



2020
Annual
Report
&
Accounts





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28, Oshodi / Apapa Expressway, Oshodi-Lagos. P.M.B: 21672, Ikeja. RC 61750
Tel: +234 (0) 812 368 2573, 0909 527 0137, 0802 569 7917, 0704 618 2356
E-mail: tranex@tranex-ng.com
Website: www.tranex-ng.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 28th Annual General Meeting of Trans-Nationwide Express PLC will be held at Radisson Blu Hotel, No. 38-40, Isaac John Street, Ikeja GRA, Lagos on Wednesday, 28th July, 2021 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, 2020 together with the Reports of the Directors, the Independent Auditors and the Audit Committee thereon.
2. To re-elect the following Directors retiring by rotation:
 - i) Mr. Sulaiman Adedokun
 - ii) Mr. Adebayo Adeleke
3. To authorise the Directors to fix the remuneration of the Auditors.
4. To disclose the remuneration of Managers of the Company (inclusive of taxes and other statutory obligations).
5. To elect members of the Statutory Audit Committee.

SPECIAL BUSINESS:

6. To fix the remuneration of the Directors.

BY ORDER OF THE BOARD

CAUTIOUS SERVICES LIMITED
(SECRETARIES)

FRC/2013/ICSAN/00000002873

Date: May 27, 2021

Plot 28, Oshodi Apapa Expressway,
Oshodi, Lagos.

NOTES:

1) COMPLIANCE WITH COVID-19 RELATED DIRECTIVES AND GUIDELINES

The Federal Government of Nigeria, State Governments, Health Authorities, and Regulatory Agencies have each issued a number of directive and guidelines aimed at curbing the spread of Covid-19 in Nigeria. Particularly, the Lagos State Government prohibited the gathering of more than 50 people whilst the Corporate Affairs Commission issued Guidelines on holding of Annual General Meetings by proxy. The convening and conduct of this Annual General Meeting shall be done in compliance with these directives and Guidelines.

2) **PROXY**

A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in its, his or her stead. A proxy need not be a member of the Company. A proxy form is supplied with this Notice.

For a completed proxy form to be valid for the purpose of this meeting, it must be duly stamped by the Commissioner of Stamp Duties and deposited at the office of the Company Registrars, CardinalStone Registrars Limited, 335/337 Herbert Macaulay Way, Yaba, Lagos or via email to registrars@cardinalstone.com, not later than 48 (forty-eight) hours before the time of holding the meeting.

3) **ATTENDANCE BY PROXY**

In line with the CAC Guideline, attendance at the AGM shall be by proxy only, subject to the quorum provisions in the Company's Articles of Association, and the names of the proxies have been provided in the Proxy Form. Shareholders are required to appoint a proxy of their choice from their list of nominated proxies below:

- i) Mr. Sulaiman Adedokun (Chairman)
- ii) Mr. Saheed Bashir
- iii) Mr. Tunji Esan
- iv) Chief Matthew Akinlade
- v) Mr. Moses Igbrude
- vi) Mr. Eric Akinduro
- vii) Mr. Ariyo Olugbosun

4) **STAMPING OF PROXY**

The Company has made arrangement at its cost for the stamping of duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated timeline.

5) **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 the Annual Report to enable all shareholders to furnish particulars of their accounts to the Registrars.

6) **UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES**

Shareholders are hereby informed that a number of share certificates and dividend warrants have been returned to the Registrars as "unclaimed". A list of all unclaimed dividend will be circulated with the Annual Report and Financial Statements. Any member affected by this notice is advised to write to or call at the office of the Company Registrars, CardinalStone Registrars Limited, 335/337, Herbert Macaulay Way, Yaba, Lagos during normal working hours.

7) **CLOSURE OF REGISTER 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, 19th July, 2021 to Friday, 23rd July, 2021, both days inclusive for the purpose of updating the Register of Members.

8) **NOMINATIONS FOR THE STATUTORY AUDIT COMMITTEE**

In accordance with Section 404(3) of the Companies and Allied Matters Act, 2020 requires the Statutory Audit Committee of public company to have 5 (five) members, comprising of 3 (three) shareholders and 2 (two) Non-Executive Directors. In accordance with Section 404(6) of the Companies and Allied Matters Act, 2020, any shareholder may nominate another shareholder for election as a member of the Statutory Audit Committee by giving notice in writing of such nomination, attaching the curriculum vitae of the nominee to the Company Secretaries at least 21 (twenty-one) days before the date of the Annual General Meeting.

Shareholders are enjoined to note that the Securities and Exchange Commission's Code of Corporate Governance for Public Companies as well as the Federal Reporting Council of Nigeria's National Code of Corporate Governance requires members of the Statutory Audit Committee to have basic financial literacy and an ability to read and interpret financial statements.

9) RIGHTS OF SHAREHOLDERS TO ASK QUESTIONS

Pursuant to Rule 19.12 (c) of the Nigerian Exchange Group'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. We therefore urge that such questions be submitted to the Company Secretaries not later than 2 (two) weeks before the date of the meeting.

10) BIOGRAPHICAL DETAILS OF DIRECTORS FOR RE-ELECTION/APPROVAL

The biographical details of the directors submitted for re-election are contained in the Annual Report and Accounts of the Company under Directors' Profile.

CORPORATE INFORMATION

Directors:	Mr. Sulaiman Adedokun Mr. Theodore O. Chikelu Mr. Kayode O. Ajakaiye Mr. Adebayo A. Adeleke Ms. Daniella F. Suleman Dr. Oladiran Fawibe	- Chairman - Managing Director - (Resigned w.e.f 16/07/2020)
Registered office:	Plot 28, Oshodi Apapa Expressway. Oshodi, Lagos, Nigeria. Tel: 08123682573, 09095270137, 08025597917, 07046182356 Email: tranex@tranex-ng.com	
Secretaries:	Cautious Services Limited, Cautious House, 23 Road, G. Close, House 4, Festac Town, Lagos. Tel: 08033052441, 08033372451 Email: cautiouscafeoziaabor@yahoo.com	
Registrars:	CardinalStone (Registrars) Limited 335 / 337, Herbert Macaulay Way, Sabo, Yaba, Lagos. registrars@cardinalstone.com P. O. Box 9117, Lagos.	
Registered number:	RC. 61750	
Auditors:	HLB Z.O. Ososanya and Co., (Chartered Accountants), 1 st Floor Suite 202, 203 and 204, Plot 8, Lateef Jakande Road, Agidingbi, Ikeja, P.O. Box 1433, Marina, Lagos. Tel: 01-7747861 Email: lagos@hlbzoososanya-ca.com; zoocokagos@yahoo.com	
Bankers:	Access Bank Plc. Eco Bank Plc. Fidelity Bank Plc. First Bank of Nigeria Ltd. First City Monument Bank Ltd. Keystone Bank Ltd Zenith Bank Plc	

FINANCIAL HIGHLIGHTS

	2020 N'000	2019 N'000	Change %
Revenue	668,623	790,525	(15)
	=====	=====	=====
Gross profit	125,001	275,387	(55)
Result from operating activities	(74,400)	22,516	(430)
 (Loss)/profit before taxation	 (74,400)	 22,516	 (430)
(Loss)/profit after taxation	(59,846)	14,916	(501)
	=====	=====	=====
 At year end:			
Capital expenditure	17,502	50,043	(65)
Paid up share capital	234,424	234,424	-
Shareholders' fund	512,911	586,822	(13)
	=====	=====	=====
 Per share data (kobo)			
Earnings per share	(12.8)	3.2	(497)
Net assets per share	109	125	(13)
Share price at year end	72	92	(21)
	=====	=====	

COMPANY PROFILE

TRANEX is a provider of comprehensive courier, logistics and transportation solutions Company established in 1984 as TNT Skypak Nigeria Limited. In 1992 the name was changed to Trans-Nationwide Express Plc. The Company rapidly transformed itself into a global brand recognized for its optimal services and innovative multi-product offering. The range of services offered by the Company include international and domestic express delivery, freight forwarding, integrated logistics solutions, information and document management solutions, consumer retail services and cold chain/bio pharms.

In 1993, TRANEX was listed on the Nigeria Stock Exchange (1st tier). It is currently one of the only two Logistics Companies in Nigeria quoted on the Nigerian Exchange Group. Today, the TRANEX PLC network encompasses more than 36 offices and employs over 300 people offering comprehensive logistics and transportation solutions to both retail and wholesale customers within the country.

OUR SERVICES

Express Distribution: TRANEX PLC provides a global solution for moving time-sensitive documents and parcels door-to-door around the world and within a variety of transit time options that will meet your every need. Through an extensive network and competitive shipping rates, TRANEX PLC guarantees on time door-to-door delivery of your urgent shipments to any worldwide destination. These shipments are specially packaged, swiftly shipped and attentively cleared through customs to arrive on time to any global destination.

Express Inbound: In addition to exporting, TRANEX PLC enables you to import shipments from any destination in its global network to your door step.

Deferred Express For non-priority express shipments: TRANEX PLC offers Deferred Express as an economical delivery alternative to suit your business budget. TRANEX PLC offers a range of value-added service options to support our standard express services as well as encourage upcoming SMEs.

