

Trans-Nationwide Express Plc.

# 2018 ANNUAL REPORT AND ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018



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# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 26th Annual General Meeting of Trans-Nationwide Express PLC will be held at Airport Hotel, Obafemi Awolowo Way, Ikeja, Lagos on Thursday, 11th July, 2019 at 11.00 a.m. for the following purposes:

## **ORDINARY BUSINESS:**

1. To lay before the meeting the Audited Financial Statements for the year ended 31st December, 2018 together with the Reports of the Directors, the Auditors and the Audit Committee thereon.
2. To elect/re-elect Directors.
3. To authorise the Directors to fix the remuneration of the Auditors.
4. To elect members of the Audit Committee.

## **SPECIAL BUSINESS**

5. To fix the remuneration of the Directors.

## **BY ORDER OF THE BOARD**

**CAUTIOUS SERVICES LIMITED  
(SECRETARIES)  
FRC/2013/ICSAN/00000002873**

Date: March 22, 2019  
Plot 28, Oshodi Apapa Expressway,  
Oshodi, Lagos.

## **PROXY:**

A member of the Company who is entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A form of proxy is enclosed.

All proxy forms must be completed, duly stamped at the Stamp Duties Office and deposited with the Registrars, Cardinalstone Registrars Limited, 358 Herbert Macaulay Way, Yaba, Lagos not later than 48 hours before the time of holding the meeting.

## **E-DIVIDEND:**

Notice is hereby given to all shareholders to open bank accounts, stock broking accounts and CSCS accounts for the purpose of dividend. A detachable application form for e-dividend is attached to this Annual Report to enable all shareholders to furnish particulars of their accounts to the Registrars as soon as possible.

## **CLOSURE OF REGISTRAR OF MEMBERS AND TRANSFER BOOKS:**

NOTICE IS HEREBY GIVEN that the Register of Members and Transfer Books of the Company will be closed from Monday, 1st July, 2019 to Friday, 5th July, 2019, both days inclusive for the purpose of updating the Register of Members.

## **NOMINATIONS FOR THE AUDIT COMMITTEE:**

The Audit Committee comprises of 2 (two) shareholders and 2 (two) Directors. In accordance with section 359(5) of the Companies and Allied Matters Act, CAP C20 LFN 2004, any shareholder may nominate another shareholder for appointment as a member of the Audit Committee by giving notice of such nomination in writing to the Company Secretaries at least 21 (twenty-one) days before the date of the Annual General Meeting.

## **RIGHTS OF SHAREHOLDERS TO ASK QUESTIONS:**

Pursuant to Rule 19.12 (c) of the Nigerian Stock Exchange's Rulebook 2015, please note that Shareholders have a right to ask questions not only at the Annual General Meeting, but also in writing prior to the Annual General Meeting and such questions must be submitted to the Company on or before Friday, 5th July, 2019.



Trans-Nationwide Express Plc.

YEAR ENDED 31ST DECEMBER, 2018

## CORPORATE INFORMATION

<b>Directors:</b>	Dr. Oladiran Fawibe Mr. Theodore O. Chikelu Mrs. Chidinma E. Iheme  Mr. Kayode O. Ajakaiye Mrs. Nneka Ikejiani Alhaji Umar B. Jimada Mrs. Oluwatosin Ogbemi Mrs. Aderonke O. Fatade Mr. Adebayo A. Adeleke Mrs. Daniella F. Suleman Mr. Sulaiman Adedokun	- Chairman - Ag. CEO (w.e.f 12/12/2018) - Managing Director/CEO (Retired w.e.f 31/12/2018)  - (Independent director) - (Appointed w.e.f 11/07/18) - (Appointed w.e.f 11/07/18) - (Appointed w.e.f 11/07/18)
<b>Registered office:</b>	Plot 28, Oshodi Apapa Expressway. Oshodi, Lagos, Nigeria. Tel: 08123682573, 09095270137, 08025597917, 07046182356 Email: tranex@tranex-ng.com	
<b>Secretaries:</b>	Cautious Services Limited, Cautious House, 23 Road, G. Close, House 4, Festac Town, Lagos. Tel: 08033052441, 08033372451 Email: cautiouscafeozabor@yahoo.com	
<b>Registrars:</b>	Cardinal Stone (Registrars) Limited 358, Herbert Macaulay Way, Besides St. Dominic Catholic Church, Yaba, P. O. Box 9117, Lagos.	
<b>Registered number:</b>	RC. 61750	
<b>Auditors:</b>	HLB Z.O. Ososanya & Co., (Chartered Accountants), Bank of Agriculture Building, Plot 7, NERDC Road, Ikeja Central Business District, Alausa, Ikeja, P.O. Box 1433, Lagos. Tel: 01-7747861 Email. zoocolagos@yahoo.com	
<b>Bankers:</b>	Access Bank Plc. Diamond Bank Plc. Eco Bank Plc. Fidelity Bank Plc. First Bank of Nigeria Plc. First City Monument Bank Ltd. Keystone Bank Ltd. Polaris Bank Ltd.	



## RESULTS AT A GLANCE

	2018 N'000	2017 N'000	Change %
Revenue	775,055	701,387	11
(Loss)/profit before taxation	(38,938)	5,553	(801)
(Loss)/profit after taxation	(26,433)	3,611	(832)
Retained earnings	266,221	292,654	(9)
Share capital	234,424	234,424	-
Shareholders' funds	571,906	598,339	(4)

### Per share data

Based on ordinary shares of 50k each:- (2018; 468,847,132 shares and 2017; 468,847,132)

Earnings per share	(5.6)k	0.8k	(800)
Net assets per share	122k	128k	(5)
Share price(at 31 <sup>st</sup> December)	65k	78k	(17)



Trans-Nationwide Express Plc.

YEAR ENDED 31ST DECEMBER, 2018

## CHAIRMAN'S STATEMENT

Distinguished Shareholders, Fellow Board Members, representatives of Regulatory Bodies present, esteemed Ladies and Gentlemen. I am delighted to welcome you to the 26th Annual General Meeting of our Company, TRANS-NATIONWIDE Express Plc., to present the Reports and Financial Statements of the year ended December 31, 2018 and a review of the Company's performance during the financial year.

Before presenting the financial performance of the company, it is pertinent that I briefly summarize the operating environment within which company performed during the period. The business climate and the general state of the economy remained rather unstable and therefore, challenging. The global economy saw moderate growth in 2018, amidst ongoing trade tension. Weaker financing conditions, softer commodity and energy prices also had an unfavourable impact. Overall, there was a slowdown in growth in advanced economies as well as emerging markets and developing nations.

It would be recalled the Nigerian economy performed poorly in 2016 and 2017 during which Nigeria experienced almost unprecedented recession which was a fall-out from global economic downturn, involving many industrialized countries. The macroeconomic indicators in Nigeria plummeted, and this was exacerbated by slow response to the required strategic adjustments in both monetary and fiscal policies.

However, the performance of the economy in 2018 was positive, to record modest GDP growth rate resulting from improved performance in key sectors of the economy. The economy would obviously have recorded higher growth rate but for the security challenges in some parts of the country. It is expected that the national economy will sustain the momentum of positive growth and development witnessed in 2018 in the coming years, particularly in the area of infrastructure with positive impact on our industry.

### **COMPANY PERFORMANCE**

In 2018, our company posted a turnover of N775.5 million as against N701.387 million in 2017, and profit before tax of N26.433 million as against N3.611 million during the previous year.

The courier business thrives on high volume of business as the cost to execute the business for ranges of volumes is usually fixed. Therefore, the operational cost for range of volumes usually remains unchanged irrespective of the volume. In effect, the higher the volume, the better the bottom line. There was a significant increase in revenue of 11% when compared to the previous year. This increase was achieved despite the downturn experienced by businesses that retain our services - a fall-out of the general business climate prevailing in the country. The industry also experienced low pricing due to the influx of new entrants with negligible overheads when compared to our company that has to meet mandatory statutory and other obligations. It became a buyer's market and efforts to review tariffs due to high cost of operations were rebuffed by customers.

Your Board had for sometime been considering the need to diversify the company's products and invest on other more profitable areas of the logistics business. We are pleased to report that as part of the reinvestment of the funds generated from the Rights Issue, there had been a noticeable progress as can be seen in the slight increase in our turnover for the year. We are very optimistic that in the long run of full application of the funds, and embarking on some proposed businesses currently in the making, the end result will yield positive returns that will boost the benefits of all stakeholders of the company. The diversification will not only deepen our existing business offerings but also add new ones hitherto unexplored in terms of engagement with relevant companies and agencies. In this regard, we are making every effort to attract more foreign partners to ensure positive synergies with sustainable returns on investment.

The Board and Management have a strong commitment to explore these new opportunities for revenue expansion, optimise the right resources and provide the supporting work environment to the entire staff to express inherent potentials.



## CHAIRMAN'S STATEMENT

### **DIVIDEND**

Your Board does not recommend a declaration of dividend at this time, as we work for a turn around and expect robust dividends in the near future.

### **CONCLUSION**

As we work assiduously towards the re-positioning of our company, we look forward to an improved future with optimism. We will leverage more strategically on our goodwill as an ethical and socially responsible organization, explore beneficial strategic alliances and invest in the requisite resources towards achieving our goals

On behalf of the Board of Directors, I thank you, our esteemed shareholders, for your encouragement, support and co-operation given to the Board and Management. I also thank my colleagues on the Board for their support and commitment. My deep gratitude also goes to our customers, other stakeholders as well as the Management and staff of the company.

Finally, I pray that peace may reign in our country and that God will grant us the grace in our endeavours individually and collectively and to afford our company the opportunity to attain higher levels of success.

Thank you and best regards.

**Dr. Oladiran Fawibe**  
Chairman



Trans-Nationwide Express Plc.

YEAR ENDED 31ST DECEMBER, 2018

## DIRECTORS' PROFILE

**Dr. Oladiran Fawibe**, the Chairman of the company is a 1969 graduate of Economics from the University of Ibadan. He also obtained a Masters and a PhD Degree in Petroleum Economics from the same University in 1971 and 1983. He worked at various times at the Nigerian Institute of Social and Economic Research, University of Ibadan, Central Bank of Nigeria, and Nigerian National Petroleum Corporation where he held senior management positions. He serves as director in the Board of other Companies and is currently involved in several Companies including International Energy Services Ltd, a Consultancy/Oil Service Company.

