	170,539
Charge for the year	6,394	56,292	62,686
At 31 March 2025	65,020	168,205	233,225
At 1 April 2025	65,020	168,205	233,225
Charge for the year	15,714	65,369	81,083
At 31 March 2026	80,734	233,574	314,308
At 31 March 2025	90,125	43,692	133,817
At 31 March 2026	187,236	74,469	261,705

During the year, the Group and Company remeasured certain land lease liabilities and the corresponding right-of-use assets following a change in contractual lease payments by the lessor. The remeasurement resulted in an adjustment of ₦112.8 million (2025: ₦48.42 million) to both the lease liability and the right-of-use asset, in accordance with IFRS 16.45.

Reconciliation of additions to right of use asset included in the statement of cashflows

in thousands of naira

Additions per right of use asset movement

Non cash additions

Additions to right of use asset per statement of cashflows

	2026	2025
Additions per right of use asset movement	96,146	51,321
Non cash additions	-	(12,584)
Additions to right of use asset per statement of cashflows	96,146	38,737

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

22 Loans and borrowings

On 12 March 2025, the Company obtained a ₦300 million term loan from Financial Derivative Company Limited to finance the refurbishment of a warehouse. The duration of the loan is for 18 months with an interest rate of 24%.

The movement in total borrowings during the period is as follows:

in thousands of naira

	Group		Company	
	2026	2025	2026	2025
At 1 April	113,306	429,807	113,306	303,327
Interest expense	6,758	50,106	6,758	50,106
Payment of principal	(112,088)	(314,391)	(112,088)	(187,911)
Repayment of interest	(7,976)	(52,216)	(7,976)	(52,216)
	-	113,306	-	113,306

There were no additions to loans and borrowing during the year. (2024: Nil)

Non-current	-	-	-	-
Current	-	113,306	-	113,306
	-	113,306	-	113,306

Reconciliation of interest expense on loans and borrowings is as follows:

in thousands of naira

	Group		Company	
	2026	2025	2026	2025
Interest expense on loans and borrowings	6,758	50,106	6,758	50,106
Interest on borrowings per finance costs (Note 6(b))	6,758	50,106	6,758	50,106

23 Employee 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.

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

23 Employee benefits (cont'd)

The Group operates two staff retirement benefit schemes, both of which have been terminated — the first in 2010 and the second on 31 March 2024. Consequently, no further contributions will be made to the defined benefit plan.

In line with its terms of agreement, the Actuarial valuation of the defined benefit obligation and long service award was performed by Messrs. KDA Associates (Actuaries, Statisticians, Employee Benefits and Investment Analyst) with FRC Registration Number (FRC/2013/00000000001556) and signed on its behalf by Wole Ogunkoya, ANAS (FRC registration number: FRC/2013/NAS/000000000986) 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	2026	2025 Nature
<i>in thousands of naira</i>	₦	₦
Investment Property	84,644	86,871 Buildings (Unquoted)
Investment in shares	73,362	4,633 Quoted
FGN Bonds	-	974,527 Quoted
Cash and bank	963,423	70,441 Unquoted
Others	54,203	37,622 Unquoted
	1,175,632	1,174,094

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:

(a) Defined benefit

(i)

<i>in thousands of naira</i>	Group 2026	2025	Company 2026	2025
Present value of Defined benefit obligation	(966,080)	(1,019,018)	(966,080)	(1,019,018)
Fair value of plan assets	1,175,632	1,174,094	1,175,632	1,174,094
Net employee defined benefit asset	209,552	155,076	209,552	155,076

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

	2026	2025
	%	%
Discount rate	16	19
Future salary increases	-	-
Mortality rate	-	-

(ii) Sensitivity level	Discount sensitivity		Salary sensitivity		Mortality sensitivity	
<i>in thousands of naira</i>	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
2026						
Impact on defined benefit obligation	658,174	(669,607)	-	-	-	-
2025						
Impact on defined benefit obligation	703,985	(715,887)	-	-	-	-

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Amounts in brackets represent the defined benefit obligation resulting from a decrease in the discount rate, while amounts without brackets represent the impact of an increase in the discount rate.

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

23 Employee benefits (cont'd)

(a) Defined benefit Plan (cont'd)

The following payments are expected contributions to both the Group and the Company's defined benefit plan in future years:

in thousands of naira

	2026	2025
Within the next 12 months (next annual reporting period)	(966,080)	(1,019,018)
Between 2 and 5 years	-	-
Between 5 and 10 years	-	-
Beyond 10 years	-	-
Total expected payments	(966,080)	(1,019,018)

(iii) Movement in defined benefit obligation

	Group		Company	
<i>in thousands of naira</i>	2026	2025	2026	2025
Balance at 1 April	(709,937)	(667,242)	(709,937)	(667,242)
Obligation from 2010 scheme				
Charged to profit or loss:				
Past service cost	-	-	-	-
Net interest expense	(137,018)	(62,720)	(137,018)	(62,720)
	(137,018)	(62,720)	(137,018)	(62,720)
Remeasurement gains or losses in other comprehensive income				
Actuarial losses/(gains) due to change in Financial and Demographic Assumptions and Experience Variance	121,686	(86,305)	121,686	(86,305)
	121,686	(86,305)	121,686	(86,305)
Benefits paid	61,377	106,330	61,377	106,330
	61,377	106,330	61,377	106,330
Balance at 31 March	(663,892)	(709,937)	(663,892)	(709,937)

(iv) Movement in fair value of plan assets

	Group		Company	
<i>in thousands of naira</i>	2026	2025	2026	2025
Balance at 1 April	865,013	919,870	865,013	919,870
Charged to profit or loss:				
Net interest income	166,947	86,468	166,947	86,468
	166,947	86,468	166,947	86,468
Remeasurement gains or losses in other comprehensive income				
Return on plan assets	(97,139)	(34,995)	(97,139)	(34,995)
	(97,139)	(34,995)	(97,139)	(34,995)
Benefits paid	(61,377)	(106,330)	(61,377)	(106,330)
	(61,377)	(106,330)	(61,377)	(106,330)
Balance at 31 March	873,444	865,013	873,444	865,013