Return Service: TRANEX PLC offers this service for retailers who wish to include a free return service with the delivery of their goods, and for your customers who are sending items to be repaired and then shipped back.

Customs Clearance: TRANEX PLC offers fast and effective customs clearance. And a wide range of import and export clearance and handling services.

Domestic Express: TRANEX PLC Domestic Express offers reliable door to door solutions for time-critical packages to be delivered within a country or city. TRANEX PLC picks up and delivers your packages within agreed delivery times with the ability to track your shipments online at any time.

Same-Day Domestic; TRANEX PLC guarantees the fastest delivery on the same day of pick up. **Next-Day Domestic Shipments** are picked up and delivered next business day. **Deferred Domestic;** For your important packages that need to be delivered within 3 to 5 days door to door.

Mass Mail Solutions: TRANEX PLC distributes your ad-hoc or regular mass mail, including your monthly invoices to your customers, marketing and promotional materials, and event invitations. Financial Solutions TRANEX PLC handles the secure distribution of Credit Cards to your customers, verifies identity, and obtains a proof of delivery and returns signed forms back to you.

Fully Integrated IT network and Tracking: TRANEX PLC offers 24-hours online tracking plus instant shipping updates by Email or SMS. Innovation is deeply ingrained in our corporate culture, and has long been a driving force in the growth of TRANEX PLC services. It originally stems from listening to customers and developing new products and services that addresses market needs.

At TRANEX PLC, creativity is celebrated and rewarded. Small and big ideas come from all levels of the company to achieve the highest levels of customer satisfaction. Improving processes, eliminating bottlenecks and increasing efficiency of daily operations is an ongoing cycle in TRANEX PLC.

We place a high value on maintaining and enhancing quality in every facet of the organization. Therefore we have designed and implemented a quality management system to ensure a consistent level of high standards at all times, and we evaluate these standards regularly and work on technological and process innovations to improve upon them.

At TRANEX PLC, we believe in our people, therefore we strive to attract and maintain the best talents, while continuously nurturing and providing an enabling environment for growth in all ramifications. This enables us to seamlessly meet and exceed our stakeholders' expectations without forgetting the essence of our being – ensuring timely and safe delivery of customers' packages at all times.

The diversities in backgrounds and outlooks of our people also work cohesively to provide our admirable organizational culture of innovation, forward thinking and excellence which is set to make us a global express distribution leader with an embedded rich African heritage in the near future.

For TRANEX PLC, sustainability is a strategy. Corporate activism then becomes embedded in our business model, and a reflection of how TRANEX PLC chooses to exist and operate.

As the first indigenous listed Company in the Nigerian Exchange Group, TRANEX PLC continues to be accountable for its commitments to all Stakeholders. TRANEX PLC is keen on continuously practicing its citizenship by being an active partner in development and serving its communities and the operational environment.

CHAIRMAN'S STATEMENT

Distinguished Shareholders, Fellow Board Members, representatives of Regulatory Bodies present, esteemed Ladies and Gentlemen; thank you for being present today and we welcome you all to the 28th Annual General Meeting of our company, TRANS-NATIONWIDE Express (TRANEX) Plc. It is my pleasure to present to you the Annual Report and Audited Financial Statements for the financial year ended 31st December 2020 and a review of the company's performance during the financial year.

GLOBAL ECONOMY

The concerns about the global economy at the start of the year centered on the uncertainty around the U.S presidential elections and the lingering China-U.S trade war. However, the outbreak of the Coronavirus disease (COVID-19) was the most dominant factor to impact the global economy in 2020. Across many countries in the world, economic activities were shut down, along with significant restrictions in international travels to curb the spread of the virus (which spread to more than 100 countries by the end of the first quarter). The lockdowns disrupted the global supply chain, manufacturing, and trade activities.

The expectations for global growth were further worsened by the crude price war between Saudi Arabia and Russia. The trade conflict triggered a crash in the price of crude oil, which had been pressured by a sharp drop in demand. Hence, 2020 was a challenging period characterized by high unemployment rate and drastic decline in economic growth. It also triggered sell-offs in the markets, especially in emerging and frontier economies like Nigeria.

In response, fiscal and monetary authorities adopted policies to support the economies and households through unprecedented amounts of stimulus injections, lowering of interest rates to near-zero levels, and resuming their asset purchase programmes (also known as Quantitative Easing- QE). Notwithstanding, the outlook remained gloomy, leading to the IMF projecting a decline of 4.9% in global growth (from its earlier forecast of -3%). Optimism from vaccine trials late in the third quarter however led to a cut in the expected decline to 4.4%, although with a risk of a second wave of infections on the horizon.

DOMESTIC ECONOMY

Locally, the Federal Government also imposed a lockdown on economic activities in the major commercial hubs to control the spread of the virus. This put pressure on the non-oil sector of the economy. Furthermore, the sharp drop in both the demand and price of crude oil at the international market weakened the growth of the oil sector. Consequently, the Nigerian economy slipped back into recession in the third quarter, having declined by 6.10% and 3.62% in the second and third quarters of 2020 respectively. However, to support businesses and households, the Central Bank of Nigeria's (CBN) reduced the interest rates on existing loans to 5% from 9%, along with one-year moratorium. Also, policy support from the Government through the CBN various intervention funds (COVID-19 Target Facility: NGN192bn; HealthCare Support Intervention Fund: NGN72.96bn, NGN1.1trn to stimulate local manufacturing activities) helped to moderate the impact of the pandemic. Hence, the economy exited recession in the fourth quarter (although year on year growth was -1.92%).

The fiscal deficit widened further due to the crash in oil prices, which severely affected Government revenue. This resulted in a downward revision in projected revenue from NGN8.42trn to NGN5.43trn, with the widening deficit financed by loans from multilateral agencies like the IMF (USD3.4bn), the World

Bank (USD1.5bn), and the AfDB (USD288.5mn). Nigeria's public debt now stands at NGN32.2trn (as at Q3:2020), from NGN27.4trn in the previous year. To highlight the exposure of the domestic economy to the crude oil market, the exchange rate was also pressured in the year, as the sharp drop in crude oil earnings and Foreign exchange receipts constrained the capacity of the CBN to sustain its intervention in the Foreign exchange market. Consequently, the currency weakened to NGN410/USD at the I&E FX Window, compared to NGN365.70/USD in 2019.

The inflation rate trended upwards in the year, rising to 15.75% in 2020 due to inefficiencies in the agricultural value chains, the closure of land borders, pressure on the exchange rate, and rising insecurity in major food producing regions. Sporadic hikes in electricity and fuel prices also contributed to a lesser extent.

Yields in the fixed income market also dropped significantly due to a combination of excess liquidity and accommodative monetary policy. This resulted in 4.27% and 4.52% drop in the average yield on T-bills and Bonds respectively, closing at 0.40% and 6.06%. On the flip side, the low rate environment presented an opportunity for many businesses to refinance existing loans or take on cheaper debts.

OUR OPERATING ENVIRONMENT

With the COVID-19 virus spreading throughout the globe, the safety of our team and our customers remained our absolute priority. While our focus remains firm on heading off existing challenges and positioning our company to leverage future opportunities, the pandemic and lockdowns disrupted the entire economy and strained the operations of every sector in the country. The Logistics industry was not left out. The nation witnessed a sharp decline in road, rail and airline activities, occasioning huge revenue plunge.

As a result of the coronavirus outbreak, important supply chains in the logistics and transportation industry were hampered to varying degrees across the various sub-sectors, with varied interpretations of its potential consequences on the entire industry now and in the future.

I must state, however, that the pandemic situation also brought with it opportunities in e-commerce activities as many businesses moved transactions online. Inadequate infrastructure however prevented the company from participating actively in this emerging business dynamics. The company has therefore been repositioning itself to tap into this key industry success factor in addition to meeting increasing customer expectation of faster, cheaper and better delivery services.

My most sincere appreciation goes to teams across TRANEX PLC, those working resolutely behind the scenes and our frontline team members whose efforts combined to keep the world's health care, industrial, and at-home supply chains moving in a truly historic way.

Financial Performance

In the year under review, our company recorded revenue of N668M, compared to N790M in the previous year, and a loss of N74M, as against a profit of N14M during the previous year.

The courier business thrives on high transaction volumes as the cost (operational cost) to execute the business for ranges of volumes is usually maintained and remains unchanged. The higher the volume, the better the bottom line.

The 15% decline in revenue was due to the downturn experienced by businesses that retained our services a fall out of the general impact of the pandemic on business climate prevailing in the country and the devaluation of the naira against international currencies. The industry also experienced low pricing due to the influx of new entrants with negligible overheads when compared with our company that must

meet mandatory statutory costs and other obligations. It became a buyer's market and efforts to review tariffs due to high cost of operations were rebuffed by clients.

I wish to assure you that your Board is taking all necessary steps to ensure a reversal of this performance and you will be seeing the result of its actions in the coming months.

DIVIDEND

Unfortunately, your Board cannot recommend a declaration of dividend at this time, as we work towards a turnaround and expect robust dividends in the near future.

OUTLOOK

There are better prospects for the global economy in 2021 due to the ongoing vaccination efforts. It is expected that these initiatives would quicken the easing of lockdown measures across many countries and support growth. The IMF projects global growth at 6% in 2021, to be driven by continued fiscal stimulus in advanced economies and significant improvement in economic activities in the second half of the year as most economies relax lockdown measures. In Nigeria, favourable crude oil prices should support activities in the oil sector, although the OPEC+ production quota is a constraint.