**Mr Theodore O. Chikelu** The acting Managing Director and CEO of the company holds a bachelor's degree (BSC) in Geography from the University of Nigeria Nsukka (1987) and a master of Public administration from the same university in 1991 His work experience spanned across the public and private sectors .He worked briefly in the civil service National directorate of Employment ,the oil servicing industry and mostly in Aviation and regional commercial expansion/cargo and courier development in over six Nigerian airlines including Bellview airlines ,Aero Contractors of Nigeria and Arik airlines where he rose to the post of Vice President commercial for Africa. A veteran of startup aviation development initiatives in Sub Saharan Africa and an expert in developing emerging and niche markets, Mr. Chikelu was MD/CEO of Jet Afrique Aviation serviced Ltd an aviation support and Charter Company specialized in Cargo development and business travel from 2014 to September 2018. He joined Trans nationwide express PLC in October 2018 as chief Operating Officer and assumed the position of Acting MD/CEO by board appointment in December 2018 when the former MD Mrs. Chidinma Iheme retired from the company. He is a member of the institute of Personnel management of Nigeria and the institute of management consultants.

**Mr Kayode O. Ajakaiye**, a non-executive Director of the Company holds a Bachelor Degree (B.Sc) in Economics from the University of Ibadan (1964). He began his career with National Bank of Nigeria Limited in 1967 where he worked until 1976 before establishing his own business, Peter Harrison & Co., a general commerce firm. He is a Board Member in several other Companies including Neditech (Nigeria) Limited.

**Alhaji Umar Bologi Jimada** is a non-executive Director of the Company. A 1981 graduate of English from the Ahmadu Bello University Zaria, he held various positions in the Kwara State Governor's office from 1982 where he was at different times, the Information Officer and the Administrative Officer in the Governor's office and Cabinet Department respectively.

He also worked at the Kwara State Utility Board from 1989 and rose to the position of Acting General Manager, Administration and Secretary to the Board of Kwara State Water Corporation.

He has served in various ad hoc Committees including serving in 1999 as Chairman of a Task Force on the Implementation of Special Local Government projects to rehabilitate broken down rural water projects, schools and cottage hospitals, in Kwara State.

He has been engaged in private business since August 1996 and is currently involved in the running of the Aweba Fertilizer and Chemical Company, as well as the Elite Garage and Automobiles Limited.

**Mrs Nneka Ikejiani** is a non-executive Director of the Company. An Accountant by profession she has 17 years of combined experience in Project Management, Financial Analysis and Planning. She holds a BSc Degree in Economics from the University of Lagos (1990) and an MBA from the City University Business School, London (1995) specializing in Information Technology and Management. She is a Nigerian Chartered Accountant (ACA), a Certified Public Accountant (CPA) and a Certified Chartered Accountant (ACCA).

She has held various senior positions in companies within and outside the country including Schroders Unit Trusts, London, England (Senior Accountant), Securiplan Plc, London, England (Management Accountant), Integral Solutions, Nigeria and Microsoft, Anglophone West Africa.

She also serves as a director in the Board of other companies in Nigeria and is a member of Trinity Foundation, a foundation overseeing 10 NGOs in Nigeria, as well as WIMBIZ (Women in Business).



Trans-Nationwide Express Plc.

YEAR ENDED 31ST DECEMBER, 2018

## DIRECTORS' PROFILE

**Mrs. Oluwatosin A. Ogbemi** is a Non-executive Director of the company. She is a Business Statistics expert, Investment Analyst and Business Development Professional. She graduated from the University of Lagos in 2007 with a BSc (Hon) in Actuary Science. Between 2010 and 2011 she attended various programmes in the areas of Business Administration and Brand Management in the United Kingdom.

She has variously worked in LASACO Assurance Plc. and Mutual Alliance, Investment & Securities Ltd., She also worked in Tom Bee Investment Limited between 2010 and 2012 as a Business Development/Brand Manager. She currently works at Olakunle Soriyan Company where she heads the Programmes Unit of the Brainbox Group as the Responsibility Executive.

**Mrs. Aderonke Fatade** is an Independent Director. She is a 1979 Graduate of Agricultural Economics from the Oklahoma State University, Stillwater Oklahoma, USA. She also has an MBA from the Golden Gate University Graduate School of Business Administration, San Francisco, California USA in 1981. Thereafter she proceeded to study law at the University of Lagos from where she obtained a Bachelor of laws (LLB) in 1991 and a Masters of Law (LLM) in 2005. She was called to the Nigerian Bar in 1992. She is also an Accredited Mediator and Alternative Dispute Resolution (ADR) specializing in mediation/conciliation, Negotiation and Arbitration.

Between 1982 and 1993 she held various positions in different financial institutions. She served as a Commissioner on the Board of Security and Exchange Commission (SEC), Abuja, between 2008 and 2012. She is currently engaged in consultancy and legal services. She is an entrepreneur and is a Franchise owner of Master Cobblers. Mrs. Fatade is also a director in Sterling Assurance Nigeria Ltd

**Mr Adebayo Adetunji Adeleke** is a non-executive director of the Company. He holds a B.A Hons in English Studies from the Obafemi Awolowo University, Ile Ife and an MBA from Delta State University Abraka. His professional background spans over 37 years in various industries such as African Petroleum (now Forte Oil Plc) and 5-Star Asset Management Limited, Lagos where he served as the pioneer Managing Director. He is currently the Managing Director/CEO of Lancelot Ventures Limited, a Real Estate Development company.

Mr Adeleke belong to various professional/corporate and non-professional bodies including the Nigeria Institute of Management (NIM), the Chartered Institute of Stockbrokers and the Financial Reporting Council. Others are New Heartbeat Charity Foundation, Independent Shareholders Association of Nigeria (ISAN) and Jericho Business Club. He has significant high level corporate experienced having served in several blue-chip companies as a Board, or Audit Committee member.

He is currently a non-executive director of May & Baker Nigeria Plc, and serves in the Board Audit Committee of LaFarge Africa Plc, Honeywell Flour Mill Plc and Airline Services & Logistics Plc.

**Mr Sulaiman Adedokun CFA** is a non-executive Director of the Company

He started his career with Security Swaps Limited and later Nigerian Stockbrokers Limited (a subsidiary of NAL Bank Plc) from where he joined Meristem Securities Limited. He has functioned in several capacities ranging from Finance, Research, Stockbroking, Dealing and Investment Management.

Sulaiman is a CFA chartered holder, a seasoned accountant and an astute investment banker with experience spanning across the various sectors of the capital market. He holds degrees both in Accounting and Banking and Finance and he is an associate member of the Institute of Chartered Accountants of Nigeria (ICAN), Chartered Institute of Taxation of Nigeria (CITN) and Chartered Institute of Stockbrokers (CIS). He is equally an authorised dealing clerk on the floor of the Nigerian Stock Exchange (NSE).

**MS Daniella Suleman**, a non-executive Director of the Company is a lawyer by profession. She holds a Bachelor of Laws degree from the University of Birmingham and was called to the Nigerian Bar in 1996. She has work experience in both the private and public sectors having worked in the Dangote Group as well as the Bureau of Public Enterprise for several years where she served at various strategic committees such as the Committee on the Privatisation of NITEL as well as that on the Concession of the Nigerian Ports.

She is currently the Company Secretary of Flash Nigeria Limited.



## REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report and the audited financial statements of the company for the year ended 31st December, 2018.

### 1. Results

The results for the year are summarized as follows:

	2018	2017
	N'000	N'000
(Loss) before taxation	(38,938)	5,553
Taxation (expense)/credit	<u>12,505</u>	<u>(1,942)</u>
(Loss)/profit after taxation	(26,433)	3,611
	=====	=====

The audited financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004.

### 2. Legal form

The company was incorporated as TNT SKYPAK NIGERIA LIMITED on 28<sup>th</sup> March, 1984 as a private limited liability company and on 6<sup>th</sup> September, 1992, the company's name was changed to Trans-Nationwide Express Plc as a public limited liability company. The Company's shares are listed on the Nigerian Stock Exchange.

### 3. Principal business activities

The company provides courier services, freight services, logistics, mail room management, haulage and e-commerce from its headquarters in Lagos and thirty eight branches nationwide.

### 4. Statement of directors' responsibilities in relation to the financial statements for the year ended 31<sup>st</sup> December, 2018

The directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss for the period and which comply with the Companies and Allied Matters Act, CAP C20, LFN 2004.

The responsibilities include ensuring that:

- i. Proper accounting records are maintained.
- ii. Internal control procedures are instituted which as far as is reasonably possible safeguard the assets, prevent and detect fraud and other irregularities.
- iii. Applicable accounting standards are followed.
- iv. Suitable accounting policies are adopted and consistently applied.
- v. Judgments and estimates made are reasonable and prudent, and;
- vi. The going concern basis is used unless it is inappropriate to presume that the company will continue in business.



Trans-Nationwide Express Plc.

YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018

## REPORT OF THE DIRECTORS

### 5. Dividend

The directors are not able to recommend the payment of dividend to shareholders for the financial year ended 31<sup>st</sup> December, 2018.

### 6. Directors and their interests

The names of the directors at the date of this report and of those who have held office during the year are as stated on page 1 of the financial statements. In accordance with Article 82(2) of the company's articles of association, Ms. Daniella Suleman, Mr. Sulaiman Adedokun and Mr. Adebayo Adeleke, who were appointed directors after the last annual general meeting, offer themselves for election.

In accordance with Section 259 of the Companies and Allied Matters Act, CAP C20, LFN 2004 and in line with Article 81 of the Company's Articles of Association, one third of the directors shall retire from office.