(iv) Movement in Defined Benefit Obligation — 2010 Scheme (Terminated)

	Group		Company	
	2026	2025	2026	2025
Present value of Funded Obligations	(302,188)	(309,081)	(302,188)	(309,081)
Fair value of Plan assets	302,188	309,081	302,188	309,081
	-	-	-	-

(v) Reconciliation of the net retirement benefit plan in the statement of financial position:

	Group		Company	
	2026	2025	2026	2025
Present value of defined benefit obligations	(663,892)	(709,937)	(663,892)	(709,937)
Present value of defined benefit obligation -2010 Scheme (Terminated)	(302,188)	(309,081)	(302,188)	(309,081)
	(966,080)	(1,019,018)	(966,080)	(1,019,018)
Fair value of plan assets	873,444	865,013	873,444	865,013
Fair value of plan assets -2010 Scheme (Terminated)	302,188	309,081	302,188	309,081
	1,175,632	1,174,094	1,175,632	1,174,094
Net asset arising from defined benefit plan	209,552	155,076	209,552	155,076

(vi) Net Remeasurement gains or losses in other comprehensive income

Actuarial changes arising from changes in financial assumptions	121,686	(86,305)	121,686	(86,305)
Return on plan assets	(97,139)	(34,995)	(97,139)	(34,995)
	24,547	(121,300)	24,547	(121,300)
Net movement charged to profit or loss:				
Service cost	-	-	-	-
Net interest income	29,929	23,748	29,929	23,748
	29,929	23,748	29,929	23,748

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

23 Employee benefits (cont'd)

(a) Defined benefit Plan (cont'd)

(vii) Defined benefit plan is analysed as:

	Group		Company	
	2026	2025	2026	2025
Non current portion	209,552	155,076	209,552	155,076
	209,552	155,076	209,552	155,076

(b) Long Service Award

The Group provides Long Service Award benefits to eligible employees. The benefits are graduated depending on the employees number of years in service to the Company. The nature and value of the awards or gifts are determined at the discretion of Management.

	Group		Company	
	2026	2025	2026	2025
<i>in thousands of naira</i>				
Present value of long service awards	(1,236)	(1,512)	(1,236)	(1,512)
Net liability arising from long service award	(1,236)	(1,512)	(1,236)	(1,512)

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

	2026	2025
	%	%
Discount rate	16	19
Future salary increases	-	-
Mortality rate	-	-

(ii)	Discount sensitivity		Salary sensitivity		Mortality sensitivity	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
<i>in thousands of naira</i>						
2026						
Impact on long service award	1,112	(1,160)	-	-	(1,134)	1,138
2025						
Impact on long service award	1,499	(1,525)	-	-	-	-

The sensitivity analysis above have been determined based on a method that extrapolates the impact on the long service award as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Amounts in brackets represent the long term service awards resulting from a decrease in the discount rate, while amounts without brackets represent the impact of an increase in the discount rate.

The following payments are expected contributions to both the Group and the Company's long service award in future years:

	2026	2025
<i>in thousands of naira</i>		
Within the next 12 months (next annual reporting period)	587	512
Between 2 and 5 years	1,147	1,000
Total expected payments	1,236	1,512

The average duration of the long service award at the end of the reporting period for the Group and the Company is 5 years. (2025: 5).

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

23 Employee benefits (cont'd)

(b) Long Service Award

(iii) Movement in Long service awards (LSA)

<i>in thousands of naira</i>	Group		Company	
	2026	2025	2026	2025
Balance at 1 April	1,512	-	1,512	-
Current service cost	83	1,656	83	1,656
Net interest expense	(909)	1,223	(909)	1,223
Actuarial loss recognised in profit or loss	13,162	6,758	13,162	6,758
	12,336	9,637	12,336	9,637
Benefits paid	(12,612)	(8,125)	(12,612)	(8,125)
Balance at 31 March	1,236	1,512	1,236	1,512

(iv) Net measurement gains or losses in profit or loss

<i>in thousands of naira</i>	Group		Company	
	2026	2025	2026	2025
Current service cost	83	1,656	83	1,656
Net interest (income)/expense	(909)	1,223	(909)	1,223
Actuarial loss recognised in profit or loss	13,162	6,758	13,162	6,758
	12,336	9,637	12,336	9,637

24 Trade and other payables

<i>in thousands of naira</i>	Group		Company	
	2026	2025	2026	2025
Trade creditors	1,415,906	1,742,769	1,241,062	1,464,540
Other creditors and accruals (Note 24a)	4,056,150	2,979,163	3,084,093	1,743,386
Related parties payables	-	-	38,937	44,036
	5,472,056	4,721,932	4,364,092	3,251,962

(a) Other creditors and accruals

<i>in thousands of naira</i>	Group		Company	
	2026	2025	2026	2025
Accruals*	1,382,586	1,280,217	804,909	372,019
Agent clearing charges	970,799	637,087	970,799	637,087
Withholding taxes	214,547	128,666	197,127	115,229
Value added tax	432,599	352,078	237,556	192,515
Pension payable (b)	86,644	90,861	22,366	32,557
Dividend payable (Note 24(c))	71,097	142,309	71,097	142,309
Sundry payables**	866,783	325,044	749,144	230,940
Legal and litigation expenses	31,095	22,901	31,095	20,730
	4,056,150	2,979,163	3,084,093	1,743,386

* The accruals relate to accrued bonus expenses and commission

** Sundry payables relates to other statutory payables such as NSITF, ITF and other payroll liabilities, such as PAYE.

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

24 Trade and other payables (cont'd)

Changes in trade and other payables in statement of cash flows:

	Group		Company	
<i>in thousands of naira</i>	2026	2025	2026	2025
At 1 April	(4,721,932)	(3,704,412)	(3,251,962)	(3,078,513)
At 31 March	5,472,056	4,721,932	4,364,092	3,251,962
	750,124	1,017,520	1,112,130	173,449
Unrealised exchange loss	-	14,198	-	17,142
	750,124	1,031,718	1,112,130	190,591

(b) Pension payable

	Group		Company	
<i>in thousands of naira</i>	2026	2025	2026	2025
At 1 April	90,861	104,715	32,557	61,215
Provision for the year	320,118	287,428	147,578	151,427
	410,979	392,143	180,135	212,642
Payment during the year	(324,335)	(301,282)	(157,769)	(180,085)
At 31 March	86,644	90,861	22,366	32,557

(c) Movement in dividend payable

	Group		Company	
<i>in thousands of naira</i>	2026	2025	2026	2025
At 1 April	142,309	146,926	142,309	146,926
Dividend declared	334,048	257,694	334,048	257,694
Withholding tax	(33,405)	(25,769)	(33,405)	(25,769)
	442,952	378,851	442,952	378,851
Dividend paid during the year	(371,855)	(236,542)	(371,855)	(236,542)
At 31 March	71,097	142,309	71,097	142,309

On 27 June 2026, the Directors proposed a dividend of 45 Kobo per share (2025: 35 Kobo) resulting in ₦429.49 (2025: ₦334.05 million) total dividends payable from retained earnings in relation to 2026 financial year. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these consolidated and separate financial statements.

(d) Trade and other payables analyzed as:

	Group		Company	
	2026	2025	2026	2025
Financial liabilities	3,871,483	3,825,283	3,157,899	2,680,721
Non-financial liabilities	1,600,573	896,649	1,206,193	571,241
	5,472,056	4,721,932	4,364,092	3,251,962

Notes to the Consolidated and Separate Financial Statements (cont'd)*For the year ended 31 March 2026***25 Related parties****(a) Related party disclosure**

The group holds 100% equity interest in Red Star Freight Limited, Red Star Support Services Limited and Red Star Logistics Limited. 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 2026, the company has recorded impairment of receivables relating to amounts owed by related parties.

This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operate. The following table provides the total amount of transactions that have been entered into with related parties.

Company	Nature of transaction	Transaction value	Amount due from related	Amount due to related parties	Transaction value	Amount due from related	Amount due to related parties
<i>in thousands of Naira</i>		2026	2026	2026	2025	2025	2025
Red Star Freight Ltd	Freight and custom clearance	1,491,775	-	(38,937)	208,668	-	(44,036)
Red Star Logistics Ltd	Haulage and warehousing services	828,672	212,046	-	71,194	389,414	-
Red Star Support Services Ltd	Mail management and despatch	897,996	97,759	-	175,711	175,591	-
			309,805	(38,937)		565,005	(44,036)
	Allowance for impairment		(12,433)			(16,248)	
	Related parties receivables/(payable)		297,372	(38,937)		548,757	(44,036)

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

25 Related parties (cont'd)

(b) Key management personnel compensation

The key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of that Company. The key management personnel are the Company's Directors and management staff. Key management personnel includes staff on the senior manager cadre and above. The compensation paid or payable to key management for employee services is shown below:

	Group		Company	
<i>in thousands of Naira</i>	2026	2025	2026	2025
Remuneration paid to the Directors was:				
Director fees and sitting allowance	32,155	23,210	32,155	23,210
Executive compensation	38,499	25,896	38,499	25,896
Other Directors benefits	28,209	37,612	28,209	37,612
Short term employee benefits	98,863	86,718	98,863	86,718

The directors' remuneration shown above includes:

<i>in thousands of naira</i>	2026	2025
Chairman	7,949	5,265
Highest paid director	20,963	24,024

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

	Group		Company	
	2026	2025	2026	2025
	Number	Number	Number	Number
₦3,000,001 and above	7	7	7	7
	7	7	7	7

(c) Staff cost

	Group		Company	
	2026	2025	2026	2025
Staff cost	3,966,432	3,475,345	2,097,257	1,664,981
Medical expenses	340,964	428,754	177,981	220,682
Training	127,336	125,245	83,418	103,916
	4,434,732	4,029,344	2,358,656	1,989,579

Reconciliation of Staff cost

Staff cost presented in cost of sales - Note7 (a)

Staff cost	1,965,125	1,744,040	1,098,202	859,051
Training	76,402	75,147	50,051	62,350
Medical - direct staff	238,675	300,128	124,587	154,477
	2,280,202	2,119,315	1,272,840	1,075,878

Staff cost presented in administrative expenses - Note 7(b)

Staff cost	2,001,307	1,731,305	999,055	805,930
Training	50,934	50,098	33,367	41,566
Medical expenses	102,289	128,626	53,394	66,205
	2,154,530	1,910,029	1,085,816	913,701
Total staff cost	4,434,732	4,029,344	2,358,656	1,989,579

There are no long term compensations for key management personnel

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

25 Related parties (cont'd)

(d) Staff number and higher paid employees

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

	Group		Company	
	2026	2025	2026	2025
	Number	Number	Number	Number
Managerial	8	8	6	6
Senior	57	47	31	37
Supervisors	135	116	103	86
Junior	1,512	1,572	223	179
	1,712	1,743	363	308

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

	Group		Company	
	2026	2025	2026	2025
	Number	Number	Number	Number
₦400,001 - ₦700,000	-	205	-	-
₦700,001 - ₦900,000	398	452	-	-
₦900,001 - ₦1200,000	365	274	-	-
₦1,200,001 - ₦2,100,000	598	453	90	-
₦2,100,001 - ₦3,600,000	270	284	219	258
₦3,600,001 - ₦7,000,000	70	60	46	39
₦7,000,001 - ₦9,000,000	-	3	-	1
₦9,000,001 - ₦13,000,000	11	12	8	10
	1,712	1,743	363	308

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

26 Segment information

The Group is organised into Strategic Business Units (SBU) based on their revenue streams and has four reportable segments. The operations of the SBUs are 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.