Risks however remain as low-income countries are struggling with vaccinating significant share of their population while rising insecurity in Nigeria amidst other structural challenges pressure growth.

In our industry, there is increased customer expectation with regards to faster, cheaper, and better delivery services. Also, we expect more collaboration, increased use of technology in the delivery of services in the sector, either organically or through the acquisition of start-ups by players in the industry.

BOARD OF DIRECTORS

I would like to deeply appreciate my colleagues on the Board for their sacrifices during the year towards ensuring that company's operation is on the path of sustainability. Your support through unbiased, independent, and insightful contributions at Committees and Board meetings have definitely impacted on the organization and I look forward to more of such in the years ahead.

CONCLUSION

As we work assiduously towards the re-positioning of our company, we look forward to an improved future with optimism with our intense efforts on tapping on new age technology that will birth efficiency and increase customer satisfaction thereby improving our bottom line. We will leverage more strategically 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. 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 reigns in our country and that God will heal our nation and the world at large. May His blessings continue to be with us all.

Sulaiman Adedokun, CFA
Chairman, Board of Directors

DIRECTORS' PROFILE

Mr Sulaiman Adedokun CFA – CHAIRMAN

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 charteredholder, 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 of the Nigerian Exchange Group (NGX). He was appointed Chairman of the Board of Directors in July 2020.

Mr Theodore O Chikelu - MANAGING DIRECTOR AND CEO

He 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 services 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 confirmed for the position of the MD/CEO by Board appointment in December 2019. 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 Meditech (Nigeria) Limited.

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 Lancelet 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 experience having served in several blue-chip companies as a Board or Audit Committee member. He is currently serving as a Non-Executive Director on the Boards of the following companies: Unitrust Insurance Ltd, BOC Gases Nigeria PLC, Cititrust Holdings PLC, CFS Group PLC, Cititrust Asset Management Ltd.

In addition to the above, he is serving as the Chairman of the Statutory Audit Committee of the following Companies: Lafarge Africa PLC, Honeywell Flourmills PLC and Newrest ASL PLC.

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, 2020.

1. Results

The results for the year are summarized as follows:

	2020	2019
	N'000	N'000
(Loss)/Profit before taxation	(74,400)	22,516
Taxation credit/ (expense)	<u>14,554</u>	<u>(7,600)</u>
(Loss)/Profit after taxation	(59,846)	14,916
	=====	=====

The audited financial statements were prepared in accordance with the International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board and the requirements of the Companies and Allied Matters Act, 2020

2. Legal form

The company was incorporated as TNT SKYPAK NIGERIA LIMITED on 28th March, 1984 as a private limited liability company and on 6th 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 Exchange Group.

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. Dividend

The Directors do not recommend the payment of dividend to shareholders for the Financial Year ended 31st December, 2020.

5. Directors and their interests

The direct and indirect interest of Directors in the issued share capital of the Company as stated in the Register of Directors Shareholding and as notified by the Directors, in compliance with Sections 301 of the Companies and Allied Matters Act (CAMA) 2020 and the listing requirements of The Nigerian Exchange Group is as follows:

	2020 Holdings		2019 Holdings	
	Direct	Indirect	Direct	Indirect
Mr. Kayode O. Ajakaiye	2,250,031	-	2,250,031	0
Mr. Sulaiman A. Adedokun	0	125,513,860	0	124,600,616
Mr. Adebayo A. Adeleke	734,167	100,000,000	3,310,355	100,000,000
Ms. Daniella F. Suleman	0	18,393,170	0	18,393,170

Details of Indirect Holdings

Name of Directors	Company/Individual Holding	Indirect Holding
Mr. Sulaiman A. Adedokun	MWML Nominees	125,513,860
Mr. Adebayo A. Adeleke	Saham Unitrust Insurance Nig. Ltd	100,000,000
Ms. Daniella F. Suleman	Air Cdr. Dan Suleiman (Rtd) OFR CON	18,393,170

6. Retirement of Directors

In accordance with Section 285 of the Companies and Allied Matters Act, 2020 and in line with Article 81 of the Company's Articles of Association, one third of the directors shall retire from office.

Mr. Sulaiman Adedokun and Mr. Adebayo Adeleke are retiring by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

The profiles of the Directors to be re-elected are included in the Annual Report.

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	125,513,860	26.77
Saham Unitrust Insurance Nig. Ltd	100,000,000	21.33
Adebayo Thomas Bandele (Otunba)	35,250,080	7.52

8. Donations

Donations made during the year amounted to ₦50,000 (2019- ₦ 301,400) detail of which is stated below:

	₦
New Heart Charity Foundation	50,000
	=====

9. Director's interest in contracts

For the purpose of Section 303 of the Companies and Allied Matters Act, 2020, 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 284 (2) of the Companies and Allied Matters Act, 2020, 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.

In view of the ongoing COVID 19 pandemic, the Company's goal is to ensure the health and safety of our employees in line with government regulations and the measures and guidelines put in place by the NCDC.

12. Property, plant and equipment

Movements in Property, plant and equipment during the year are shown in note 12 on page 39. 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 31st December, 2020 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.

15. **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	438	9.51	90,791	0.02
501-1,000	1,042	22.62	804,207	0.17
1,001-5,000	2,045	44.40	4,638,638	0.99
5,001-50,000	873	18.95	13,147,277	2.80
50,001-100,000	75	1.63	5,455,629	1.16
100,001-500,000	82	1.78	18,554,069	3.96
500,001-1,000,000	15	0.33	11,212,841	2.39
1,000,001-10,000,000	27	0.59	90,033,562	19.20
10,000,001- 468,847,132	9	0.20	324,910,118	69.30
	<u>4,606</u>	<u>100</u>	<u>468,847,132</u>	<u>100</u>
	=====	=====	=====	=====

16. **Share Capital History**

The minimum issued share capital currently stands at ₦250,000,000 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 (₦)		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

17. **Auditors**

Messrs. HLB Z. O. Ososanya and Co.(Chartered Accountants) have indicated their willingness to continue in office as auditors of the company in accordance with the provision of Section 401 (2) of the Companies and Allied Matters Act, 2020 LFN 2020 (as amended). A resolution will be proposed at the annual general meeting to authorize the directors to determine their remuneration.

BY ORDER OF THE BOARD



CAUTION SERVICES LIMITED
(COMPANY SECRETARIES)
LAGOS, NIGERIA.
FRC/2013/ICSAN/00000002873
March 15, 2021

COMPLAINTS MANAGEMENT POLICY

Introduction

This policy implements the Securities and Exchange Commission (SEC) rules relating to the complaints management framework of the Nigeria 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 feed-back from customers, clients, staff and the public generally. Also, it wants staff to be complaints friendly and not defensive or negative about feedback and recognizes that properly handled and analyzed, 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 customers 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.

CORPORATE GOVERNANCE REPORT

Dear Shareholders,

Trans-Nationwide Express PLC (TRANEX PLC) remains committed to achieving and maintaining best practices in Corporate Governance and maintaining the highest standards of Corporate Governance in the Company.

Its business is conducted in compliance with relevant laws and regulations and in line with global best practices. Consequently, the Company regularly reappraises its processes to ensure that its business conforms to best practice always.

The Board of Directors of TRANEX PLC is pleased to report that during the year ended December 31, 2020, the Company complied with the principles and guidelines of its Corporate Governance Code and the Nigerian Code of Corporate Governance.

The Board recognizes 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. The Directors have participated in the Fiduciary Awareness Certification Test (FACT) of the Corporate Governance Rating System (CGRS) introduced by the Nigerian Exchange Group and The Convention on Business Integrity (CBI).

Our efforts in this regard have been strengthened by key initiatives in the domestic regulatory environment. The launch in 2018 by the Financial Reporting Council of Nigeria (FRCN) of the "Nigerian Code of Corporate Governance" (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 2 (two) 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.

Board Structure & Composition

The Board of TRANEX PLC is composed of 5 (five) Directors as at December 31, 2020. The age range on the Board is adequate and the female gender representation is 20% of the Board.

The Board exercises leadership, enterprise, integrity and judgment in its oversight and control of the Company. Some of the characteristics of the Board members of Trans-Nationwide Express PLC are as follows:

- They respect clear division of the roles between Management and Board.
- They take advantage of technology to improve overall performance and are forward looking.
- They develop Board dynamics that promote an environment of mutual trust.
- They engage external Consultant to advice where necessary.

Members of the Board have a wide range of experiences, including Business and Entrepreneurship, Finance and Accounting, Investment, Information Technology, Law, Banking, Administration, Aviation and Transport, Risk Management and Strategy & Business Development. To safeguard the objectivity and independence of the Board, no individuals have unfettered powers of decision making and there is no cross membership on the Board of competing companies.

Changes in the Structure & Composition of Board

During the period under review the following changes were made to the structure and composition of the Board:

- Dr. Oladiran Fawibe, the Chairman of the Board resigned as a Director of the Company.
- Mr. Sulaiman Adedokun was appointed as Chairman of the Board of Directors.