Alhaji Umar B. Jimada, Mrs. Nneka Ikejiani and Mrs. Aderonke O. Fatade who are retiring by rotation at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

The interest of each director in the shares of the company is as stated below:

	2018 HOLDING			2017 HOLDING		
	Direct	Indirect	Percentage	Direct	Indirect	Percentage
Dr. Oladiran Fawibe	19,657,500	0	4.19	19,657,500	0	4.19
Mr. Kayode O. Ajakaiye	2,250,031	0	0.48	2,250,031	0	0.48
Mrs. Chidinma Iheme	4,026,750	0	0.86	4,026,750	0	0.86
Mrs. Nneka Ikejiani (Indirect Chief E. Nwobi)	0	11,296,249	2.41	0	0	0.00
Alhaji Umar B. Jimada (Indirect Platform Nig. Ltd.)	0	20,387,530	4.35	0	0	0.00
Mrs. Oluwatosin Ogbemi (Indirect Otunba T. B. Adebayo)	250,000	30,367,861	0.05	250,000	0	0.05
Mrs. Aderonke O. Fatade	298,230	0	0.06	497,050	0	0.11
Mr. Sulaiman A. Adedokun (Indirect MWML Nominees Ltd)	0	124,600,616	26.58	0	0	0
Mr. Adebayo A. Adeleke (Indirect Saham Unitrust)	304,000	99,609,000	0.06	0	0	0
Ms. Daniella F. Suleman (Indirect Air Cdr Dan Suleiman)	0	18,393,170	3.92	0	0	0

### 7. Substantial shareholding

The company's register of members shows that apart from the directors, the underlisted shareholders hold above 5% of the issued and fully paid share capital of the company.

Names	No. of Shares Holding	%
MWML Nominees Ltd.	124,600,616	26.58
Saham Unitrust Insurance Nig. Ltd.	99,609,000	21.25
Adebayo Thomas Bandele (Otunba)	30,367,861	6.48

### 8. Donations

There was no donation made during the year 2018 (2017- N125,600.00).



## REPORT OF THE DIRECTORS

9. **Director's interest in contracts**

For the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20, LFN 2004, no director has notified the company of any declarable interest in contracts which the company is involved in during the year.

10. **Record of directors' attendance**

In accordance with Section 258(2) of the Companies and Allied Matters Act, CAP C20, LFN 2004, the record of directors' attendance at board meetings during the year under review will be made available for inspection at the annual general meeting.

11. **Employment and employees**

(i) **Employment of disabled persons:**

It is the policy of the company that there is no discrimination in considering applications for employment including those from physically challenged persons.

The policy ensures that as far as practicable, disabled persons have equal opportunities with able-bodied employees. There was no physically challenged person employed during the year.

(ii) **Employees' involvement and training:**

The company is committed to keeping employees fully informed regarding its performance and progress. Opinions and suggestions of members of staff are sought and considered not only on matters affecting them as employees but also on the general business of the company.

Sound management and professional expertise are considered to be the company's major assets and investment in the future development of human resources continues to be a top priority. Each employee has a documented training and career development programme. To this end, short and long term training programmes are tailored to suit the requirements of both employees and the company. Employees are adequately rewarded and motivated to achieve results.

(iii) **Health, safety and welfare of employees:**

The company accords high priority to the health, safety and welfare of its employees both in and outside their place of work. The company provides for medical, housing, transportation etc.

12. **Property, Plant and Equipment**

Movements in fixed assets during the year are shown in note 7 on page 29. In the opinion of the directors, the market value of the company's assets is not less than the value shown in the accounts.

13. **Post balance sheet events**

There were no post balance sheet events which could have a material effect on the state of the company's affairs as at 31<sup>st</sup> December, 2018 and on the profit or loss account for the year ended on that date which had not been adequately provided for.

14. **Securities trading**

The company has adopted a code of conduct with regard to securities transactions and the directors are aware of the restrictions imposed on them with regard to trading in the shares of the company during closed periods. The policy in place is obeyed by the directors and other senior employees who by virtue of their position constantly come in contact with price sensitive information.

Enquiries have been made and it is hereby stated that in respect of this financial statements and the interim accounts submitted in the course of the year under review none of the directors violated the rules relating to securities trading.



## REPORT OF THE DIRECTORS

### 15. Compliance with regulatory requirements

During the year, the company complied substantially with existing laws including the under listed laws/corporate governance guidelines and cooperated with regulatory agencies in the course of carrying out its activities:

- The Nigerian Stock Exchange post-listing rules.
- The Securities and Exchange Commission's Code of Corporate Governance for Public Companies 2011.
- Companies and Allied Matters Act, CAP C20, LFN 2004.
- International Corporate Governance Best Practices.

### 16. Analysis of shareholding:

The issued and fully paid-up share capital of the company is 468,847,132 ordinary shares of 50k each. The share capital is 100% owned by Nigerians.

Range of shares	No of holders	%	Units	%
1-500	326	7.17	70,027	0.02
501-1,000	1,025	22.57	787,666	0.17
1,001-5,000	2,057	45.29	4,678,453	1.00
5,001-50,000	905	19.93	13,845,651	2.95
50,001-100,000	81	1.78	5,835,337	1.24
100,001-500,000	93	2.05	20,413,276	4.35
500,001-1,000,000	21	0.46	15,259,839	3.25
1,000,001-10,000,000	25	0.55	78,761,740	16.80
10,000,001-468,847,132	9	0.20	329,195,143	70.21
	<u>4,542</u>	<u>100</u>	<u>468,847,132</u>	<u>100</u>

### 17. Share Capital History

The authorized ordinary share capital currently stands at N250,000,000 divided into 500,000,000 ordinary shares of 50kobo each. The changes in the share capital of the company since incorporation are summarized below:

Year	Authorised (N)		Issued & fully paid-up		Consideration
	Increase	Cumulative	Increase	Cumulative	
1984	0	500,000	0	500,000	Cash
1992	1,500,000	2,000,000	3,500,000	4,000,000	Cash
1996	14,000,000	16,000,000	12,000,000	16,000,000	Cash
1997	84,000,000	100,000,000	4,000,000	20,000,000	Bonus
1998	0	100,000,000	24,182,170	44,182,170	Cash
2006	150,000,000	250,000,000	22,091,085	66,273,255	Bonus
2010	0	250,000,000	33,136,628	99,409,881	Bonus
2017	0	250,000,000	135,013,685	234,423,566	Cash

### 18. Appointment and Re-election Process for the Board

- The Board ensures the appointment of new directors to replace exiting non-executive directors once the need arises.
- The Board always ascertains whether nominees for the position of directors are fit and proper, carry out detailed investigation on the proposed individuals and recommend to the relevant committee for review and final approval by the Board.
- Board members must have an appropriate mix of skills and relevant experience required to make meaningful contribution at meetings.
- Periodic Board evaluation is carried out on the individual directors and the Board.
- All directors are required to disclose their shareholding whether on a proprietary or fiduciary basis prior to their appointment as well as Directorship in other companies (if any).
- The non-executive Directors once appointed are subject to re-election by shareholders at the company's annual general meetings.



## REPORT OF THE DIRECTORS

### 19. Corporate governance report

Trans-Nationwide Express Plc remains committed to achieving and maintaining best practices in corporate governance by ensuring accounting of specific individuals, through mechanisms that reduces or eliminates procedural breaches.

We recognize that high corporate governance standards are a sine qua non for effective management and control of business. The transparency, which these bring to bear on our operations, is essential for optimizing the value and interests of the various stakeholders of our company. It is also a major determinant of public and customer confidence in any Institution and our goal is that Trans- Nationwide Express Plc shall be the industry barometer in the area of good corporate governance.

In furtherance of this commitment to high ethical conduct, we institutionalize a process of regularly reviewing our processes and practices to align them with the legislative and best practice changes in the global corporate governance environment.

Our efforts in this regard have been strengthened by key initiatives in the domestic regulatory environment. The launch in November, 2003 by the Securities and Exchange Commission (SEC) of the “Code of Corporate Governance” and subsequent reviews in 2008 and 2018 (The Code) provided a useful backdrop for evaluating our efforts thus far. We have taken additional decisions to enhance our corporate governance far in excess of the expectations of “The Code”.

In keeping with the broad picture and specific requirements of “The Code” the board has always taken its responsibilities for the cultural, ethical, legislative and institutional norms, which govern our operations very seriously. Consequently, the company's top-end is organized in such a way that directors are able to maintain a close watch on activities of the company. To facilitate and ensure process transparency, the board has set up 3 (three) board committees to assist its oversight of the affairs of the company in a lawful and efficient manner in such a way as to ensure that the company is constantly improving its value creation as much as possible.

The board and the various committees meet regularly, and there is full and frank dialogue between committee members and management on all major issues.

In addition, the board has in place a performance evaluation process to ensure that Directors' contribution to the goals and strategic objectives of the company are systematically measured based on pre-agreed and post evaluated criteria.

Trans-Nationwide Express Plc continues to maintain the board that has ultimate responsibility for the overall functioning of the company and hence, provides strategic direction for the company. Our board is stable, effective and independent. The nine-man board comprises a mix of one (1) executive, seven (7) non-executive directors, and one (1) independent director.

All directors are persons of high integrity, who are competent, knowledgeable and proficient in their professional career, business and vocation. The professional background of the board members reflects these ideals. The board, over the years, has exhibited significant and diversity in terms of depth and breadth of experience, knowledge, attitude and skills.



## REPORT OF THE DIRECTORS

### Chairman and managing director:

The positions, functions and responsibilities of the chairman and managing director continue to remain separate. While the chairman is responsible for leadership and overall board effectiveness, the managing director is responsible for the day to day management and administration of the company and its overall performance.

### Board meetings:

The board meetings were held on 22<sup>nd</sup> March, 2018; 11<sup>th</sup> July, 2018; 27<sup>th</sup> September, 2018 and 12<sup>th</sup> December, 2018.

Meeting and attendance at board meeting during the year were as follows:

Name	Designation	Number of meetings Held	Number of meetings attended
Dr. Oladiran Fawibe	Chairman	4	4
Mrs. Chidinma E. IHEME *	Executive	4	4
Mr. Kayode O. Ajakaiye	Non-executive	4	4
Alhaji Umar B. Jimada	Non-executive	4	4
Mrs. Nneka Ikejiani	Non-executive	4	4
Mrs. Aderonke Fatade	Independent director	4	4
Mrs. Oluwatosin Ogbemi	Non-executive	4	4
Mr. Sulaiman A. Adedokun**	Non-executive	4	2
Mr. Adebayo A. Adeleke **	Non-executive	4	2
Ms. Daniela F. Suleman **	Non-executive	4	2

\*Mrs. Chidinma IHEME retired from the service of the company with effect from 2<sup>nd</sup> January, 2019.

\*\* Mr. Sulaiman Adedokun, Mr. Adebayo Adeleke and Ms. Daniella Suleman were appointed with effect from 11<sup>th</sup> July, 2018.