The Group's chief executive officer reviews the internal management reports of each SBUs at least quarterly.

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.

Statement of profit or loss and other comprehensive income

in thousands of Naira	Courier		Freight		Logistics		Support services		Group elimination adjustments		Group	
	2026	2025**	2026	2025**	2026	2025**	2026	2025**	2026	2025	2026	2025**
Revenue	10,993,125	10,609,408	5,439,586	4,262,489	4,069,129	3,698,489	2,992,227	3,089,953	-	-	23,494,067	21,660,339
Cost of sales*	(5,419,863)	(6,020,645)	(3,604,369)	(3,231,391)	(2,885,377)	(2,793,931)	(1,565,866)	(1,432,651)	(361,840)	(104,038)	(13,837,315)	(13,582,656)
Other operating income	197,153	166,127	934	11,707	30,818	412,893	19,181	8,543	(144,753)	(159,965)	103,333	439,305
Administrative expenses*	(2,913,465)	(2,007,627)	(970,904)	(592,649)	(513,542)	(439,923)	(108,564)	(150,746)	394,003	(85,321)	(4,112,472)	(3,276,266)
Staff cost	(2,097,257)	(1,664,981)	(408,775)	(285,817)	(404,103)	(352,295)	(1,091,869)	(1,292,379)	35,572	120,127	(3,966,432)	(3,475,345)
Depreciation and amortisation	(395,613)	(310,281)	(11,490)	(14,852)	(90,302)	(168,248)	(96,237)	(76,964)	-	-	(593,642)	(570,345)
Impairment loss on financial assets	10,911	(278,324)	(19,620)	(17,309)	(45,807)	(20,716)	(2,321)	(5,145)	(67,534)	70,641	(124,371)	(250,853)
Finance income	142,485	34,776	3,625	3,373	(224)	1,603	-	-	-	-	145,886	39,752
Finance cost	(34,122)	(59,216)	-	-	-	-	-	-	-	-	(34,122)	(59,216)
Profit before taxation	483,354	469,237	428,987	135,551	160,592	337,872	146,551	140,611	(144,552)	(158,556)	1,074,932	924,715
Income tax expense	(219,349)	(181,357)	(159,617)	(56,251)	(56,570)	(104,108)	(53,857)	(51,520)	(280)	15,042	(489,673)	(378,194)
Profit for the year	264,005	287,880	269,370	79,300	104,022	233,764	92,694	89,091	(144,832)	(143,514)	585,259	546,521

*Cost of sales and administrative expenses exclude depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of intangible assets and staff cost which are disclosed separately in Note [7a] and [7b].

**The prior year comparative information has been restated to comply with IFRS 8 and relevant IFRS Interpretations Committee guidance. Specifically, the 2025 financial statements have been restated to separately present material non-cash items, including staff costs and impairment losses on financial assets, which were previously included within cost of sales and administrative expenses. In addition, depreciation and amortisation have been excluded from cost of sales and administrative expenses to align with IFRS 8 disclosure requirements.

The below reflects the revenue from customers attributed to the country of domicile (Nigeria) and attributed to all foreign countries in total from which the Group derives revenue. The Group's assets are located in Nigeria and does not have assets located in foreign countries.

Revenue from external customers in thousands of Naira	Courier		Freight		Logistics		Support services	
	2026	2025	2026	2025	2026	2025	2026	2025
Nigeria	10,243,911	9,724,604	5,439,586	4,262,489	4,069,129	3,698,489	2,992,227	3,089,953
Benin Republic	230,779	234,197	-	-	-	-	-	-
Burkinafaso	443,483	402,526	-	-	-	-	-	-
Niger	74,952	248,081	-	-	-	-	-	-
Total	10,993,125	10,609,408	5,439,586	4,262,489	4,069,129	3,698,489	2,992,227	3,089,953

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

26 Segment information (Cont'd)

Statement of financial position

<i>in thousands of Naira</i>	Courier		Freight		Logistics		Support services		Group elimination adjustments		Group	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Total non-current assets	3,609,006	3,345,694	40,554	50,172	786,158	790,017	299,011	244,770	(1,146,469)	(1,105,418)	3,588,260	3,325,235
Total current assets	4,773,754	3,901,349	1,456,047	1,273,698	1,364,736	1,598,631	605,128	614,658	(326,806)	(434,638)	7,872,859	6,953,699
Total assets	8,382,760	7,247,043	1,496,601	1,323,870	2,150,894	2,388,648	904,139	859,428	(1,473,275)	(1,540,056)	11,461,119	10,278,934
Ordinary share capital	477,211	477,211	354,000	354,000	750,000	750,000	49,065	49,065	(1,153,065)	(1,153,065)	477,211	477,211
Share premium	1,515,600	1,515,600	-	-	-	-	-	-	-	-	1,515,600	1,515,600
Retained earnings	1,537,276	1,594,120	658,654	304,866	640,222	549,613	435,309	409,406	(120,117)	28,929	3,151,344	2,886,934
Fair value of equity investments designated at FVOCI	11,530	2,822	-	-	-	-	-	-	-	-	11,530	2,822
Non-current liabilities	303,979	137,551	10,137	9,939	95,656	49,068	29,786	35,228	(8,624)	(2)	430,934	231,784
Current liabilities	4,537,164	3,519,739	473,810	655,065	665,016	1,039,967	389,979	365,729	(191,469)	(415,917)	5,874,500	5,164,583
Total equity and liabilities	8,382,760	7,247,043	1,496,601	1,323,870	2,150,894	2,388,648	904,139	859,428	(1,473,275)	(1,540,055)	11,461,119	10,278,934