Board of Directors

The following were Directors of the Company who served during the period under review:

S/N	Names	Designation	Date of Appointment/Resignation
1.	Mr. Sulaiman Adedokun	Chairman	Appointed with effect from 11/07/2018
2.	Mr. Theodore O. Chikelu	Managing Director/CEO	Appointed with effect from 12/12/2019
3.	Mr. Kayode O. Ajakaiye	Non-Executive Director	Appointed with effect from 28/03/1984
4.	Mr. Adebayo A. Adeleke	Non-Executive Director	Appointed with effect from 11/07/2018
5.	Ms. Daniella F. Suleman	Non-Executive Director	Appointed with effect from 11/07/2018
6.	Dr. Oladiran Fawibe	Non-Executive Director	Resigned with effect from 16/07/2020

The Roles & Responsibilities of the Board

The primary responsibilities of the Board are the performance, oversight of affairs and direction of the Company. The Board is responsible for defining the Company's strategic goals and deploying the relevant personnel for the attainment of these goals. Additionally, the Board has supervisory oversight in ensuring that the Company's affairs are run in compliance with the law, its Articles of Association and principles of good corporate governance.

Some of the functions carried out by the Board in the fulfillment of its mandate include:

- Provide strategic direction for the Company.
- Ensure that aims and objectives are met.
- Provide focused direction on long term sustainability of the Company.
- Provide clear sense of where management's efforts should be directed.
- Define clearly the results which they expect the Company to achieve.
- Exercise reasonable level of care and due diligence in dealings with all stakeholders.
- Ensure compliance with all relevant legislation, regulators and constitutional requirements.
- Consideration and approval of Management Accounts and Annual Budgets.
- Appointment of Directors.
- Consideration and Approval of matters that may facilitate and guide Management in carrying out the day-to-day operations of the business.
- Considering the recommendations of the Board Risk Management and Governance Committee for the appointment of Directors and recommending same to Shareholders for approval at the General Meeting of the Company.

The Roles of the Officers of the Board

The Chairman of the Board

The Chairman provides overall leadership and direction to the Board. His primary responsibility is to ensure effective operation of the Board such that it works towards achieving the Company's strategic plans, enhancing shareholder value. He ensures that all members of the Board are fully informed, involved and well trained and that the Directors and Management are effective.

The Non-Executive Directors

The Non-Executive Directors bring their knowledge and expertise on issues of strategy and performance on the Board. The Non-Executive Directors are not involved in the day-to-day management of the Company, but have unfettered access to the Company Secretary, the Internal Auditor, and other senior Management Staff.

The Managing Director/CEO

The Managing Director/CEO is the Head of Management and is responsible for the day-to-day management of the Company in accordance with the delegated powers of the Board. He has a broad understanding of the Company's business and delegates duties to Management and Management Committees to ensure the implementation of the directives of the Board towards attaining the strategic objectives for sustainable corporate performance.

The Company Secretary

The Company Secretary is accountable to the Board and advises the Board through the Chairman and the Managing Director on all matters relating to governance and ethics, including Directors Fiduciary responsibilities as well as ensuring compliance with the Companies & Allied Matters Act 2020 (CAMA), Nigerian Code of Corporate Governance (NCCG) 2018, Securities & Exchange Commission Code of Corporate Governance for Public Companies 2011, the Listing Rules of the Nigerian Exchange Group, the requirements and the Articles of Association of the Company, rules, codes, and regulatory circulars amongst others.

Appointment to the Board

The Risk Management & Governance Committee is vested with the responsibility for initiating and recommending to the Board new appointments. The Company writes letters to the Institute of Directors for recommendation of qualified persons based on their wealth of experience for appointment to the Board, then the Risk Management & Governance Committee would review the Curriculum Vitae of the proposed candidate, whilst the Company carries out detailed background check/due diligence on prospective individuals to ascertain their suitability for the position and upon confirmation, the Risk Management & Governance Committee, would recommend the potential candidate to the Board of Directors for appointment.

Board Meetings:

Meetings were held 5 (five) times in 2020 financial year. The Board meetings for 2020 were held on the following days : 27th May, 2020; 15th July, 2020; 25th September, 2020; 30th October, 2020; and 11th December, 2020.

Names of Directors	No. of meetings Held	No. of meetings Attended
Dr. O. Fawibe (Chairman)*	5	2
Mr. Theodore Chikelu (MD/CEO)	5	5
Mr. Kayode Ajakaiye	5	5
Mr. Sulaiman A. Adedokun**	5	5
Mr. Adebayo A. Adeleke	5	5
Ms. Daniella Fatima Suleman	5	5

*Dr. O. Fawibe resigned as a Director of the Company with effect from 16th July, 2020.

**Mr. Sulaiman A. Adedokun was appointed Chairman of the Company with effect from 17th July, 2020.

Committee Meetings:

i) Business Development, Finance, & General purpose committee:

Meetings were held 4 (four) times in 2020 financial year. The Business Development, Finance & General Purpose Committee meetings for 2020 were held on the following days: 18th March, 2020; 1st July, 2020; 9th September, 2020 and 2nd December, 2020.

Members of Committee	No. of Meetings Held	No. of meetings Attended
Mr. Kayode Ajakaiye (Chairman)	4	4
Mr. Adebayo Adeleke (Member)	4	4
Ms. Daniella Suleman (Member)	4	4

ii) **Risk Management and Governance Committee:**

Meetings were held 4 (four) times in 2020 financial year. The Risk Management and Governance Committee meetings for 2020 were held on the following days : 17th March, 2020; 30th June, 2020; 7th September, 2020; and 30th November, 2020.

Members of Committee	No. of Meetings Held	No. of meetings Attended
Mr. Sulaiman A. Adedokun (Member)*	4	2
Mr. Adebayo A. Adeleke (Chairman)	4	3
Ms. Daniella Fatima Suleman (Member)	4	4

*Mr. Sulaiman A. Adedokun ceased to be a member of the Risk Management and Governance Committee following his appointment as the Chairman of the Company with effect from 17th July, 2020.

iii) **Audit Committee:**

Meetings were held 3 (three) times in 2020 financial year. The Audit Committee meetings for 2020 were held on the following days: 12th March, 2020; 2nd July, 2020; and 5th November, 2020.

Members of Committee	No. of Meetings Held	No. of meetings Attended
Mr. Oluwaseun Olukoya (Chairman) *	3	3
Mr. Kayode Ajakaiye (Member)	3	3
Mr. Olusegun Oguntoye (Member)	3	3
Mr. Adebayo A. Adeleke (Member)***	3	1
Mr. Sulaiman A. Adedokun**	3	2

* Mr. Oluwaseun Olukoya was appointed Chairman of the Audit Committee at the meeting held on 5th November, 2020. However, prior to this meeting, Mr. Olusegun Oguntoye was the Chairman of the Committee.

**Mr. Sulaiman A. Adedokun ceased to be a member of the Audit Committee following his appointment as the Chairman of the Company with effect from 17th July, 2020.

***Following the appointment of Mr. Sulaiman A. Adedokun as the Chairman of the Board, Mr. Adebayo A. Adeleke and Mr. Kayode Ajakaiye were nominated by the Board as members of the Committee at the meeting held on 15th July, 2020.

Shareholders' Rights & Investor Relations

The issue of Unclaimed Dividend has been a major concern to the Capital Market Regulators, Public Listed Companies, Investors and other stakeholders. The Securities and Exchange Commission (SEC) has made several efforts to address the issue of unclaimed dividend by introducing electronic payment of dividend, consolidation of multiple accounts used by shareholders as measures to increase investors' confidence in the Capital Market.

Conflict of Interest

The Company has a policy on 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 are formally declared at Board meetings and managed responsibly.

Anti-Corruption and Money Laundering Policy

It is the policy of the Company 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.

Complaint Management Framework

The Company has a Complaint Management Policy and Framework in place in accordance with the SEC directives on resolution of complaints.

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 the policy guidelines.

Code of Conduct & Ethics

The Company operates in a manner which is consistent with Stakeholder expectations and relevant legislations and it ensures that the Board Members and officers comply with any conduct provisions of the Articles which closely replicate the Director's duties contained in the Companies and Allied Matters Act, 2020, the Board Charter and other regulatory regulations.

The Board promotes high ethical and integrity standards through its actions, attitude and communications with Management, other members of staff, its immediate community and Regulators and ensures that all breaches are effectively sanctioned.

The Company's Code of Business Conduct and Ethics commits the Board, Management, employees, contractors, suppliers and the Company's controlled entities to the highest standards of professional and ethical behaviour, business conduct and sustainable business practices.

The Board is responsible for monitoring adherence to the Code of Business Conduct and Ethics to ensure that breaches are effectively sanctioned.

Annual Board Evaluation & Corporate Governance Evaluation

The Board is required to establish a system to undertake a formal and rigorous evaluation of its own performance, that of its Committees, and individual Directors. The aim of the assessment is to provide the Board with the opportunity to reflect and obtain feedback on its performance.

The Nigerian Code of Corporate Governance 2018 (NCCG) also provides, amongst other things, that the evaluation should be carried out by an independent external Consultant once in three years and in addition, a Corporate Governance Evaluation should also be conducted by an external Consultant once in three years. In line with the provisions of the NCCG, the Company is already taking steps to conduct its Annual Board Evaluation and Corporate Governance Evaluation using a qualified external consulting firm.