The board's functions are further dispensed through the three board committees indicated below, which work closely with management to achieve their objectives. Currently, the following are the standing committees of the company:

#### i) Finance, administrative and general purpose committee:

The committee consists of four non-executive directors, while the managing director and the head of finance are in attendance. The committee is responsible for reviewing the details and making recommendation on finance and administration to the Board. The committee meets quarterly.



## REPORT OF THE DIRECTORS

The committee meetings were held on 9<sup>th</sup> March, 2018, 28<sup>th</sup> June, 2018, 13<sup>th</sup> September, 2018 and 29<sup>th</sup> November, 2018. Membership and attendance at meetings during the period under review were as follows:

Name	Designation	Number of meetings Held	Number of meetings Attended
Mr. Kayode Ajakaiye	Chairman	4	4
Mrs. Nneka Ikejiani	Member	4	4
Mrs. Oluwatosin Ogbemi	Member	4	4
Mr. Adebayo A. Adeleke*	Member	4	1

\* Mr. Adebayo Adeleke was appointed a Director of the Company with effect from 11<sup>th</sup> July, 2018.

ii) **Business development committee:**

The committee is composed of two non-executive directors and one independent director, while the managing director and the head of commercial are in attendance. The committee has responsibility for reviewing the sales promotion and marketing strategies of the company. The committee meets quarterly.

The meetings were held on 28<sup>th</sup> February, 2018, 9<sup>th</sup> July, 2018, 16<sup>th</sup> August, 2018, 25<sup>th</sup> September, 2018, 22<sup>nd</sup> November, 2018 and 14<sup>th</sup> December, 2018. Membership and attendance at meetings during the period under review were as follows:

Name	Designation	Number of meetings Held	Number of meetings Attended
Alhaji Umar. B. Jimada	Chairman	6	6
Mrs. Aderonke O. Fatade	Member	6	6
Ms. Daniella F. Suleman*	Member	6	1

\* Ms. Daniella Suleman was appointed a Director of the Company with effect from 11<sup>th</sup> July, 2018

iii) **Risk management and governance committee:**

The committee is composed of two non-executive directors and one independent director, while the managing director, the finance manager/risk administrator, and the head of finance are in attendance. The committee has the responsibility of overseeing the company's risk profile, risk management framework and the risk reward strategy as determined by the board from time to time. The committee meets quarterly.

The meetings were held on 14<sup>th</sup> February, 2018, 7<sup>th</sup> June, 2018, 18<sup>th</sup> September, 2018 and 8<sup>th</sup> November, 2018. Membership and attendance at meetings during the period under review were as follows:

Name	Designation	Number of meetings Held	Number of meetings Attended
Mrs. Aderonke O. Fatade	Chairman	4	4
Mrs. Oluwatosin Ogbemi	Member	4	4
Mr. Sulaiman A. Adedokun*	Member	4	1

\* Mr. Sulaiman A. Adedokun was appointed a Director of the Company with effect from 11<sup>th</sup> July, 2018.



## REPORT OF THE DIRECTORS

iv) **Audit committee:**

The audit committee is composed of two shareholders and two representatives of the board.

The audit committee meetings for 2018 were held in the following days: 12<sup>th</sup> March, 2018, 12<sup>th</sup> June, 2018, 25<sup>th</sup> September, 2018, and 10<sup>th</sup> December, 2018.

Attendance at the audit committee meetings during the year 2018 were as follows:

Name	Designation	Number of meetings Held	Number of meetings Attended
Mrs. Nneka Ikejiani	Chairman	4	4
Mr. Kayode Ajakaiye	Member	4	4
Mr. Oluwaseun Olukoya	Member	4	4
Mr. Olusegun Oguntoye	Member	4	4

19. **Conflict of interest**

The board of directors and management ensure that they have sound knowledge of the memorandum and articles of association and any legislation that applies to the company about handling or avoiding conflicts of interest.

Conflict of interest can occur when an official's duty to act in the best interest of the company conflicts with the opportunity to derive a benefit either directly or indirectly. If and when they arise these should be formally declared at Board meetings and managed responsibly.

20. **Anti-corruption and money laundering policy**

It is the policy of Trans-Nationwide Express Plc to conduct all its business transactions in an honest, open and transparent manner in accordance with our contractual and statutory obligations. The company has zero tolerance for any form of bribery, coercion and interference in the official processes of the company and official financial matters.

21. **Whistle Blowing Policy**

Trans-Nationwide Express Plc treats all disclosures resulting from whistle-blowing confidentially. The identity of the whistle-blower shall be kept confidential. Stakeholders are encouraged to disclose their name when filing reports to make their reports more credible. The company does not subject a whistle-blower to any detriment whatsoever on the grounds that he/she has made a disclosure in accordance with the provisions of these guidelines.



Trans-Nationwide Express Plc.

YEAR ENDED 31ST DECEMBER, 2018

## REPORT OF THE DIRECTORS

22. **Auditors**

Messrs. HLB Z. O. Ososanya & Co. (Chartered Accountants) have indicated their willingness to continue in office as auditors of the company in accordance with the provision of Section 357 (2) of the Companies and Allied Matters Act, CAP C20, LFN 2004. A resolution will be proposed at the annual general meeting to authorize the directors to determine their remuneration.

**BY ORDER OF THE BOARD**

**CAUTIOUS SERVICES LIMITED  
(COMPANY SECRETARIES)  
LAGOS, NIGERIA.  
FRC/2013/ICSAN/0000002873  
March 21, 2019**



Trans-Nationwide Express Plc.

YEAR ENDED 31ST DECEMBER, 2018

# COMPLAINTS MANAGEMENT POLICY

## Introduction

This policy implements the Securities and Exchange Commission (SEC) rules relating to the Complaints Management framework of the Nigerian Capital market which requires every listed company to establish a clearly defined Complaints Management Policy to handle and resolve complaints within the purview of the framework.

## Commitment

The management of the Company is committed to ensuring that complaints are dealt with in a responsive, efficient, effective, fair and economical way. A senior officer is responsible for the operation of the system and the achievement of outcomes. The Company acknowledges the right of the public and its staff to complain when dissatisfied with a service, and encourages feedback from customers, clients, staff and the public generally; wants staff to be `complaints friendly` and not defensive or negative about feedback and recognizes that properly handled and analysed, complaints and feedback help the company to improve its business processes, and therefore, time spent on handling complaints is an investment in better service to the public. The Policy affirms and supports the right of claimants and providers to provide feedback and to have complaints heard and actioned. It recognizes that feedback, both positive and negative, is essential in order to provide quality services that meet claimant`s needs. The Company is committed to dealing with complaints confidentially and with due respect and consumers and other complainants will not suffer any reprisal nor be victimized.

## Application/Scope of policy

The policy shall apply to all shareholders, staff including temporary staff, stakeholders, contractors and consultants- any other person who provides a service on a paid or voluntary basis to Trans-Nationwide Express Plc. This policy does not replace or override departmental policies and procedures regarding staff performance matters, official misconduct or disciplinary and grievance processes.

## Assessment and Action

Where appropriate, complaints and/or complainants are to be referred to regulatory authorities upon receipt; complaints would be dealt with fairly and objectively, natural justice would be observed wherever practicable, complaints be resolved with as little formality and disputation as possible, mediation, negotiation and informal resolution are optional alternatives to investigation, privacy and confidentiality are to be observed as far as possible, and anonymous complaints will be treated on their merits like any other.

## Feedback

Complainants will be advised of outcomes as soon as possible. After a decision is made, complainants will be given reasons for negative decisions, complainants will be advised of any available internal review options and/or any statutory external appeal options (e.g. to courts and tribunals), complainants will be advised of other review options upon inquiry and any internal problem revealed by a complaint will be communicated to the area responsible for possible systemic improvement and a senior officer will have responsibility for following this up.



Trans-Nationwide Express Plc.

YE A R E N D E D 3 1 S T D E C E M B E R , 2 0 1 8



**REPORT OF THE AUDITORS  
TO THE MEMBERS OF  
TRANS-NATIONWIDE EXPRESS PLC**

**Report on the financial statements**

We have audited the accompanying financial statements of **Trans-Nationwide Express Plc**, which comprise the statement of financial position as at 31<sup>st</sup> December 2018, the statement of profit or loss, statement of changes in equity, statement of cash flows for the year ended 31<sup>st</sup> December 2018, a summary of significant accounting policies and other explanatory information set out on pages 15 to 37.

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of affairs of the company's financial position as at 31<sup>st</sup> December, 2018 in accordance with International Financial Reporting Standards (IFRS) and Financial Reporting Council of Nigeria, Act 2011 and in the manner required by Companies and Allied Matters Act of Nigeria and other statutory financial regulations.

**Basis for opinion**

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs). These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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 judgment, could be of most significance in our audit of the financial statements of the current period.

Key audit matter	How the matter was addressed in the audit
<p><b>Impairment of trade receivables:</b></p> <p>During the year the company's trade receivables of ₦230.6 million were impaired and partially provided for ₦50.8 million.</p> <p>The determination of allowance for impairment involves management judgement and review of individual receivable balances. Management considers factors such as the age of the receivables, location of customers, and existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of counterparties. Management uses this information to determine whether an allowance for impairment is required either for a specific transaction or for a customer's balance overall.</p> <p>Given the size of the trade receivables to the company's current assets, the complexity, judgement, assumptions and estimates involved in the assessment of the collectability of trade receivables is considered a key audit matter.</p>	<p>We performed audit procedures on existence of trade receivables, which include but are not limited to tracing sales transactions to supporting documents, sending trade receivable confirmations and subsequent receipt testing of bank payments.</p> <p>Assessing the impairment of trade receivables requires judgment and we have challenged the assumptions used to calculate the trade receivables impairment amount, notably through detailed analyses of ageing of receivables and assessment of significant overdue individual trade receivables.</p> <p>Also, we discussed with credit department personnel on information relating to specific customers with long outstanding debts.</p>

1st Floor, Bank of Agriculture Building, NERDC Road, <sup>12</sup>Business District, Alausa, Ikeja, GPO Box 1433, Marina Lagos.  
Tel: 0809 283 9999

Email: [lago@hlbzooososanya.co.ccm](mailto:lago@hlbzooososanya.co.ccm) [zoocolagos@yahoo.com](mailto:zoocolagos@yahoo.com), [www.hlbzooososanya-co.com](http://www.hlbzooososanya-co.com)

Founder: Dr. Z. O. Ososanya (1924 - 2008)



International is a world-wide organisation of accounting firms and business advisers

HLB Z. O. Ososanya & Co., is a member of the public practice section of the Institute of Chartered Accountants of Nigeria

Other Offices: Ibadan, Abuja



Trans-Nationwide Express Plc.