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

27 Financial Instruments - Fair values and risk management

(a) Classification of financial instruments and fair values

The following table shows the classification, carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

GROUP	Carrying Amount			Fair Value		
	Amortised Cost	Fair value	Total	Level 1	Level 2	Level 3
31 March 2026						
In thousands of naira						
Financial assets at fair value						
Equity instruments at FVOCI	-	12,065	12,065	12,065	-	-
	-	12,065	12,065	12,065		
Financial assets not measured at fair value						
Trade and other receivables*	4,019,912	-	4,019,912	-	-	-
Cash and cash equivalents	1,992,688	-	1,992,688	-	-	-
	6,012,600	-	6,012,600			
Financial liabilities not measured at fair value						
Trade and other payables ¹	3,871,483	-	3,871,483	-	-	-
	3,871,483	-	3,871,483			
	Carrying Amount			Fair Value		
	Amortised Cost	Fair value	Total	Level 1	Level 2	Level 3
31 March 2025						
In thousands of naira						
Financial assets at fair value						
Equity instruments at FVOCI	-	3,357	3,357	3,357	-	-
Financial assets not measured at fair value						
Trade and other receivables*	3,886,834	-	3,886,834	-	-	-
Cash and cash equivalents	1,367,989	-	1,367,989	-	-	-
	5,254,823	-	5,254,823			
Financial liabilities not measured at fair value						
Loans and borrowings**	113,306	-	114,254	-	114,254	-
Trade and other payables ¹	3,825,283	-	3,825,283	-	-	-
	3,938,589	-	3,939,537		114,254	

¹ Excluding Pay As You Earn (PAYE), Value Added Tax (VAT), Pension, advance by customers and Withholding Tax (WHT).

* Withholding tax receivable has been excluded from the Trade and other receivables as they are not financial instruments.

** The loans and borrowings were fully repaid in the current year. (2024: The discounted cash flow valuation technique has been used to determine the fair value of the loans and borrowings). The valuation model considers the present value of expected cash flows discounted using market related interest rates.

The fair value was determined on the same basis in prior year and there have been no transfers between levels during the year.

The fair values of other financial instruments (trade and other payables (excluding Pay As You Earn (PAYE), Value Added Tax (VAT), Pension, advance by customers and Withholding Tax (WHT)) and trade receivables (excluding withholding tax receivables)) are an approximation of their carrying amounts because they are held on short term basis and the impact of discounting is immaterial.

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

COMPANY

31 March 2026 In thousands of naira	Carrying Amount			Fair Value**		
	Amortised Cost	Fair value	Total	Level 1	Level 2	Level 3
Financial assets at fair value						
Equity instruments at FVOCI	-	12,065	12,065	12,065	-	-
	-	12,065	12,065	12,065		
Financial assets not measured at fair value						
Trade and other receivables*	2,785,881	-	2,785,881	-	-	-
Cash and cash equivalents	1,205,872	-	1,205,872	-	-	-
	3,991,753	-	3,991,753			
Financial liabilities not measured at fair value						
Trade and other payables ¹	3,157,899	-	3,157,899	-	-	-
	3,157,899	-	3,157,899	-	-	-
31 March 2025 In thousands of naira	Carrying Amount			Fair Value		
	Amortised Cost	Fair value	Total	Level 1	Level 2	Level 3
Financial assets at fair value						
Equity instruments at FVOCI	-	3,357	3,357	3,357	-	-
	-	3,357	3,357	3,357		
Financial assets not measured at fair value						
Trade and other receivables*	2,404,251	-	2,404,251	-	-	-
Cash and cash equivalents	878,056	-	878,056	-	-	-
	3,282,307	-	3,282,307			
Financial liabilities not measured at fair value						
Loans and borrowings	113,306	-	114,254	-	114,254	-
Trade and other payables ¹	2,680,721	-	2,680,721	-	-	-
	-	-	2,794,975	-	114,254	-

¹ Excluding Pay As You Earn (PAYE), Value Added Tax (VAT), Pension, and Withholding Tax(WHT)

* Withholding tax receivable has been excluded from the Trade and other receivables as they are not financial instruments.

The loans and borrowings were fully repaid in the current year. (2024: The discounted cash flow valuation technique has been used to determined the fair value of the loans and borrowings). The valuation model considers the present value of expected cash flows discounted using market related interest rates.

The fair value was determined on the same basis in prior year and there have been no transfers between levels during the year.

The fair values of other financial instruments (trade and other payables (excluding Pay As You Earn (PAYE), Value Added Tax (VAT), Pension, advance by customers and Withholding Tax (WHT) and trade receivables (excluding withholding tax receivables) are an approximation of their carrying amounts because they are held on short term basis and the impact of discounting is immaterial.

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

27 Financial risk management (cont'd)

(i) Financial instruments in Level 1

The fair value of financial instruments traded in active markets (quoted equity) is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group and Company is the bid price at the reporting date. These instruments are included in level 1. There were no transfers between levels during the year.

(ii) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (loans and borrowings and finance leases) is determined by using discounted cash flow valuation techniques. This valuation technique maximize the use of observable market data by using the market related interest rates. There are no significant unobservable inputs. There were no transfers between levels during the year. The basis of measurement has remained the same between Group's current and prior years.

(iii) Financial instruments in Level 3

The fair value of financial instruments that are not based on observable market data (unobservable inputs). The valuation technique maximize the use of market multiples derived from quoted prices of companies comparable to the investee and the expected revenue and EBITDA of the investee. The estimate is adjusted for the effect of non-marketability of the equity securities. There are no significant unobservable inputs. There were no transfers between levels during the year. The basis of measurement has remained the same between current and prior years.