Covid-19 Strategies at Trans-Nationwide Express PLC.

In March 2020 the World Health Organization (WHO) declared the COVID -19 outbreak, a global pandemic, and in response to this global crisis the Federal Government of Nigeria imposed a nationwide lockdown, followed by several months of restricted movement. At Tranex PLC, our number one priority is the health and safety of our employees and customers. Therefore in the days following these significant announcements, Tranex PLC has had to deal with these challenges to ensure the protection of the health of its staff members while maintaining business continuity.

We ensured that only essential employees came physically to the office and also provided them with the necessary tools needed to continue to work both remotely for those working from home and onsite, for those at work, in order to ensure delivery of seamless services to our customers.

Sustainability Framework - Environmental, Social & Governance (ESG)

The TRANEX approach to sustainability is underpinned by an evidence -based and stakeholder driven strategy through long years of experience and service in the courier and logistics space in an evolving emerging market like Nigeria.

At Trans-Nationwide Express PLC, we take cognizance of the sustainable economic, social, environmental and governance factors in the process of executing our mission as a Logistics Company, because as we forge ahead in changing times such as the world is, sustainability is central to our continued growth. Our plan is to see that the resultant effect of our economic activities does not result in danger for staff or members of our host community.

The New Companies & Allied Matters Act 2020 and Impact on Governance Practices

The Companies and Allied Matters Act 2020 repealed the CAMA Cap C20 Laws of Federation of Nigeria of 2004. The new Act contains some changes and amendments in alignment with global best corporate governance practices. The Board of the Company is already putting structures in place to implement the changes:

- ✓ Independent Directors - Section 275 provides that every public company is now required to have at least three (3) independent directors.

- ✓ Restrictions on multiple directorships in public companies - Section 307(2) of the Act prohibit a person from being a Director in more than five (5) public companies at a time. A moratorium of 2 years has been given for regularization.
- ✓ New Ordinary Business to be Transacted at an Annual General Meeting (AGM) - Under Section 238 of the Act, disclosure of remuneration of 'Managers' of a company has been added as part of the ordinary businesses to be transacted at AGMs.
- ✓ Composition of Audit Committee - Section 404(3) requires the Audit Committee of a public company to have five (5) members comprising of 3 (three) Shareholders representatives and 2(two) Non-Executive Directors.

Remuneration of Directors

The Board ensures that the Company remunerates fairly, responsibly and transparently the achievement of strategic objectives and positive outcomes in the short, medium and long term. Only Non-Executive Directors are paid Annual Fees as well as Sitting Allowances for attendance at Board and Committee meetings, they are however not entitled to be paid performance -based compensation.

The schedule of Annual Fees and Sitting Allowances payable to Non -Executive Directors for the year ended December 31, 2020 as follow:

S/N	ANNUAL FEES	N
1	4 Non-Executive Directors (per NED)	430,000

S/N	SITTING ALLOWANCES	N
1	Board of Director's Meetings (per NED)	70,000
2	Board Committee Meetings (per NED)	60,000

Disclosure of Remuneration of Managers

Section 257 of CAMA 2020 provides that the compensation of managers of a company shall be disclosed to members of the company at the Annual General Meeting.

The schedule of the Compensation of Managers for the year ended December 31, 2020 is as follows:

S/N	Description	N
1	Managers remuneration (inclusive of taxes and other statutory obligations)	72,000,000

Recent Development - Finance Act 2020

The Finance Act 2020 which became effective on January 1, 2021 provides that any unclaimed dividends of public listed companies that remain unclaimed for six (6) years after declaration shall be transferred immediately to the Unclaimed Funds Trust Fund either by the company or its Registrar.

It further provides that the Trust Fund shall be governed by the Governing Council chaired by the Minister of Finance and Public listed companies are to render returns on unclaimed dividend to the Debt Management Office.

A notable provision in the Act is that all unclaimed dividend that have been transferred to the Unclaimed Funds Trust Fund shall be a Special Debt owed by the Federal Government to the Shareholder and shall be available for claim together with the interest accrued at any time (in perpetuity).

The Act however makes it an offence for any company that fails to transfer its unclaimed dividend to the Fund and make the company liable to pay up to five (5) times the value of the unclaimed dividends with accumulated interest.

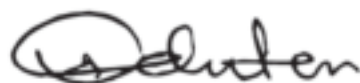
Compliance with regulatory requirements

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 Exchange Group post -listing rules.
- The Securities and Exchange Commission's Code of Corporate Governance for Public Companies 2018.
- Companies and Allied Matters Act, 2020.
- International Corporate Governance Best Practices.
- Nigerian Code of Corporate Governance, 2018.

In the period under review, the Company received a letter from the Securities and Exchange Commission for default/infringement notice for late submission of the Company's Financial Reports for the period covering 2012 to 2015 and a penalty for the sum of ₦4,140,000.00 (Four Million, One Hundred and Forty Thousand Naira Only), out of which the sum of ₦2,120,000.00 (Two Million, One Hundred and Twenty Thousand Naira only) was paid in 2020 financial year.

BY ORDER OF THE BOARD



CAUTIOUS SERVICES LIMITED
(COMPANY SECRETARIES)
LAGOS, NIGERIA.

FRC/2013/ICSAN/00000002873
March 15, 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 2020.

The responsibilities include ensuring that:

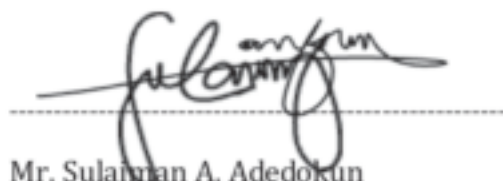
- i. Proper accounting records are maintained.
- ii. Internal control procedures are instituted which as far as is reasonably possible safeguard the assets, prevent and detect fraud and other irregularities.
- iii. Applicable accounting standards are followed.
- iv. Suitable accounting policies are adopted 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.

Going concern:

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

The financial statements of the Company for the year ended 31st December, 2020 were approved by directors on 15th March, 2021

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Mr. Sulaiman A. Adedokun
(Chairman)
FRC/2015/ICAN/00000010637



Mr. Theodore O. Chikelu
(Managing Director)
FRC/2020/002/000000/20319

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 31st December 2020, the statement of profit or loss, statement of changes in equity, statement of cash flows for the year ended 31st December 2020, a summary of significant accounting policies and other explanatory information set out on pages 21 to 44.

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 31st December, 2020 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). Those 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>Impairment of trade receivables: During the year, the company's trade receivables was N380 million which is 71% of current assets and 47% of total assets. The N380 million was impaired and partially provided for N101.4million.</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 accounts and credit department personnel on information relating to specific customers with long outstanding debts.</p>

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, 2020

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, 2020 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.
- 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.
16th March, 2021

Babatunde Joel Kolawole; FCA
FRC/2013/ICAN/00000000736
For: HLB Z.O. Ososanya & Co.
(CHARTERED ACCOUNTANTS)

REPORT OF THE AUDIT COMMITTEE

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters, 2020, we have examined the Auditors' Report for the year ended 31st December, 2020. 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 4th Day of March, 2021.



Mr. Oluwaseun Olukoya
Chairman, Audit Committee
FRC/2020/ISPON/002/00000021012

Lagos, Nigeria

Members of the Committee:

Shareholders' Representatives

1. Mr. Oluwaseun Olukoya
2. Mr. Olusegun Oguntoye

Directors' Representatives

1. Mr. Kayode Ajakaiye
2. Mr. Adebayo Adeleke

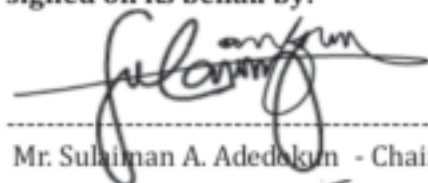
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2020 N'000	2019 N'000
Revenue	3	668,622	790,525
Direct costs of operation	4	(543,621)	(515,138)
		-----	-----
Gross profit		125,001	275,387
Administrative expenses	5	(201,508)	(260,202)
Other operating income	6	<u>2,107</u>	<u>7,331</u>
(Loss)/profit before taxation		(74,400)	22,516
Income tax (expense)/credit	22(i)	<u>14,554</u>	<u>(7,600)</u>
 (Loss)/ profit for the year attributable to:			
Owners of the company		(59,846)	14,916
		=====	=====
 Earnings per share:			
Basic - (loss)/profit per share		(12.8)k	3.2k

STATEMENT OF FINANCIAL POSITION

	Notes	2020 N'000	2019 N'000
ASSETS:			
Non-current assets			
Property, plant and equipment	11	246,407	289,313
Intangible asset	12	6,339	7,301
Deferred tax asset	20	<u>17,762</u>	<u>1,337</u>
		270,508	297,951
Current assets			
Investment in equity shares	13	4,204	3,940
Inventories	14	5,336	9,286
Trade and other receivables	15	485,837	449,169
Cash and cash equivalents	16	<u>39,443</u>	<u>25,256</u>
Total current assets		534,820	487,651
Total assets		805,328	785,602
EQUITY			
Share capital	17	234,424	234,424
Share premium	18	71,261	71,261
Retained earnings	29	<u>207,226</u>	<u>281,137</u>
Total equity		512,911	586,822
Non- current liabilities			
Deferred tax liabilities	20	-	-
Current liabilities			
Trade and other payables	21	264,278	163,209
Income tax payable	22(ii)	<u>28,139</u>	<u>35,571</u>
Total current liabilities		292,417	198,780
Total liabilities		292,417	198,780
Total equity and liabilities		805,328	785,602