YEAR ENDED 31ST DECEMBER, 2018

**Directors' responsibility for the financial statements**

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board as adopted by the Financial Reporting Council of Nigeria and the requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004.

This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

**Report on other legal requirements**

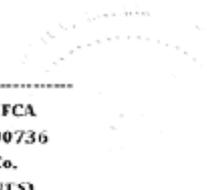
The Companies and Allied Matters Act, CAP C20 LFN, 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

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



Lagos, NIGERIA  
March 22, 2019

Babatunde Joel Kolawole; FCA  
FRC/2013/ICAN/0000000736  
For: HLB Z.O. Ososanya & Co.  
(CHARTERED ACCOUNTANTS)





Trans-Nationwide Express Plc.

YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018

## REPORT OF THE AUDIT COMMITTEE

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act Cap C20 LFN 2004, we have examined the auditors' report for the year ended 31<sup>st</sup> December, 2018. We have obtained all the information and explanation we required.

In our opinion, the auditors' report is consistent with our review of the scope and planning of the audit. We are also satisfied that the accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices. Having reviewed the auditors' findings and recommendations on management matters, we are satisfied with the management responses thereon.

We acknowledge the cooperation of the auditors, Messrs. HLB Z. O. Ososanya & Co. (Chartered Accountants), management and staff of the company in performing our duties.

Dated this 19<sup>th</sup> Day of March, 2019.

**Mrs. Nneka Ikejiani**  
Chairman – Audit Committee  
FRC/2017/ICAN/00000016426

Lagos, Nigeria

Other members of the audit committee are:

- Mr. Kayode Ajakaiye - Member
- Mr. Oluwaseun Olukoya - Member
- Mr. Olusegun Oguntoye - Member



Trans-Nationwide Express Plc.  
YEAR ENDED 31ST DECEMBER, 2018

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2018 N'000	2017 N'000
Revenue	3	775,055	701,387
Direct costs	4	(328,677)	(321,794)
		-----	-----
<b>Gross profit</b>		446,378	379,593
Other income	5	6,010	5,863
Administrative expenses	6	(491,326)	(379,903)
(Loss)/profit before taxation		(38,938)	5,553
Income tax (expense)/credit	18(i)	<u>12,505</u>	<u>(1,942)</u>
(Loss)/profit for the year		(26,433)	3,611
		=====	=====
<b>Per share data (kobo)</b>			
Earnings- Basic		(5.6)k	0.8k



Trans-Nationwide Express Plc.

YEAR ENDED 31ST DECEMBER, 2018

## STATEMENT OF FINANCIAL POSITION

	Notes	2018 N'000	2017 N'000
<b>ASSETS:</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	295,833	166,581
		=====	=====
<b>Current assets</b>			
Investment	8	3,809	4,620
Inventories	9	12,756	6,722
Trade receivables	10	179,875	227,988
Other receivables	11	185,154	138,788
Cash and cash equivalents	12	<u>43,223</u>	<u>214,642</u>
<b>Total current assets</b>		<b>424,817</b>	<b>592,760</b>
		-----	-----
<b>Total assets</b>		<b>720,650</b>	<b>759,341</b>
		=====	=====
<b>EQUITY AND LIABILITIES</b>			
Share capital	13	234,424	234,424
Share premium	14	71,261	71,261
Retained earnings	15	<u>266,221</u>	<u>292,654</u>
<b>Total equity attributable to owners of the company</b>		<b>571,906</b>	<b>598,339</b>
		=====	=====
<b>Non-current liabilities</b>			
Deferred tax liabilities	16	366	13,013
		=====	=====
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	122,065	117,038
Current tax liabilities	18(ii)	<u>26,313</u>	<u>30,951</u>
<b>Total current liabilities</b>		<b>148,378</b>	<b>147,989</b>
		=====	=====
<b>Total liabilities</b>		<b>148,744</b>	<b>161,002</b>
		=====	=====
<b>Total equity and liabilities</b>		<b>720,650</b>	<b>759,341</b>
		=====	=====

The financial statements were approved by the board of directors on 21<sup>st</sup> March, 2019.

Dr. Oladiran Fawibe - Chairman

FRC/2013/10DN/00000002895

Mr. Adebayo A. Adelere - Director

FRC/2013/NIM/00000002317

Mr. Jimoh Bamidele - Head of finance

FRC/2019/ICAN/00000019086

The accompanying notes on pages 19 to 35 form an integral part of these Financial Statements.



Trans-Nationwide Express Plc.

YEAR ENDED 31ST DECEMBER, 2018

## STATEMENT OF CHANGES IN EQUITY

	2018				2017			
	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Total N'000	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Total N'000
Balance at 1 <sup>st</sup> January, 2018	234,424	71,261	292,654	598,339	99,410	-	327,977	427,387
Rights issue	-	-	-	-	135,014	81,008	-	216,022
Dividend paid	-	-	-	-	-	-	(9,941)	(9,941)
Rights issue expenses	-	-	-	-	-	(9,747)	-	(9,747)
Prior year Adjustment	-	-	-	-	-	-	(28,993)	(28,993)
(Loss)/profit for the year	-	-	(26,433)	(26,433)	-	-	3,611	3,611
Balance at 31 <sup>st</sup> December, 2018	234,424	71,261	266,221	571,906	234,424	71,261	292,654	598,339

=====



## STATEMENT OF CASH FLOWS

	Notes	2018 N'000	2017 N'000	2017 N'000
<b>Cash flows from operating activities:</b>				
Cash received from customers		777,681	690,678	
Cash payments to suppliers and employees		<u>(776,345)</u>	<u>(667,996)</u>	
<b>Cash generated from operations</b>		1,336	22,682	
Taxation paid		<u>(4,780)</u>	<u>(10,789)</u>	
<b>Net cash from operating activities</b>	20		(3,444)	11,893
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment		(182,271)	(6,515)	
Proceeds from the sale of equipment		11,539	69	
Interest received		2,474	2,775	
Dividend received		<u>283</u>	<u>263</u>	
<b>Net cash outflow from investing activities</b>			(167,975)	(3,408)
<b>Cash flows from financing activities</b>				
Dividend paid		-	(9,941)	
Proceeds of rights issue		<u>-</u>	<u>206,275</u>	
<b>Net cash outflow from financing activities</b>			-	196,334
<b>Net increase in cash &amp; cash equivalents</b>			(171,419)	204,819
Cash and cash equivalents at 1 <sup>st</sup> January		<u>214,642</u>	<u>9,823</u>	
<b>Cash and cash equivalents at 31<sup>st</sup> December</b>	12	<u>43,223</u>	<u>214,642</u>	<u>214,642</u>



## NOTES TO THE FINANCIAL STATEMENTS

1. **Statement of compliance with IFRS**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standard Board (IASB).

2. **Accounting policies**

The principal accounting policies applied in the presentation of the financial statements are set out below.

**a Basis of preparation**

These financial statements have been prepared on historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets and liabilities.

These financial statements comprise a statement of financial position, an income statement and a statement of other comprehensive income on a single format, a statement of changes in equity, a statement of cash flows and significant notes to the financial statements.

Other comprehensive income comprises items of income and expenses that are not recognized in the income statement, as required or permitted by IFRS. Transactions with owners of the company in their capacity as owners are recognized in the statement of changes in equity.

**b Use of estimates and judgments**

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to any accounting estimate is recognized: i) in the period in which the estimate is revised, if the revision affects only that period. ii) In the period of the revision and future periods, if the revision affects both current and future periods. Judgments made by management in the application of IFRSs that have a significant effect on the financial statements and estimates with a significant risk of material adjustment are discussed in the notes.

**c Functional currency and translation of foreign currencies**

Items included in these financial statements are measured using the currency of the primary economic environment in which the company operates. The functional currency of the company is Naira. All financial information presented in Naira has been rounded up to the nearest thousand unless otherwise stated.

Foreign currency transactions have been translated into the functional currency of the company using the exchange rate prevailing at the date of the transactions (spot exchange rate). Foreign exchange gain or loss arising from the settlement of such transactions and from translation at year end exchange rates of monetary assets and liabilities denomination in foreign currencies are recognized in statement of profit or loss.

**d Revenue recognition**

Revenue represents the fair value of consideration received or receivable for sales of goods and services in the ordinary course of the company's activities and is stated net of Value Added Tax (VAT), rebates and discounts. The company recognizes revenue when it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured, regardless of when the payment is being made.

The company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The company has concluded that it is acting as a principal in all of its revenue. The following specific recognition criteria must also be met before revenue is recognised:



Trans-Nationwide Express Plc.

YEAR ENDED 31ST DECEMBER, 2018

## NOTES TO THE FINANCIAL STATEMENTS

### Rendering of services

Revenue from services rendered such as courier services, mail management services, freight services, logistics, warehousing and general haulage to customers is recognised as soon as the recipient of the services has signed off that such services has been rendered.

### Interest income

For all financial instruments measured at amortised cost, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in the statement of comprehensive income.

### Dividends

Revenue is recognised when the company's right to receive the payment of dividend is established, which is generally when shareholders approve the dividend.

### IFRS 15 Revenue from contracts with customers

IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS.

Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. Trans-Nationwide Express Plc plans to adopt the new standard on the required effective date using either of the methods which will be selected during the implementation phase.

Shortly before finalising the 2018 financial statements, Trans-Nationwide Express Plc performed a detailed assessment of IFRS 15 and the outcome of this assessment is described below.

#### A. Rendering of services

The company's principal activities are provision courier services, freight services, logistics, warehousing and general haulage. These services are rendered to cash customers and credit customers

#### (I) Contract enforceability and termination clauses

IFRS 15 explains that a contract does not exist if each party to the contract has the unilateral enforceable right to terminate a wholly unperformed contract without compensating the other party (or parties). Additionally, for implied contracts, Trans-Nationwide Express Plc may be required to account for contracts with stated terms as month to-month (or possibly a shorter duration) contracts if the parties can terminate the contract without penalty. Under the current standard, the assessment of termination clauses is not of paramount importance as revenue is recognised on a straight line basis. Thus, Trans-Nationwide Express Plc recognizes revenue when risk and reward pass to the buyer as services were rendered.