(b) Financial risk management framework

Risk management framework

The Board of Directors has the overall responsibility for the establishment and oversight of the Group and Company's risk management framework, including implementation and monitoring of risk management policies. The Group and Company's risk management policies are established to identify and analyse the risks faced by the Group and Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group and Company's activities.

Overview

The Group and Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the below risks, the Group's objectives, policies and processes for measuring and managing risks.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's and Company's receivables from its customers.

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

(i) Credit risk (cont'd)

Trade receivables

The Group's and the Company's principal exposure to credit risk is in its trade and other receivables. Trade and other receivables principally represent amounts owed to the Group and the Company by third parties and credit risk is managed at that level.

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.

Exposure to credit risk

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored by the credit committee comprising of sales, finance and internal audit.

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. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas.

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

(i) Credit risk (cont'd)

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.

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.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group		Company	
	2026	2025	2026	2025
<i>in thousands of Naira</i>				
Trade and other receivables*	4,019,912	3,886,834	2,785,881	2,404,251
Cash and cash equivalents**	1,990,868	1,335,556	1,205,493	846,566
	6,010,780	5,222,390	3,991,374	3,250,817

*Trade and other receivables includes carrying amount of trade and other receivables less withholding tax receivables.

**Cash in hand and cash-in-transit has been excluded from the Group cash and cash equivalent as there is no credit risk associated with cash in hand.

Expected credit loss assessment for customers

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.

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

Expected credit loss assessment for customers (cont'd)

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		2026			
	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Balance (Net)	Credit impaired
<i>In thousands of naira</i>					
Current (not past due)	1.00%	1,261,652	(12,617)	1,249,035	No
0–90 days past due	3.93%	1,032,529	(40,578)	991,951	No
91–180 days past due	10.09%	265,541	(26,793)	238,748	No
181–270 days past due	13.08%	184,810	(24,173)	160,637	No
271–365 days past due	18.65%	131,535	(24,531)	107,004	No
above 365 days	61.75%	639,214	(394,686)	244,529	Yes
		3,515,281	(523,377)	2,991,903	
2025					
	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Balance (Net)	Credit impaired
<i>In thousands of naira</i>					
Current (not past due)	0.74%	1,818,933	(13,503)	1,805,430	No
0–90 days past due	2.22%	1,021,589	(22,642)	998,947	No
91–180 days past due	7.34%	142,763	(10,479)	132,284	No
181–270 days past due	4.44%	77,585	(3,443)	74,142	No
271–365 days past due	5.18%	158,630	(8,220)	150,410	No
above 365 days	69.79%	490,705	(342,444)	148,261	No
		3,710,205	(400,731)	3,309,474	
Company		2026			
	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Balance (Net)	Credit impaired
<i>In thousands of naira</i>					
Current (not past due)	0.27%	369,780	(1,011)	368,769	No
0–90 days past due	0.82%	615,584	(5,050)	610,534	No
91–180 days past due	2.01%	273,955	(5,500)	268,455	No
181–270 days past due	22.44%	45,014	(10,100)	34,914	No
271–365 days past due	43.66%	80,622	(35,200)	45,422	No
above 365 days	50.94%	635,491	(323,709)	311,782	Yes
		1,980,968	(380,570)	1,639,876	

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

Expected credit loss assessment for customers (cont'd)**Company**

			2025		
	Weighted	x	Impairment	Balance	Credit
	average		loss	(Net)	impaired
<i>In thousands of naira</i>	loss rate		allowance		
Current (not past due)	3.00%	437,796	(13,121)	424,675	No
0–90 days past due	3.02%	728,812	(22,001)	706,811	No
91–180 days past due	15.17%	67,135	(10,182)	56,953	No
181–270 days past due	6.28%	53,294	(3,346)	49,948	No
271–365 days past due	8.37%	95,451	(7,987)	87,464	No
above 365 days	72.53%	458,787	(332,754)	126,033	No
		1,841,275	(389,391)	1,451,884	

Expected credit loss assessment for intercompany receivables and short-term deposits

The group applied the general approach in computing expected credit losses (ECL) for intercompany receivables and short-term deposits. 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 group considers a financial asset in default when contractual payments are 365 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.

A summary of the Group and Company's exposure to credit risk for short term deposits, intercompany and other receivables is as follows.

	Group		Company	
<i>in thousands of Naira</i>	2026	2025	2026	2025
Trade receivables (Note 17b)	523,377	400,731	380,570	389,391
Short term deposits (Note 18)	1,725	-	1,725	-
Other receivables (Note 17a)	89,070	89,070	71,496	71,496
Intercompany receivables (Note 17)	-	-	12,433	16,248
	614,172	489,801	466,224	477,135

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

(i) Credit risk (cont'd)**Allowance for impairment in respect of trade and other receivables**

The allowance for impairment losses recognised in profit or loss in respect of trade and other receivables, related party receivables during the year was as follows.

<i>in thousands of Naira</i>	Group		Company	
	2026	2025	2026	2025
Trade receivables (Note 17b)	122,646	259,921	(8,821)	299,345
Short term deposits (Note 18)	1,725	(197)	1,725	-
Other receivables (Note 17d)	-	(8,871)	-	(19,623)
Intercompany receivables (Note 17c)	-	-	(3,815)	(1,398)
Impairment losses	124,371	250,853	(10,911)	278,324

Investments in equity securities

The Group minimizes its exposure to credit risks relating to investment in equity security by investing mainly in equity instruments of reputable companies with a history of good financial performance and entities quoted on the Nigeria stock exchange.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group and Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal conditions, without incurring unacceptable losses or risking damage to the Group's and Company's reputation.