The financial statements were approved by the Board of directors on the 15th March, 2021 and signed on its behalf by:



Mr. Sulaiman A. Adedokun - Chairman

FRC/2015/ICAN/00000010637



Mr. Theodore O. Chikelu -Managing Director

FRC/2020/002/00000020319



Mr. Olubodun Oshunlana - Head of Finance

FRC/2015/ICAN/00000012804

STATEMENT OF CHANGES IN EQUITY

	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Total N'000
2020				
Balance at 1 st January, 2020	234,424	71,261	281,137	586,822
Dividend paid	-	-	(14,065)	(14,065)
Prior year adjustment	-	-	-	-
Loss for the year	-	-	(59,846)	(59,846)
Balance at 31 st December, 2020	234,424	71,261	207,226	512,911
	=====	=====	=====	=====
2019				
Balance at 1 st January, 2019	234,424	71,261	266,221	571,906
Dividend paid	-	-	-	-
Prior year adjustment	-	-	-	-
Profit for the year	-	-	14,916	14,916
Balance at 31 st December, 2019	234,424	71,261	281,137	586,822
	=====	=====	=====	=====

STATEMENT OF CASH FLOWS

			2020	2019
	Notes	N'000	N'000	N'000
Cash flows from operating activities:				
Cash received from customers		632,588	713,499	
Cash payments to suppliers and employees		<u>(578,740)</u>	<u>(678,732)</u>	
Cash generated from operations	23	53,848	34,767	
Taxation paid		<u>(9,303)</u>	<u>(45)</u>	
Net cash from operating activities			44,545	34,722
Cash flows from investing activities				
Purchase of Property, Plant, & Equipment and Intangibles		(17,502)	(57,743)	
Proceeds from the sale of equipment		376	4,837	
Interest received		764	16	
Dividend received		<u>69</u>	<u>201</u>	
Net cash outflow from investing activities			(16,293)	(52,689)
Cash flows from financing activities				
Dividend paid		(14,065)	-	
Proceeds of rights issue		<u>-</u>	<u>-</u>	
Net cash outflow from financing activities			<u>(14,065)</u>	<u>-</u>
Net increase in cash & cash equivalents			14,187	(17,967)
Cash and cash equivalents at 1 st January			<u>25,256</u>	<u>43,223</u>
Cash and cash equivalents at 31st December	16		39,443	25,256
			=====	=====

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

The financial statements of Trans-Nationwide Express Plc for the year ended 31st December, 2020 were authorized for issue in accordance with the approval of the Board of Directors on 15th March, 2021.

Trans – Nationwide Express Plc was a Limited liability company incorporated as TNT SKYPAK NIGERIA LIMITED on 28th March, 1984 and domiciled in Nigeria and became public by listing on 6th September, 1992 when the Company's name was changed to Trans-Nationwide Express Plc. The Company's registered office is located at Plot 28, Oshodi -Apapa Expressway, Oshodi, Lagos State, Nigeria.

The Company is principally engaged in the provision of courier services, freight services, logistics, mail room management, haulage, e-commerce etc from the headquarters in Lagos and thirty eight branches nationwide.

2. Significant accounting policies

a *Basis of preparation*

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as provided by the financial reporting council of Nigeria and in accordance with the provisions of the Companies and Allied Matters Act 2020.

Functional and presentation currency

These financial statements have been prepared under historical cost convention except for the under mentioned areas which are measured as indicated:

- Available for sale financial assets are measured at Fair value.
- Financial Instruments measured at Fair value.
- Loans and advances are at amortized cost.
- Inventory is measured at lower of cost and net realizable value.

The financial statements are presented in Naira, which is the company's functional currency and all values are rounded to the nearest thousand (N'000) except where otherwise indicated

Composition of financial statements :

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. Translation of foreign currency:

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 satisfies a performance obligation in the contract which has been allocated a transaction price and 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 recognized.

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

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

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 recognized 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.

Shortly before finalizing the 2020 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 recognized 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 contracts specifically contain 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.

(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 recognized 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 recognize revenue immediately the shipments are picked. However, under IFRS 15, Trans-Nationwide Express Plc will need to recognize its revenue over time with an appropriate measure of progress. This measure will be most likely be based on shipment delivered. 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 recognized 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.

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 any 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.

f. 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.

g. 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.

h. 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.

i. Financial instruments

a. Classification and measurement

Financial assets

The objective of the 'hold to collect' business model is to hold financial assets to collect their contractual cash flows, rather than with a view to selling the assets to generate cash flows.

The company's policy is to initially recognize financial assets at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit or loss.

Classification and subsequent measurement is dependent on the company's business model for managing the asset and the cashflow characteristics of the asset. On this basis, the company classifies its financial instruments at fair value through profit or loss.

The business models applied to assess the classification of the financial assets held by the company are:

Hold to collect: The objective of the 'hold to collect' business model is to hold financial assets to collect their contractual cash flows, rather than with a view to selling the assets to generate cash flows. Assets held under this business model are measured at amortised cost.

Fair value through other comprehensive income: Financial assets in this category are held to collect contractual cash flows and sell where there are advantageous opportunities. The cash flows represent solely payment of principal and interest. These financial assets are measured at fair value through other comprehensive income.

Fair value through profit or loss: This category is the residual category for financial assets that do not meet the criteria described above. Financial assets in this category are managed in order to realize the asset's fair value.

The business model for the company's financial assets are held to collect contractual cash flows that are solely payments of principal (for non-interest bearing financial assets) or solely payments of principal and interest (for interest bearing financial assets).

The Company's financial assets include trade and other receivables, cash and cash equivalents and due from related parties. They are included in current assets, except for maturities greater than 12 months after the reporting date.

Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in finance income/cost.

Financial liabilities

Financial liabilities of the company are classified and measured at fair value on initial recognition and subsequently at amortized cost net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables.

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 either on a 12-month or lifetime basis. Trans-Nationwide Express Plc applies 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.

j. 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.

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 include 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 2014 as amended. The Scheme is funded through monthly contributions of 10% and 8% 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.

s. *Contingent liabilities*

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

Contingent liabilities are only disclosed by way of note and not recognized as liabilities in the statement of financial position.

t. *New standards not yet effective*

Certain new standards, amendments to standards and interpretations have been published but are not yet effective for the financial year ended 31st December 2020 and have not been early adopted by the company. The company's assessment of the impact of these new standards and interpretations is as stated below;

IFRS 17- Insurance Contracts effective for annual periods beginning 1 January 2021

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard.

The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023.

The standard is not likely to have any impact on the company.

3. Revenue is made up of:	2020	2019
	N'000	N'000
Courier services	352,207	474,314
Logistics income	47,054	45,898
Internal mailing income	48,762	46,900
Mail bag income	13,135	21,334
Mass mailing income	39,121	128,844
Freight income	157,495	64,198
Warehousing income	<u>10,848</u>	<u>9,037</u>
	668,622	790,525
	=====	=====
4. Direct costs of operation		
Salaries and staff related costs	209,797	175,050
Direct operating expenses	131,855	185,630
Logistic expense	29,670	10,495
Internal mailing expense	37,502	30,206
Mass mailing expense	8,922	14,243
Mail bag expense	1,963	6,920
Freight expense	56,960	37,984
Warehousing expense	15	1,316
Direct delivery cost	15,335	5,913
Depreciation cost of sales	<u>51,602</u>	<u>47,381</u>
	543,621	515,138
	=====	=====
5. Administrative expenses		
Rent, rates and insurance	25,009	28,174
Salaries and related staff cost	43,294	43,762
Directors' emoluments	12,384	12,225
Bank charges and commissions	908	2,603
Printing and stationery	2,401	4,137
Repairs, maintenance and upkeeps	8,103	13,996
Impairment allowance for receivables	25,200	25,400
Audit fee	2,000	2,000
Legal and other professional fees	2,882	18,220
Vehicle running expenses	20,850	38,474
Depreciation	8,806	9,183
Amortisation	962	399
General administrative expenses	48,659	58,812
Donation and subscription	<u>50</u>	<u>2,817</u>
	201,508	260,202
	=====	=====
6. Other income		
Gain on investment valuation (financial assets)	264	150
Interest on short term deposit	769	16
Dividend income	64	201
Exchange rate gain	-	1,612
Sale of scrap	-	52
Sundry income	634	464
Profit on assets disposal	<u>376</u>	<u>4,836</u>
	2,107	7,331
	=====	=====

7. Depreciation, amortization and costs of inventories included in the statement of profit or loss.

	2020 N'000	2019 N'000
Included in direct cost of operation: -		
Costs of inventories recognized as an expense	3,950	16,952
Depreciation (Note 4)	51,602	47,381
	=====	=====
Included in administrative expenses: -		
Depreciation (Note 5)	8,806	9,183
Amortisation of intangible assets (Note 5)	962	399
	=====	=====

8. **Employee benefits expenses**

- Included in direct cost of operation: -
Wages, salaries and related staff cost.