However, under IFRS 15 the period in which enforceable rights and obligations exist are affected by termination provisions stated in the contract. Trans-Nationwide Express Plc has evaluated that in certain contracts, it has the ability to enforce its rights and obligations throughout the stated term of the contracts or the term in which the substantial termination payment covers because substantive termination payments have commercial substance i.e. these payments can affect the financial position or performance of Trans-Nationwide Express Plc if unperformed and signifies a commitment by both parties to execute the contract.

Trans-Nationwide Express Plc equally has contracts with customers which contain termination clauses. These contract specifically contains termination clauses relating to the effective date of the contract. However, after the effective date of the contract, both parties have enforceable rights and obligations only for the notice period of termination.



## NOTES TO THE FINANCIAL STATEMENTS

### **(ii) Distinct goods and services**

For contracts with cash customers and credit customers, Trans-Nationwide express Plc delivers its promised service to customers as a separate performance obligation and they always recognize the transaction price as revenue when the shipments are pick-up/paid for from the customer and not until the shipments are delivered.

Under IFRS 15, a good or service that is promised to a customer is distinct if both of the following criteria are met: a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and b) the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the good or service is distinct within the context of the contract).

Trans-Nationwide Express Plc currently does not assess its promises as distinct goods. Shipments to be delivered are applied to the rate to recognize revenue immediately they are picked. However, the timing of delivery and pick up is not materially affecting the timing of recognition of the revenue.

In line with IFRS 15, the services rendered are distinct service transferred at a point in time and revenue should be recognised when control passes to the customer.

### **(iii) Series of distinct goods and services**

For contracts with cash customers and credit customers, Trans-Nationwide Express Plc delivers its promised service to customers throughout the term as agreed in the contract. Under IFRS 15, a series of distinct goods or services has the same pattern of transfer to the customer if both of the following criteria are met:

- Each distinct good or service in the series that the entity promises to transfer to the customer would meet the criteria in revenue recognition over time to be a performance obligation satisfied overtime; and
- The same method would be used to measure the entity's progress towards complete satisfaction of the performance obligation to transfer each distinct good or service in the series to the customer.

Trans-Nationwide Express Plc currently does not assess its promises as series of services. Shipments to be delivered are applied to the rate to recognise revenue immediately the shipments are picked. However, under IFRS 15, Trans-Nationwide Express Plc will need to recognise its revenue over time with an appropriate measure of progress. This measure will be most likely be based on shipment delivered. By implication, the envisaged impact may be considerably low as Trans-Nationwide Express Plc currently recognizes revenue when risk and reward has been transferred. Using a measure of progress either input or output methods will most likely produce a result that is very similar to the current revenue recognition guidance. Trans-Nationwide Express Plc will need to develop clear accounting policy on series performance obligations.

### **(iv) Allocation of transaction price to performance obligations**

Under the current revenue standard, Trans-Nationwide Express Plc is not required to determine performance obligations and therefore does not allocate transaction price to performance obligations.

However, IFRS 15 states that the objective when allocating the transaction price is for an entity to allocate the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods or services to the customer. Determining the transaction price is an important step in applying IFRS 15 because this amount is allocated to the identified performance obligations and is recognised as revenue when (or as) those performance obligations are satisfied.

IFRS 15 also requires that once the separate performance obligations have been identified and the transaction price has been determined, an entity is expected to allocate the transaction price to the performance obligations in proportion to their stand-alone selling prices. IFRS 15 indicates that the observable price of a good or service sold separately provides the best evidence of stand-alone selling price. However, in many situations, stand-alone selling prices will not be readily observable. In those cases, an entity must estimate the stand-alone selling price.



Trans-Nationwide Express Plc.

YEAR ENDED 31ST DECEMBER, 2018

## NOTES TO THE FINANCIAL STATEMENTS

For Trans-Nationwide Express's contracts where they have one performance obligation, allocating the transaction price to the performance obligation will have no impact on the company.

Trans-Nationwide Express Plc has determined that if there arises a contract with multiple performance obligations, they will determine the standalone price for each performance obligation and allocate the transaction price to the performance obligations in proportion to the stand alone price. The company believes that this will impact the timing of revenue recognition.

Trans-Nationwide Express Plc is working towards developing a clear accounting policy initiative that will guide the determination of stand-alone prices.

### **(v) Revenue recognition over time**

Trans-Nationwide Express Plc currently recognizes revenue from credit customers with service level agreement based on the shipments taken daily/ multiplied by the price.

However, IFRS 15.35 states that an entity transfers control of a good or service over time if one of the following criteria are met:

As the entity performs, the customer simultaneously receives and consumes the benefits provided by the entity's performance.

The entity's performance creates or enhances an asset (e.g., work in progress) that the customer controls as the asset is created or enhanced.

The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

### **a. Advances received from customers**

Generally, Trans-Nationwide Express Plc receives an initial advance from customers upon entering into the contract in which the customer draws down from. Under the current accounting policy, the company presents such advances as deferred revenue under trade and other payables heading in the statement of financial position. Under IFRS 15, Trans-Nationwide Express Plc must determine whether there is a significant financing component in its contracts. However, the company decided to use the practical expedient provided in IFRS 15, and will not adjust the promised amount of the consideration for the effects of a significant financing components in the contracts, where Trans-Nationwide Express expects, at contract inception, that the period between the transfer of a promised service to a customer and when the customer pays for that good or service will be one year or less. Therefore, for short-term advances, Trans-Nationwide Express Plc will not account for a financing component even if it is significant.

### **b. Presentation and disclosure requirements**

The presentation and disclosure requirements in IFRS 15 are more detailed than under current IFRS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in Trans-Nationwide Express Plc's financial statements.

Many of the disclosure requirements in IFRS 15 are new and Trans-Nationwide Express Plc has assessed that the impact of some of these disclosures requirements will be significant.

### **e Property, plant and equipment**

All categories of property, plant and equipment are initially recorded at cost. Buildings and freehold land are subsequently shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Costs may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as other reserve in equity. Decreases that offset previous increases of the same assets are charged against the revaluation surplus; all other decreases are charged to profit or loss.



## NOTES TO THE FINANCIAL STATEMENTS

### f. *Investment properties.*

Investment properties are properties held for capital appreciation or to earn rentals or both. Investment properties are measured at fair value with all changes in fair value recognized in profit or loss. The fair value is determined at the reporting date by an independent valuator based on market evidence of the most recent prices achieved in arm's length transactions of similar properties in the same area.

### g. *Depreciation*

Depreciation on other assets is calculated using straight – line method to allocate their cost or revalued amounts to their residual values over the estimated useful lives, as follows:

• Buildings	2%
• Plant & machinery	12.5%
• Motor vehicles	25%
• Computer equipment	25%
• Furniture & fittings	12.5%
• Office equipment	12.5%
• Motorcycles	50%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. This was hinged on the premise that motorcycles get worn-out faster than motor vehicle thereby necessitating the change. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'gain or losses' in other comprehensive income. When revalued assets are sold, the amounts included in revaluation reserves are transferred to retained earnings.

### h. *Intangible assets*

#### **Computer software**

Acquired computer licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on a straight line basis over their estimated useful lives (three to five years). The amortization period is reviewed at each reporting date.

### i. *Financial instruments*

#### *IFRS 9 Financial Instruments*

In July 2014, the IASB issued the final version of IFRS 9 Financial instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial instruments: Recognition and measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

Shortly before finalising the 2018 financial statements, Trans-Nationwide Express Plc performed a detailed impact assessment of all three aspects of IFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to Trans-Nationwide Express Plc in 2019 they will adopt IFRS 9.

Overall, Trans-Nationwide Express Plc expects no significant impact on its statement of financial position and equity except for the effect of applying the impairment requirements of IFRS 9 and as discussed below.

The company expects an increase in the loss allowance resulting in a negative impact on equity as discussed below. There will be no changes in the classification and measurement of financial assets and financial liabilities.



## NOTES TO THE FINANCIAL STATEMENTS

a. **Classification and measurement**

Trans-Nationwide Express Plc does not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements of IFRS 9.

*Debt instruments classified as loans and receivables*

Under IAS 39, Trans-Nationwide express Plc has the following debt instruments which are classified under loans and receivables:

- Trade receivables
- Other receivables

These debt instruments are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Trans-Nationwide Express Plc analyzed the contractual cash flow characteristics of those instruments and concluded that they do not meet the criteria for amortized cost measurement under IFRS 9.

b. **Impairment**

IFRS 9 requires Trans-Nationwide Express Plc to record expected credit losses on all of its debt instruments including trade receivables and bank balances and receivable from group companies either on a 12-month or lifetime basis. Trans-Nationwide Express Plc will apply the simplified approach and record a lifetime expected credit loss on all trade receivables that do not have significant financing component. For all other debt instruments other than trade receivables, Trans-Nationwide Express Plc will apply general approach under which financial assets are classified into three stages i.e. stage 1, stage 2 or stage 3 depending on whether or not the credit risk of the financial asset has increased significantly.

c. **Equity instruments**

All equity investments in scope of IFRS 9 are to be measured at fair value in the statement of financial position, with value changes recognised in profit or loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'. There is no 'cost exception' for unquoted equities.

If an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at FVTOCI with only dividend income recognised in profit or loss. [IFRS 9, paragraph 5.7.5]

Trans-Nationwide Express Plc measures all its equity instruments at fair value in the statement of financial position.

Despite the fair value requirement for all equity investments, IFRS 9 contains guidance on when cost may be the best estimate of fair value and also when it might not be representative of fair value.

d. **Hedge accounting**

Although IFRS 9 does not change the general principles of how an entity accounts for effective hedges, Trans-Nationwide Express Plc does not engage in any financial or economic hedge. As such, this aspect of IFRS 9 will not have impact on Trans-Nationwide Express Plc.

i. **Leases**

Where the company acquires items of properties, plant and equipment on a finance lease, the interest on lease is recognized as an expense under finance cost and charged to statement of comprehensive income.

k. **Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimate of the selling price in the ordinary course of business, less cost of completion and selling expenses.