Group**2026****In thousands of naira**Non-derivative financial liabilities:

	Carrying amount	Contractual cash flows	12 months or less	1 to 5 years	Total
Trade and other payables ¹	4,019,912	4,019,912	4,019,912	-	4,019,912
Lease liabilities (Note 20)	136,328	72,747	6,200	66,547	72,747
Loans and borrowings (Note 22)	-	-	-	-	-
	4,156,240	4,092,659	4,026,112	66,547	4,092,659

2025**In thousands of naira**Non-derivative financial liabilities:

	Carrying amount	Contractual cash flows	12 months or less	1 to 5 years	Total
Trade and other payables ¹	3,886,834	3,886,834	3,886,834	-	3,886,834
Lease liabilities (Note 20)	59,137	307,234	17,913	118,173	307,234
Loans and borrowings (Note 22)	113,306	120,064	120,064	-	120,064
	4,059,277	4,314,132	4,024,811	118,173	4,314,132

Notes to the Consolidated and Separate Financial Statements (cont'd)

For the year ended 31 March 2026

(ii) Liquidity risk (cont'd)**Company**

2026	Carrying amount	Contractual cash flows	12 months or less	1 to 5 years	Total
In thousands of naira					
Non-derivative financial liabilities:					
Trade and other payables ¹	2,785,881	2,785,881	2,785,881	-	2,785,881
Lease liabilities (Note 20)	136,328	307,234	6,200	301,034	307,234
Loans and borrowings (Note 22)	-	-	-	-	-
	2,922,209	3,093,115	2,792,081	-	3,093,115

¹ Non-company income taxes, pension payable that are not financial liabilities are not included.

2025	Carrying amount	Contractual cash flows	12 months or less	1 to 5 years	Total
In thousands of naira					
Non-derivative financial liabilities:					
Trade and other payables ¹	2,404,251	2,404,251	2,404,251	-	2,404,251
Lease liabilities (Note 20)	59,137	136,086	17,913	118,173	136,086
Loans and borrowings (Note 22)	113,306	120,064	120,064	-	120,064
	2,576,694	2,660,401	2,542,228	118,173	2,660,401

¹ Non-company income taxes, pension payable that are not financial liabilities are not included.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group and Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Group, the Naira. The currencies to which the Group is exposed are primarily denominated are the US dollars (US\$), euro (EUR) and British pound sterling (GBP). The currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate due to the changes in foreign exchange rates.

The following significant exchange rates were applied during the year:

	Average rate		Year end spot rate	
	2026	2025	2026	2025
Pound (GBP)	1,984.10	1,968.24	1,842.22	1,998.16
US\$	1,481.63	1,542.01	1,388.89	1,541.67
CFA	2.61	2.49	2.42	2.52
Euros	1718.71	1656.29	1,601.67	1,666.24

Notes to the Consolidated and Separate Financial Statements (cont'd)*For the year ended 31 March 2026***(iii) Market risk (cont'd)***Sensitivity analysis*

A reasonably possible strengthening/(weakening) of the Naira against the US\$, GBP and CFA as at 31 March 2026 would have affected the measurement of financial instruments denominated in these currencies and affected profit or loss and equity by the amounts shown below. The amounts are stated net of the estimated income tax effect, comprising Companies Income Tax at 30% and the Development Levy at 4% under the Nigeria Tax Act, 2025, giving a combined rate of 34%. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Exposure to currency risk

The Group and Company's exposure to currency risk is as follows:

<i>In thousands of naira</i>	Group		Company	
	2026	2025	2026	2025
GBP				
Cash and cash equivalents	3,544	3,996	3,544	3,996
	3,544	3,996	3,544	3,996
US Dollar				
Cash and cash equivalents	159,295	208,125	120,129	163,417
	159,295	208,125	120,129	163,417
CFA				
Cash and cash equivalents	12,381	1,812	12,381	1,812
	12,381	1,812	12,381	1,812
EURO				
Cash and cash equivalents	3,604	915	3,604	915
	3,604	915	3,604	915
Impact on profit or loss and equity				
<i>In thousands of naira</i>				
GBP				
Increase in exchange rate by 20%	709	799	709	1,597,057
Decrease in exchange rate by 20%	(709)	(799)	(709)	(799)
US Dollar				
Increase in exchange rate by 20%	31,859	41,625	24,026	32,683
Decrease in exchange rate by 20%	(31,859)	(41,625)	(24,026)	(32,683)
CFA				
Increase in exchange rate by 20%	2,476	362	2,476	362
Decrease in exchange rate by 20%	(2,476)	(362)	(2,476)	(362)
EURO				
Increase in exchange rate by 20%	721	183	721	183
Decrease in exchange rate by 20%	(721)	(183)	(721)	(183)

Notes to the Consolidated and Separate Financial Statements (cont'd)*For the year ended 31 March 2026***(iv) 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 Group or Company do not have any borrowings at year end

(v) 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 held by the Company. All the Group's listed equity investment are listed on the Nigeria Stock Exchange (NGX). A reasonably possible strengthening/(weakening) of the share price as at 31 March 2026 would have affected profit or loss and equity by the amounts shown below. The amounts are stated net of the estimated income tax effect, comprising Companies Income Tax at 30% and the Development Levy at 4% under the Nigeria Tax Act, 2025, giving a combined rate of 34%.

Impact on profit or loss and equity <i>In thousands of naira</i>	Group		Company	
	2026	2025	2026	2025
Increase in share price by 50%	3,982	1,108	3,982	1,108
Decrease in share price by 50%	(3,982)	(1,108)	(3,982)	(1,108)

28 Commitments**Financial commitments**

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

29 Contingent liabilities**Pending litigation and claims**

There are ongoing lawsuits and claims against the Group and the Company in various courts of law, which are being managed by external legal counsel. Contingent liabilities arising from pending litigation, claims, and other regulatory reviews amounted to ~~₦~~643.7 million for the Group and the Company (2025: ~~₦~~396.8 million) as at 31 March 2026.