209,797 175,050

- Included in cost of administrative expenses: -

Salaries and related staff cost

43,294 43,762

Total employees' benefits expenses

253,091 218,812

=====

9. **Profit/(loss) before taxation**

Profit/(loss) before taxation is

stated after charging:

Depreciation of property, plant and
equipment (Note 11)

60,408 41,814

Amortization of intangible assets (Note 12)

962 -

Directors' emoluments (Note 24.1)

12,384 12,225

Auditor's remuneration (Note 5)

2,000 2,000

Other income (Note 6)

2,107 7,331

=====

- 9.1 Other income represents majorly sales of scrap materials , dividend income, interest on short-term deposit, gain on valuation of equity instruments and profit on sale of fixed assets.

10 **Earnings /(Loss) per share:**

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

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all diluted potential ordinary shares. There were no potentially diluted shares in current year, thus basic loss per share and diluted loss per share are as follows:

	2020 N'000	2019 N'000
Net (loss) / profit attributable to ordinary equity holders of the company for basic loss	(59,846) =====	14,916 =====
10.1 Basic/diluted loss per share:		
Weighted average shares on basic and diluted loss per share	468,848 =====	468,848 =====
Basic earnings per share	(12.7)k	3.2k
Diluted loss per share	(12.7)k	3.2k

11. Property, Plant and Equipment

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

	Land	Building	Motor vehicles	Office equipment	Furniture & Fittings	Motor Cycles	Plant & machinery	Computer Equipment	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
COST									
At 01/01/2020	55,000	97,841	317,595	20,282	11,743	31,696	10,985	34,241	579,383
Additions	-	-	9,130	1,301	1,107	2,100	-	3,864	17,502
Disposals	-	-	(1,700)	-	-	-	-	-	(1,700)
At 31/12/2020	55,000	97,841	325,025	21,583	12,850	33,796	10,985	38,105	595,185
DEPRECIATION									
At 01/01/2020	-	9,981	201,037	11,690	9,802	27,011	5,800	24,749	290,070
Charge for the year	-	1,957	47,437	1,465	446	4,165	1,079	3,859	60,408
Disposals	-	-	(1,700)	-	-	-	-	-	(1,700)
At 31/12/2020	-	11,938	246,774	13,155	10,248	31,176	6,879	28,608	348,778
COST									
At 01/01/2019	55,000	97,841	312,455	14,657	10,974	30,043	7,129	25,511	553,610
Additions	-	-	27,409	5,625	769	3,654	3,855	8,731	50,043
Disposals	-	-	(22,270)	-	-	(2,000)	-	-	(24,270)
At 31/12/2019	55,000	97,841	317,594	20,282	11,743	31,697	10,984	34,242	579,383
DEPRECIATION									
At 01/01/2019	-	8,024	177,062	10,773	9,372	25,130	4,523	22,893	257,777
Charge for the year	-	1,957	46,245	917	430	3,881	1,277	1,856	56,563
Disposals	-	-	(22,270)	-	-	(2,000)	-	-	(24,270)
At 31/12/2019	-	9,981	201,037	11,690	9,802	27,011	5,800	24,749	290,070
CARRYING AMOUNTS									
At 31/12/2020	55,000	85,903	78,251	8,428	2,602	2,620	4,106	9,497	246,407
At 31/12/2019	55,000	87,860	116,557	8,592	1,941	4,686	5,184	9,493	289,313

There are no restrictions on the items of property, plant and equipment. The company has not pledged any item of property, plant and equipment as security for liabilities in the year ended 31st December, 2020 (2019:Nil)

12. Intangible assets	2020	2019
	N'000	N'000
Cost:		
At 1 st January	7,700	-
Additions	-	7,700
Write-off	-	-
At 31st December	7,700	7,700
	-----	-----
Accumulated amortization		
At 1 st January	399	-
Addition s	962	399
Write-off	-	-
At 31st December	1,361	399
	-----	-----
Carrying amounts:		
At 31st December	6,339	7,301
	=====	=====

The intangible asset is in respect of computer software with finite useful life of 4 years and am ortised on a straight-line basis over these years.

	2020	2019
	N'000	N'000
13. Investment in equity shares		
12,801units of Stanbic IBTC shares	564	525
80,356 units of Zenith Bank Plc shares	1,993	1,495
185,952 units of Access Bank Plc shares	1,571	1,859
30,000 units Fidelity Bank Plc shares	<u>76</u>	<u>61</u>
	4,204	3,940
	=====	=====
14. Inventories		
Courier fliers	1,369	4,768
Courier seals	2,858	730
Airway bills	<u>1,109</u>	<u>3,788</u>
	5,336	9,286
	=====	=====

	2020 N'000	2019 N'000
15. Trade and other receivables		
Trade receivables	380,038	326,340
Impairment allowance (Note 15.1)	<u>(101,364)</u>	<u>(76,163)</u>
Trade receivables : net	278,674	250,177
Prepayments (Note 15.2)	31,189	20,433
Other receivables	40,381	37,419
Withholding tax receivables (Note 15.3)	<u>135,593</u>	<u>141,140</u>
	485,837	449,169
	=====	=====

Trade receivables are non -interest bearing and are generally on terms of 30 to 90 days. The carrying value of these items approximates their fair value.

15.1 Allowance for impairment account.	2020 N'000	2019 N'000
At 1 st January, 2020	76,163	50,763
Charge for the year	25,201	25,400
Impairment loss written off/recovered	-	-
At 31 st December, 2020	<u>101,364</u>	<u>76,163</u>
	=====	=====

15.2 Ageing analysis

As at 31st December, the ageing analysis of the company's receivables is as follows:

	2020 N'000	2019 N'000
Head office:		
Neither past due nor impaired	67,220	49,483
Past due but not impaired:		
60-180 days	46,272	3,936
180-360 days	42,543	3,200
Past due and impaired:		
Above 1 year	<u>111,088</u>	<u>3,580</u>
	267,123	60,199
	-----	-----
Branches:		
Neither past due nor impaired	12,708	116,410
Past due but not impaired:		
120 - 180 days	13,658	24,879
210 -360 days	16,667	52,269
Past due and impaired:		
Above 1 year	<u>69,882</u>	<u>72,583</u>
	112,915	266,141
	-----	-----
	380,038	326,340
	=====	=====

	2020	2019
	N'000	N'000
15.3 Prepayments		
Insurances	8,525	4,307
Rent and rates	<u>22,664</u>	<u>16,126</u>
	31,189	20,433
	=====	=====
15.4 Withholding tax receivable		
At 1 st January	141,140	131,637
Addition in the year	3,756	9,503
Tax offset	<u>(9,303)</u>	<u>-</u>
	135,593	141,140
	=====	=====
16. Cash and cash equivalents		
Cash balances	1,262	1,169
Bank balances	<u>38,181</u>	<u>24,087</u>
	39,443	25,256
	=====	=====
17. Share capital	2020	2019
<i>Minimum issued share capital:</i>	N'000	N'000
500,000,000 ordinary shares 50k each	250,000	250,000
	=====	=====
<i>Issued and fully paid:</i>		
468,848,000 ordinary shares of 50k each	234,424	234,424
	=====	=====
18. Share premium		
At start of the period	71,261	71,261
	=====	=====
19. Retained earnings		
Balance at 1 st January	281,137	266,221
Dividend paid	(14,065)	-
(Loss)/ profit for the year	<u>(59,846)</u>	<u>14,916</u>
	207,226	281,137
	=====	=====

20.	Deferred tax		
	Balance as at 1 st January	(1,337)	366
	Decrease for the year	<u>(16,425)</u>	<u>(1,703)</u>
	Balance at 31 st December	(17,762)	(1,337)
		=====	=====

21.	Trade and other payables	2020	2019
		N'000	N'000
	Trade payables	31,644	14,849
	Other creditors and accruals	139,159	72,496
	Other payables (Note 22.2)	<u>93,475</u>	<u>75,864</u>
		264,278	163,209
		=====	=====

21.1 The carrying amount of trade payables, other creditors and accruals is considered to be in line with fair value at the reporting date. The average credit period on purchases of goods is 30days (2019: 30days). Normally, no interest is chargeable on Local trade payables.

21.2	Other payables	2020	2019
		N'000	N'000
	Withholding tax	1,992	2,073
	Value Added Tax	42,844	34,493
	Staff PAYE	7,619	3,277
	Pension fund	14,867	16,715
	Staff salaries and allowances	23,626	10,649
	Industrial Training fund	<u>2,527</u>	<u>8,657</u>
		93,475	75,864
		=====	=====

22.	Taxation		
	(i) <i>Statement of profit or loss:</i>		
	Income tax	1,672	7,753
	Tertiary education tax	199	1,550
	Deferred tax release	<u>(16,425)</u>	<u>(1,703)</u>
		(14,554)	7,600
		=====	=====
	(ii) <i>Statement of financial position:</i>		
	Balance at 1 st January	35,571	26,313
	Charge for the year	1,871	9,303
	Payment during the year	<u>(9,303)</u>	<u>(45)</u>
		28,139	35,571
		=====	=====

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), the Tertiary Education Trust Fund (Establishment) Act, LFN 2011 and the Finance Act 2020 (as amended).