## NOTES TO THE FINANCIAL STATEMENTS

**l. Receivables**

Receivables are recognized initially at fair value and subsequently measured at amortized cost using effective interest method less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect the entire amount due according to the original terms of receivables. Significant financial difficulties of the debtors, probability that debtor will enter bankruptcy and default or delay payment (more than 30 days overdue), are the indicators that trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the profit or loss within administrative cost. When trade receivable is uncollectible, it is written against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative costs in the profit or loss.

The amount of the provision is the difference between the carrying amount and the present value of the future estimate cash flows, discounted at the original effective discount rate.

**m. Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposit held at call with banks, other short term highly liquid investments with original maturity of three months or less, and bank overdrafts.

**n. Employee benefits**

**Retirement benefit obligations**

The company operates a retirement benefits scheme for its employees in accordance with the provision of the Pension Reforms Act of 2004. The Scheme is funded through monthly contribution of 7.5% by both the company and the employees respectively. These contributions are recognized in the statement of comprehensive income.

**o. Provisions**

A provision is recognized only if, as a result of past event, the company has a present legal or constructive obligation that can be reliably estimated, and it is probable that a transfer of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at reporting date.

**p. Current and deferred income tax**

Income tax expense is the aggregate of the charge to profit or loss in respect of current and deferred income tax.

Current income tax is the amount of income tax payable of taxable profit for the year determined in accordance with the relevant tax legislation.

Education tax is provided at 2% of assessable profits of companies operating within Nigeria.

Deferred Income tax is provided in full, using liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Current and deferred income tax is determined using tax rates and laws enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

**q. Borrowings**

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for 12 months after the reporting date.

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method; any differences between proceeds (net of transaction costs) and the redemption value is recognized in the profit or loss over the period of the borrowings, using the effective interest rate method.

**Borrowing costs**

Borrowing cost are recognized as expense in the period in which they are incurred, except when they are directly attributable to the acquisition, construction or production of qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

**r. Dividend**

Dividends payable to the company's shareholders are recognized as a liability in the period in which they are declared and approved by the shareholders.



## NOTES TO THE FINANCIAL STATEMENTS

	2018 N'000	2017 N'000
<b>3. Revenue</b>		
Courier services	539,814	535,895
Logistics income	35,084	16,257
Internal mailing income	40,818	37,678
Mail bag income	39,114	39,473
Mass mailing income	60,422	14,588
Freight income	50,220	46,457
Warehousing income	<u>9,583</u>	<u>11,039</u>
	<u>775,055</u>	<u>701,387</u>
	=====	=====
<b>4. Direct costs</b>		
Direct operating expenses	182,458	199,476
Logistic expense	16,623	9,548
Internal mailing expense	27,521	26,855
Mass mailing expense	33,875	8,408
Mail bag expense	24,527	24,154
Freight expense	24,980	22,409
Warehousing expense	2,012	3,752
Direct delivery cost	<u>16,681</u>	<u>27,192</u>
	<u>328,677</u>	<u>321,794</u>
	=====	=====
<b>5. Other income</b>		
Provision no longer required	385	292
Gain on investment valuation (financial assets)	-	2,135
Interest on short term deposit	2,474	2,775
Dividend income	283	263
Exchange rate gain	2,374	314
Sale of scrap	-	15
Sundry income	160	-
Profit on assets disposal	<u>334</u>	<u>69</u>
	<u>6,010</u>	<u>5,863</u>
	=====	=====
<b>6. Administrative expenses</b>		
Personnel cost	217,714	199,635
Administrative cost	231,798	152,466
Depreciation	<u>41,814</u>	<u>27,802</u>
	<u>491,326</u>	<u>379,903</u>
	=====	=====



Trans-Nationwide Express Plc.

YEAR ENDED 31ST DECEMBER, 2018

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Property, Plant and Equipment

Details of the company's property, plant and equipment and their carrying amounts are:

	Land N'000	Building N'000	Motor vehicles N'000	Office equipment N'000	Furniture & Fittings N'000	Motor Cycles N'000	Plant & machinery N'000	Computer Equipment N'000	Total N'000
<b>COST</b>									
<b>At 01/01/2018</b>	55,000	92,876	172,342	13,548	10,383	24,192	6,107	24,172	398,620
Additions	-	4,965	167,126	1,109	591	5,851	1,022	1,607	182,271
Disposals	-	-	(27,013)	-	-	-	-	(268)	(27,281)
<b>At 31/12/2018</b>	<u>55,000</u>	<u>97,841</u>	<u>312,455</u>	<u>14,657</u>	<u>10,974</u>	<u>30,043</u>	<u>7,129</u>	<u>25,511</u>	<u>553,610</u>
	=====	=====	=====	=====	=====	=====	=====	=====	=====
<b>DEPRECIATION</b>									
<b>At 01/01/2018</b>	-	6,125	158,679	10,052	8,937	23,251	3,694	21,301	232,039
Charge for the year	-	1,899	34,224	721	435	1,879	829	1,827	41,814
Disposals	-	-	(15,841)	-	-	-	-	(235)	(16,076)
<b>At 31/12/2018</b>	<u>-</u>	<u>8,024</u>	<u>177,062</u>	<u>10,773</u>	<u>9,372</u>	<u>25,130</u>	<u>4,523</u>	<u>22,893</u>	<u>257,777</u>
	=====	=====	=====	=====	=====	=====	=====	=====	=====
<b>CARRYING AMOUNTS</b>									
<b>At 31/12/2018</b>	<u>55,000</u>	<u>89,817</u>	<u>135,393</u>	<u>3,884</u>	<u>1,602</u>	<u>4,913</u>	<u>2,606</u>	<u>2,618</u>	<u>295,833</u>
	=====	=====	=====	=====	=====	=====	=====	=====	=====



Trans-Nationwide Express Plc.

YEAR ENDED 31ST DECEMBER, 2018

## NOTES TO THE FINANCIAL STATEMENTS

	Land N'000	Building N'000	Motor Vehicles N'000	Office equipment N'000	Furniture & Fittings N'000	Motor Cycles N'000	Plant & machinery N'000	Computer Equipment N'000	Total N'000
<b>COST</b>									
At 01/01/2017	55,000	92,876	169,570	12,038	10,154	23,180	6,107	23,379	392,304
Additions	-	-	2,772	1,510	229	1,211	-	793	6,515
Disposals	-	-	-	-	-	(199)	-	-	(199)
At 31/12/2017	55,000	92,876	172,342	13,548	10,383	24,192	6,107	24,172	398,620
	=====	=====	=====	=====	=====	=====	=====	=====	=====
<b>DEPRECIATION</b>									
At 01/01/2017	-	4,268	140,653	9,446	8,449	19,239	2,958	19,423	204,436
Charge for the year	-	1,857	18,026	606	488	4,211	736	1,878	27,802
Disposals	-	-	-	-	-	(199)	-	-	(199)
At 31/12/2017	-	6,125	158,679	10,052	8,937	23,251	3,694	21,301	232,039
	=====	=====	=====	=====	=====	=====	=====	=====	=====
<b>CARRYING AMOUNTS</b>									
At 31/12/2017	55,000	86,751	13,663	3,496	1,446	941	2,413	2,871	166,581
	=====	=====	=====	=====	=====	=====	=====	=====	=====



## NOTES TO THE FINANCIAL STATEMENTS

	2018 N'000	2017 N'000
<b>8. Investment in equity shares</b>		
12,801 units of Stanbic IBTC shares	614	531
80,356 units of Zenith Bank Plc shares	1,852	2,060
185,952 units of Access Bank Plc shares	1,264	1,943
30,000 units Fidelity Bank Plc shares	61	74
23,625 units of Skye Bank Plc shares	<u>18</u>	<u>12</u>
	3,809	4,620
	=====	=====

<b>9. Inventories</b>		
Courier fliers	3,530	2,457
Courier seals	549	420
Airway bills	<u>8,677</u>	<u>3,845</u>
	12,756	6,722
	=====	=====

Inventories are measured at the lower of, cost and net realizable value. The inventories are not pledged as securities for liabilities.

<b>10. Trade receivables</b>		
<i>Head office</i>		
1 - 3 months	64,861	71,808
4 - 6 months	31,741	38,387
7 - 12 months	21,853	9,082
Above 1 year	48,064	45,418
<i>Branches</i>		
1 - 3 months	15,633	18,810
4 - 6 months	20,755	20,055
7 - 12 months	5,417	4,600
Above 1 year	<u>22,314</u>	<u>24,155</u>
	230,638	232,315
Allowance for credit losses	<u>(50,763)</u>	<u>(4,327)</u>
	179,875	227,988
	=====	=====

The carrying value of trade receivables is considered a reasonable fair value and has been stated at amortized cost.



## NOTES TO THE FINANCIAL STATEMENTS

<b>11a. Other receivables</b>		
Staff debtors	-	445
Other receivables	36,520	8,149
Prepayments	16,997	15,237
Withholding tax (11b)	<u>131,637</u>	<u>114,957</u>
	185,154	138,788
	=====	=====
<b>11b. Withholding tax receivable</b>		
At 1 <sup>st</sup> January	114,957	87,703
Addition in the year	19,720	36,780
Tax offset	<u>(3,040)</u>	<u>(9,526)</u>
	131,637	114,957
	=====	=====
<b>12. Cash and cash equivalents</b>		
Cash balances	1,048	93
Bank balances	<u>42,175</u>	<u>214,549</u>
	43,223	214,642
	=====	=====
<b>13. Share capital</b>		
<b>Authorised:</b>		
500,000,000 ordinary shares 50k each	<u>250,000</u>	<u>250,000</u>
	=====	=====
<b>Issued and fully paid:</b>		
<b>Ordinary shares:</b>		
At start of the period	234,424	99,410
Rights issue	<u>-</u>	<u>135,014</u>
	234,424	234,424
	=====	=====
<b>14. Share premium</b>		
At start of the period	71,261	-
Rights issue	-	81,008
Rights issue expenses	<u>-</u>	<u>(9,747)</u>
	71,261	71,261
	=====	=====



## NOTES TO THE FINANCIAL STATEMENTS

	2018 N'000	2017 N'000
<b>15. Retained earnings</b>		
Balance at 1 <sup>st</sup> January	292,654	327,977
Prior year adjustment	-	(28,993)
Dividend paid	-	(9,941)
(Loss)/profit for the year	<u>(26,433)</u>	<u>3,611</u>
	266,221	292,654
	=====	=====
<b>16. Deferred tax</b>		
Balance as at 1 <sup>st</sup> January	13,013	14,797
Decrease for the year	<u>(12,647)</u>	<u>(1,784)</u>
Balance at 31 <sup>st</sup> December	366	13,013
	=====	=====
<b>17. Trade and other payables</b>		
Trade creditors	20,210	9,957
Other creditors	<u>101,855</u>	<u>107,081</u>
	122,065	117,038
	=====	=====
<b>18. Taxation</b>		
(i) <i>Statement of profit or loss:</i>		
Income tax	118	3,105
Tertiary education tax	24	621
Deferred tax release	<u>(12,647)</u>	<u>(1,784)</u>
	(12,505)	1,942
	=====	=====
(ii) <i>Statement of financial position:</i>		
Balance at 1 <sup>st</sup> January	30,951	21,120
Charge for the year	142	3,726
Tax audit additional provision	-	16,894
Payment during the year	<u>(4,780)</u>	<u>(10,789)</u>
	26,313	30,951
	=====	=====

The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C20, LFN 2004 (as amended) and the Tertiary Education Tax Act, CAP E4 LFN 2004.