The Directors are of the opinion that all known liabilities and commitments relevant to assessing the financial position of the Group and the Company have been appropriately considered in the preparation of these financial statements. This assessment is based on management's evaluation of the likelihood of outflows, taking into account legal advice from external counsel and the status of each case, which indicates that no present obligation requiring provision exists at the reporting date.

30 Events after the reporting period

On 27 June 2026, a dividend of 45 Kobo (2025: 35 Kobo) per share was proposed by the directors for approval at the Annual General Meeting (AGM). This will result in dividends payment of ~~₦~~429.49 million (2025: ~~₦~~334.05 million). There were no events after the reporting date that could have had a material effect on the consolidated and separate financial statements that have not been provided for or disclosed in the consolidated and separate financial statements.

Other National Disclosures

STATEMENT OF VALUE ADDED - GROUP
OTHER NATIONAL DISCLOSURES
31 March

in thousands of naira

	2026	%	2025	%
Revenue	23,494,067		21,660,339	
Finance income	145,886		39,752	
Bought in materials:				
- Local	(17,502,525)		(16,116,471)	
Value added	6,137,428	100	5,583,620	100

Applied as follows:

To pay employees:

- as salaries and labour related expenses	4,434,732	71	4,029,344	72
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To pay providers of capital:

- as finance costs	34,122	1	59,216	1
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To pay government:

- as taxation	489,673	8	378,194	7
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Retained in the business:

- for replacement of property, plant and equipment	406,044	7	464,746	8
- for replacement of intangible asset	69,834	1	24,007	1
- for replacement of right of use	117,764	2	81,592	1
- To augment reserves	585,259	10	546,521	10
Value added	6,137,428	100	5,583,620	100

Value added represents the additional wealth which the Group has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between employees, shareholders and government and that retained for the future creation of more wealth.

STATEMENT OF VALUE ADDED - COMPANY

OTHER NATIONAL DISCLOSURES

31 March

in thousands of naira

	<u>2026</u>	%	<u>2025</u>	%
Revenue	10,993,125		10,609,408	
Finance income	142,485		34,776	
Bought in materials:				
- Local	(7,863,865)		(7,815,871)	
Value added	<u>3,271,745</u>	<u>100</u>	<u>2,828,313</u>	<u>100</u>

Applied as follows:

To pay employees:

- as salaries and labour related expenses	2,358,656	70	1,989,579	70
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To pay providers of capital:

- as finance costs	34,122	1	59,216	2
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To pay government:

- as taxation	219,349	7	181,357	6
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Retained in the business:

equipment	244,696	7	223,588	8
- for replacement of intangible asset	69,834	2	24,007	1
- for replacement of right of use	81,083	2	62,686	2
- To augment reserves	264,005	11	287,880	11

Value added	<u>3,271,745</u>	<u>100</u>	<u>2,828,313</u>	<u>100</u>
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Value added represents the additional wealth which the Company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between employees, shareholders and government and that retained for the future creation of more wealth.

FIVE -YEAR FINANCIAL SUMMARY - GROUP

OTHER NATIONAL DISCLOSURES

31 March

Consolidated Statement of Financial Position

in thousands of naira

	2026	2025	2024	2023	2022
Assets and Liabilities					
Current assets	7,872,859	6,953,699	5,608,247	4,899,495	4,419,127
Non-Current assets	3,588,260	3,325,235	3,635,598	3,758,143	3,333,060
Current liabilities	(5,874,500)	(5,164,583)	(4,118,375)	(3,562,805)	(3,075,897)
Non-current liabilities	(430,934)	(231,784)	(451,642)	(517,078)	(482,665)
	5,155,685	4,882,567	4,673,828	4,577,755	4,193,625
Capital and reserves					
Share capital	477,211	477,211	477,211	477,211	477,211
Share premium	1,515,600	1,515,600	1,515,600	1,515,600	1,515,600
Other reserves	11,530	2,822	1,639	331	1,161
Retained earnings	3,151,344	2,886,934	2,679,378	2,584,613	2,199,653
	5,155,685	4,882,567	4,673,828	4,577,755	4,193,625

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Revenue	23,494,067	21,660,339	16,127,752	13,874,604	12,598,817
Profit before taxation	1,074,932	924,715	542,146	593,415	413,860
Profit after taxation	585,259	546,521	343,003	313,900	87,806
Basic earnings per share	0.61	0.57	0.36	0.33	0.09

FIVE -YEAR FINANCIAL SUMMARY - COMPANY

OTHER NATIONAL DISCLOSURES

31 March

Company Statement of Financial Position

in thousands of naira

	2026	2025	2024	2023	2022
Assets and Liabilities					
Current assets	4,773,754	3,901,349	3,935,530	3,664,644	4,419,127
Non-Current assets	3,609,006	3,345,694	3,346,541	3,309,188	3,333,060
Current liabilities	(4,537,164)	(3,519,739)	(3,301,947)	(2,984,087)	(3,075,897)
Non-current liabilities	(303,979)	(137,551)	(340,469)	(258,518)	(482,665)
	3,541,617	3,589,753	3,639,655	3,731,227	4,193,625
Capital and reserves					
Share capital	477,211	477,211	477,211	477,211	477,211
Share premium	1,515,600	1,515,600	1,515,600	1,515,600	1,515,600
Other reserves	11,530	2,822	1,639	331	1,161
Retained earnings	1,537,276	1,594,120	1,645,205	1,738,085	1,472,769
	3,541,617	3,589,753	3,639,655	3,731,227	3,466,741

Company Statement of Profit or Loss and Other Comprehensive income

Revenue	10,993,125	10,609,408	7,581,574	7,256,901	7,399,350
Profit before taxation	483,354	469,237	224,423	413,329	282,843
Profit after taxation	264,005	287,880	155,358	194,256	123,173
Basic earnings per share	0.28	0.30	0.16	0.20	0.13