23. Cash flows from operating activities	2020	2019
	N'000	N'000
(Loss)/profit before tax	(74,400)	22,516
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortization	61,370	56,963
Profit on disposal of plant and equipment	(376)	(4,836)
Unrealized (gain)/loss on investment valuation	(264)	(133)
Interest received	(764)	(16)
Dividend received	<u>(69)</u>	<u>(201)</u>
Operating profit before working capital changes	(14,503)	74,293
	-----	-----
Working capital changes		
Decrease in inventories	3,950	3,470
Increase in trade and other receivables	(36,668)	(84,140)
Increase in trade and other payables	<u>101,069</u>	<u>41,144</u>
Net changes in working capital	68,351	(39,526)
	-----	-----
Tax paid	(9,303)	-
Cash generated from operation	44,545	34,767
	=====	=====

Information relating to employees and directors during the year are:

24.1 Directors	2020	2019
	N'000	N'000
Fees	4,510	3,120
Sitting allowance	5,471	5,265
Other emoluments	<u>2,403</u>	<u>3,840</u>
Aggregate emoluments	<u>12,384</u>	<u>12,225</u>
	=====	=====
<i>Fees and other emoluments paid to:</i>		
The Chairman	2,020	2,020
Other directors	<u>10,364</u>	<u>10,205</u>
Aggregate emoluments	<u>12,384</u>	<u>12,225</u>
	=====	=====

24.2 Emoluments of Directors and their number within the specified range are as follows:

N	N	Number	Number
200,000	- 300,000	-	-
300,001	- 400,000	-	-
400,001	- 500,000	5	5
500,001	- 750,000	1	1
		===	===

24.3	Employee benefits	2020	2019
		N'000	N'000
	Wages, salaries, allowances and other benefits	253,091	218,812
	Post-employment benefits	-	-
		<u>253,091</u>	<u>218,812</u>
		=====	=====

24.4 The average number of persons employed by Trans-Nationwide Express Plc during the year are as follows:

	Number	Number
Management staff	11	10
Senior staff	14	7
Supervisors	35	44
Junior staff	<u>108</u>	<u>106</u>
	168	167
	=====	=====

The number of employees with gross emoluments within the bands stated below was as follows:

	Number	Number
350,001 - 450,000	-	-
450,001 - 550,000	16	15
550,001 - 650,000	7	8
650,001 - 950,000	108	111
950,001 - Above	<u>37</u>	<u>33</u>
	168	167
	=====	=====

25. 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

The Company has contingent liabilities of ₦ 35,000,000 (2019: ₦ 35,000,000) arising from pending litigations. Management has not made provision for these contingent liabilities as consultation with the company's solicitors have indicated that the likely outcome of the legal action will favour the company.

26. Comparative figures

Certain figures relating to the previous year have been re-stated in these financial statements to conform with the current year's classification.

OTHER NATIONAL DISCLOSURES

STATEMENT OF VALUE ADDED

Year ended 31 st December	2020		2019	
	N'000	%	N'000	%
Turnover	668,622		790,525	
Other income	<u>2,107</u>		<u>7,331</u>	
	670,729		797,856	
Bought-in materials & services	<u>(430,667)</u>	—	<u>(499,565)</u>	—
Value added	240,062	100	298,291	100
	=====	=====	=====	=====
APPLIED AS FOLLOWS:				
In payment to employees:				
Wages, salaries and other benefits	253,091	105	218,812	73
In payment to providers of funds:				
Finance cost	-	-	-	-
In payment to government:				
Income tax	1,672	1	7,753	3
Education tax	199	-	1,550	1
Retained for future replacement of assets and expansion of business:				
Deferred tax	(16,425)	(6)	(1,703)	(1)
Depreciation and amortization	61,371	25	56,963	19
Profit or loss account	<u>(59,846)</u>	<u>(25)</u>	<u>14,916</u>	<u>5</u>
	240,062	100	298,291	100
	=====	=====	=====	=====

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 st December	IFRS 2020 N'000	IFRS 2019 N'000	IFRS 2018 N'000	IFRS 2017 N'000	IFRS 2016 N'000
ASSETS EMPLOYED					
Property, plant & equipment	246,407	289,313	295,833	166,581	187,868
Deferred tax	17,762	1,337	-	-	-
Intangible assets	6,339	7,301	-	-	-
Short term financial asset	4,204	3,940	3,809	4,620	7,486
Inventories	5,336	9,286	12,756	6,722	7,102
Trade receivables	278,674	250,177	179,875	227,988	248,263
Other receivables	207,163	198,992	185,154	138,788	104,978
Cash and cash equivalents	<u>39,443</u>	<u>25,256</u>	<u>43,223</u>	<u>214,642</u>	<u>13,886</u>
	805,328	785,602	720,650	759,341	569,583
	=====	=====	=====	=====	=====
EQUITY AND LIABILITIES					
Share capital	234,424	234,424	234,424	234,424	99,410
Share premium	71,261	71,261	71,261	71,261	-
Retained earnings	207,226	281,137	266,221	292,654	327,977
Deferred tax liabilities	-	-	366	13,013	14,797
Bank overdraft	-	-	-	-	4,063
Trade and other liabilities	264,278	163,209	122,065	117,038	102,216
Tax liabilities	<u>28,139</u>	<u>35,571</u>	<u>26,313</u>	<u>30,951</u>	<u>21,120</u>
	805,328	785,602	720,650	759,341	569,583
	=====	=====	=====	=====	=====
TURNOVER & PROFIT					
Revenue	668,623	790,525	775,055	701,387	803,724
(Loss)/Profit before taxation	(74,400)	22,516	(38,938)	5,553	30,292
Taxation (Def. / tax release/charge incl.)	14,554	(7,600)	12,505	(1,942)	(10,106)
(Loss)/Profit after taxation	<u>(59,846)</u>	<u>14,916</u>	<u>(26,433)</u>	<u>3,611</u>	<u>20,186</u>
	=====	=====	=====	=====	=====
PER 50K SHARE DATA (KOBO)					
Earnings per share	(12.8)	3.2	(5.6)	0.8	10
Dividend per share	-	3	-	-	5



Trans-Nationwide Express Plc.

RC 61750

26, Oshodi / Apapa Expressway, Oshodi-Lagos. P.M.B. 21672, Ikeja.
Tel: +234 (0) 812 368 2573, 0909 527 0137, 0802 569 7917, 0704 618 2356

E-mail: tranex@tranex-ng.com
Website: www.tranex-ng.com

TRANS-NATIONWIDE EXPRESS PLC PROXY FORM

I/We of
(Name of Shareholder in Block letters)

The undersigned, being a Member of TRANS-NATIONWIDE EXPRESS PLC hereby appoint the following person:

S/N	Name	Proxy Choice
1.	Mr. Sulaiman Adedokun	
2.	Mr. Saheed Bashir	
3.	Mr. Tunji Ekan	
4.	Chief Matthew Akinlode	
5.	Mr. Moses Igbrude	
6.	Mr. Eric Akinduro	
7.	Mr. Ariyo Olugbozun	

RESOLUTIONS	FOR	AGAINST
1. To receive Reports & Accounts		
2a. To re-elect Mr. Sulaiman Adedokun as a Director.		
2b. To re-elect Mr. Adebayo Adesoke as a Director.		
3. To authorise the Directors to fix the remuneration of the Auditors		
4. To disclose the remuneration of Managers of the Company		
5. To elect members of the Statutory Audit Committee		
6. 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/her discretion.

or failing him/her, the Chairman of the meeting as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at Radisson Blu Hotel, No. 38-40, Isaac John Street, Ikeja GRA, Lagos on Wednesday, 28th July, 2021 at 11.00 a.m. and at any adjournment thereof.

Dated this day of 2021

Shareholder's Signature

NOTE:

- 1) This form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarial certified copy thereof, should be completed and deposited at the office of the Company's Registrars, Cardinal Stone (Registrars) Limited, 335/337, Herbert Macaulay Way, Beside St. Dominic Catholic Church, Yaba, Lagos State, or via email to registrars@cardinalstone.com, not later than 48 hours before the time of holding the meeting.
- 2) In the case of joint holders, the signature of anyone of them will suffice, but the names of all joint holders should be shown.
- 3) It is a legal requirement that all instruments of proxy must bear appropriate stamp duty (not adhesive postage stamps) from the Stamp Duties Office. The Company has made arrangement at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

ADMISSION FORM: TRANS-NATIONWIDE EXPRESS PLC RC 61750

*Name of Shareholder

* Name of Proxy (pick from list above)

A member (shareholder) entitled to attend and vote is entitled to appoint one or more Proxies to attend and vote instead of him. Proxy need not be a member. The above proxy form has been prepared to enable you exercise your right to vote.

IMPORTANT

Please insert your name in BLOCK CAPITALS on both proxy and admission form where asterisked. Insert the name of any person whether a member of the Company or not.

For the Registrars' use only

No. of shares held



DIRECTORS: Dr. Olatun Fawole (Chairman), Mr. David F. Salami, Mr. Sulaiman A. Adedokun, Mr. Adebayo A. Adesoke, Mr. Kayode Ajakaiye, Mrs. Nwaka Nwajia, Abaji Umar Bakki Jimada, Mrs. Olawatosin Ojo, Adenike Fatake, Mr. Theodore Chibilo (Managing)