## NOTES TO THE FINANCIAL STATEMENTS

		2018	2017
		N'000	N'000
<b>19. Dividend</b>			
	Prior year dividend declared	-	9,941
	Payments during the year	<u>-</u>	<u>(9,941)</u>
		-	-
		=====	=====
<b>20. Cash flows from operating activities</b>			
		2018	2017
	N'000 N'000		
	(Loss)/profit before tax	(38,938)	5,553
	<b>Adjustment to reconcile loss before tax to net cash flows:</b>		
	Depreciation of property, plant equipment	41,814	27,802
	(Profit)/loss on disposal of plant and equipment	(334)	(69)
	Unrealized (gain)/loss on investment valuation	811	(2,135)
	Additional tax for earlier year	-	16,894
	Prior year adjustment	-	(28,993)
	Interest received	(2,474)	(2,775)
	Dividend received	<u>(283)</u>	<u>(263)</u>
	<b>Operating profit before working capital changes</b>	596	16,014
		=====	=====
	<b>Working capital changes</b>		
	(Increase)/decrease in inventories	(6,034)	380
	Decrease in trade and other receivables	1,747	(13,534)
	Increase in trade and other payables	<u>5,027</u>	<u>19,822</u>
	<b>Net changes in working capital</b>	740	6,668
		-----	-----
	Tax paid	(4,780)	(10,789)
	<b>Cash generated from operation</b>	(3,444)	11,893
		=====	=====
<b>21. Loss before tax</b>			
	Loss before taxation is stated after charging:		
	Director fee	5,400	3,625
	Auditors remuneration	2,000	2,000
	Depreciation	41,814	27,802
		=====	=====



## NOTES TO THE FINANCIAL STATEMENTS

### 22. Information regarding directors and employees

i) Average number of employees in the financial year under review were as follows:

	2018	2017
Management staff	7	6
Senior staff	10	8
Supervisors	37	30
Junior staff	<u>94</u>	<u>85</u>
	148	129
	===	===

ii) The number of employees with gross earnings within the following ranges were:

	N	N
350,001 - 450,000	90	80
450,001 - 550,000	45	35
550,001 - 650,000	6	7
650,001 - 950,000	1	1
950,001 - Above	<u>6</u>	<u>6</u>
	148	129
	===	===

iii) Directors' emoluments:

Chairman	540	540
Directors	<u>4,860</u>	<u>3,085</u>
	5,400	3,625
	=====	=====

### 23. COMMITMENTS AND CONTINGENT LIABILITIES

i) *Financial Commitments*

The company did not charge any of its assets to secure liabilities of third parties. The directors are of the opinion that all known liabilities and commitments have been taken into account in the preparation of these financial statements.

These liabilities are relevant in assessing the company's state of affairs.

ii) *Contingent liabilities*

There are contingent liabilities in respect of legal actions against the company. Management has not made provision for these contingent liabilities as consultation with the company's external solicitors have indicated that the likely outcome of the legal action will favour the company.



## STATEMENT OF VALUE ADDED

Year ended 31 <sup>st</sup> December	2018		2017	
	N'000	%	N'000	%
<b>Turnover</b>	775,055		701,387	
Other income	<u>6,010</u>		<u>5,863</u>	
	781,065		707,250	
Bought-in materials & services	<u>(560,475)</u>		<u>(474,260)</u>	
<b>Value added</b>	<u>220,590</u>	100	<u>232,990</u>	100
	=====	=====	=====	=====
<b>APPLIED AS FOLLOWS:</b>				
<b>In payment to employees:</b>				
Wages, salaries and other benefits	217,714	98.70	199,635	85.68
<b>In payment to providers of funds:</b>				
Finance cost	-	-	-	-
<b>In payment to government:</b>				
Income tax	118	0.05	3,105	1.33
Education tax	24	0.01	621	0.27
<b>Retained for future replacement of assets and expansion of business:</b>				
Deferred tax	(12,647)	(5.73)	(1,784)	(0.77)
Depreciation	41,814	18.96	27,802	11.94
Profit or loss account	<u>(26,433)</u>	<u>(11.99)</u>	<u>3,611</u>	<u>1.55</u>
	<u>220,590</u>	100.0	<u>232,990</u>	100.0
	=====	=====	=====	=====

Value added represents the additional wealth which the company has been able to create by its own and its employees' efforts. The statement shows the allocation of that wealth among the employees, providers of funds, government as well as what had been retained for the future creation of more wealth in the future.



## FIVE-YEAR FINANCIAL SUMMARY

Year ended 31 <sup>st</sup> December	IFRS 2018 N'000	IFRS 2017 N'000	IFRS 2016 N'000	IFRS 2015 N'000	IFRS 2014 N'000
<b>ASSETS EMPLOYED</b>					
Property, plant & equipment	295,833	166,581	187,868	199,464	208,352
Investment	3,809	4,620	7,486	2,325	1,938
Inventories	12,756	6,722	7,102	6,853	9,372
Trade receivables	179,875	227,988	248,263	274,970	237,809
Other receivables	185,154	138,788	104,978	160,856	148,637
Cash & cash equivalents	<u>43,223</u>	<u>214,642</u>	<u>13,886</u>	<u>11,799</u>	<u>21,353</u>
720,650      759,341	<u>569,583</u>	<u>656,267</u>	<u>627,461</u>		
<b>EQUITY AND LIABILITIES</b>					
Share capital	234,424	234,424	99,410	99,410	99,410
Share premium 71,261	71,261	-	-	-	-
Retained earnings	266,221	292,654	327,977	328,675	298,089
Deferred tax liabilities	366	13,013	14,797	15,396	14,425
Bank overdraft	-	-	4,063	5,914	18,066
Trade & other liabilities	122,065	117,038	102,216	109,412	110,384
Tax liabilities	<u>26,313</u>	<u>30,951</u>	<u>21,120</u>	<u>97,460</u>	<u>87,087</u>
720,650      759,341	<u>720,650</u>	<u>759,341</u>	<u>569,583</u>	<u>656,267</u>	<u>627,461</u>
<b>TURNOVER &amp; PROFIT</b>					
Revenue	775,055	701,387	803,724	798,557	718,016
(Loss)/profit before taxation	(38,938)	5,553	30,292	75,678	49,476
Taxation(Def./ tax release/charge incl)	12,505	(1,942)	(10,106)	(24,706)	17,295
(Loss)/profit after taxation	<u>(26,433)</u>	<u>3,611</u>	<u>20,186</u>	<u>50,972</u>	<u>66,771</u>
<b>PER 50K SHARE DATA (KOBO)</b>					
Earnings per share	(5.6)	0.8	10	26	34
Dividend per share	-	-	5	10	10



# PROXY FORM

I/We.....of  
.....  
being a Member/Members of TRANS-  
NATIONWIDE EXPRESS PLC

HEREBY appoint.....or  
failing him.....as  
my/our proxy to vote for me/us on my/our behalf at  
the Annual General Meeting of the Company, to be  
held on 11th July 2019 and at any adjournment thereof.

Dated this.....Day of.....2019  
Shareholder's signature.....

**NOTE:**  
A member (Shareholder) who is unable to attend an  
Annual General Meeting is allowed by law to vote by  
proxy and this proxy has been prepared to enable  
you to exercise your right to vote in case you cannot  
personally attend the meeting.

**IF YOU ARE UNABLE TO ATTEND THE  
MEETING, READ THE FOLLOWING  
INSTRUCTIONS VERY CAREFULLY.**

- a) Write your name in CAPITALS on the proxy form where marked\*.
- b) Write the name of your proxy (if any) where Marked\*\*
- c) Ensure that the form is signed by you and duly stamped by the Commissioner of Stamp Duties.
- d) Post or deliver the proxy form so as to reach the Registrars, Cardinal Stone (Registrars) Limited, 358, Herbert Macaulay Way, Beside St. Dominic Catholic Church, Yaba, not less than 48 hours before the time of holding the meeting.

- e) If executed by a corporate body, the proxy form must be sealed with Common Seal.  
This proxy form need not be completed and sent to the Registrars address if the member will be attending the meeting personally.

## PROXY FORM

RESOLUTION	FOR	AGAINST
1. To receive Reports & Accounts		
2a. To elect Directors: Ms. Daniella Suleman Mr. Sulaiman Adedokun Mr. Adebayo Adeleke		
2b. To re-elect Directors: Alhaji Umar B. Jimada Mrs. Nneka Ikejiani Mrs. Aderonke O. Fatade		
3. To authorise the Directors to fix the remuneration of the Auditors		
4. To elect members of the Audit Committee		
5. To fix the remuneration of the Directors		
Please indicate with "X" in the appropriate space how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.		

*(Before posting the above, tear this part and retain it)*

### ADMISSION: TRANS-NATIONWIDE EXPRESS PLC (Rc61750)

Please admit..... to the Annual General Meeting of Trans-Nationwide Express Plc which will be held at Lagos Airport Hotel, Ikeja on Thursday 11th July, 2019.

The admission card must be produced by the Shareholder or his proxy in order to obtain entrance to the Annual General Meeting.

Name of Shareholder.....  
Signature of Shareholder.....  
Number of Shares held.....

Signature of person attending.....  
Signature of Registrar.....



