

TRANS-NATIONWIDE EXPRESS PLC

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2021**

CONTENTS	PAGE
Corporate information	1
Financial highlights	2
Report of the directors	3
Statement of Corporate responsibility	8
Corporate Governance report	9
Statement of directors' responsibilities	19
Report of the audit committee	20
Report of the auditors	21
Statement of comprehensive income	23
Statement of financial position	24
Statement of changes in equity	25
Statement of cash flows	26
Notes to the financial statements	27
Statement of value added	49
Five-year financial summary	50

CORPORATE INFORMATION

Directors:	Mr. Sulaiman Adedokun Mr. Theodore O. Chikelu Mr. Kayode O. Ajakaiye Mr. Adebayo A. Adeleke Mrs. Daniella F. Suleman Mr. Adegoke J. Olasoko Mr. Oluwasegun I. Adeoye	-Chairman -Managing Director/CEO (resigned w.e.f. 08/10/2021) (appointed w.e.f. 27/07/2021) (appointed w.e.f. 27/07/2021)
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, 4 23 Road, G. Close, Festac Town, Lagos. Tel: 08033052441, 08033372451 Email: cautiouscafeziabor@yahoo.com	
Registrars:	CardinalStone (Registrars) Limited 358, Herbert Macaulay Way, Besides St. Dominic Catholic Church, Yaba, 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-co.com; zoocolagos@yahoo.com	
Bankers:	Access Bank PLC, Fidelity Bank PLC, First Bank of Nigeria PLC, First City Monument Bank PLC, Keystone Bank Ltd Zenith Bank PLC	

FINANCIAL HIGHLIGHTS

	2021 ₦'000	2020 ₦'000	Change %
Revenue	678,508	668,622	2
	=====	=====	=====
Gross profit	74,885	125,001	(40)
Result from operating activities	(34,273)	(74,400)	(54)
Loss before taxation	(34,273)	(74,400)	(54)
Loss after taxation	(39,711)	(59,846)	(34)
	=====	=====	=====
At year end:			
Capital expenditure	55,788	17,502	219
Paid up share capital	234,424	234,424	-
Shareholders' fund	360,627	512,911	(30)
	=====	=====	=====
Per share data (kobo)			
Earnings per share	(9)	(13)	31
Net assets per share	77	109	(29)
Share price at year end	81	72	12
	=====	=====	=====

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, 2021.

1. Results

The results for the year are summarized as follows:

	2021	2020
	₦'000	₦'000
Loss before taxation	(34,273)	(74,400)
Taxation (expense)/credit	<u>(5,438)</u>	<u>14,554</u>
Loss after taxation	(39,711)	(59,846)
	=====	=====

The audited financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and the requirements of the Companies and Allied Matters Act, 2020 and The Financial Reporting Council of Nigeria Act, 2011.

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 Limited.

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, 2021.

5. Bonus issue

A bonus issue of 1 (one) new share for every 16 (sixteen) existing shares held by shareholders in the Company has been proposed by the Board of Directors for approval at the forthcoming Annual General Meeting.

6. Directors and their interests

The names of the Directors at the date of this report and of those who have held office during the year are as stated on page 1 of the financial statements.

In accordance with Article 82(2) of the Company's Articles of Association and Section 274 of the Companies and Allied Matters Act, 2020, the appointments of Mr. Adegoke Olasoko and

Mr. Oluwasegun Adeoye as Directors of the Company are to be ratified at the forthcoming Annual General Meeting and being eligible, they offer themselves for election.

Also, 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. Kayode Ajakaiye and Ms. Daniella Suleman are retiring by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election notwithstanding that Mr. Kayode Ajakaiye has already attained the age of seventy years.

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

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

	2021 Holdings		2020 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	125,513,860
Mr. Adebayo A. Adeleke	734,167	100,000,000	734,167	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 Holdings
Mr. Sulaiman A. Adedokun	MWML Nominees Limited	125,513,860
Mr. Adebayo A. Adeleke	Unitrust Insurance Company Limited	100,000,000
Ms. Daniella F. Suleman	Air Cdr. Dan Suleman (Rtd) OFR CON	18,393,170

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
Unitrust Insurance Company Ltd.	100,000,000	21.33
Adebayo Thomas Bandele (Otunba)	32,250,080	7.52

8. Donations

Donations made during the year amounted to ₦50,000 (2020- ₦50,000) detail of which is stated below:

New Heart Charity Foundation	₦ 50,000
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9. **Directors` 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 11 on page 37. 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, 2021 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	81	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
	4,605	100	468,847,132	100
	=====	=====	=====	=====

16. Share Capital History

The authorized ordinary 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

In accordance with Section 20.2 of the Nigerian Code of Corporate Governance, 2018, Messrs. HLB Z. O. Ososanya & Co. (Chartered Accountants), having served as Auditors of the Company for 10 years, will be resigning at the ensuing Annual General Meeting as Auditors to the Company.

Consequently, the Management is in the process of finalizing the appointment of new Auditors for the Company and putting up their proposal to the Audit Committee for recommendation and thereafter, approval by the Board of Directors so that same can be presented at the ensuing Annual General Meeting for final approval by shareholders.

BY ORDER OF THE BOARD

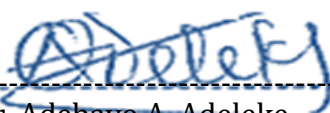

CAUTIONS SERVICES LIMITED
(COMPANY SECRETARIES)
LAGOS, NIGERIA.
FRC/2013/ICSAN/00000002873
March 17, 2022

STATEMENT OF CORPORATE RESPONSIBILITY

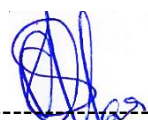
In accordance with the provisions of Sections 405 of the Companies and Allied Matters Act (CAMA) 2020, we have reviewed the Audited financial statements for the year ended 31st December, 2021 and based on our knowledge confirm as follows:

- The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.
- The audited financial statements and all other financial information included in the statements fairly present in all material respects, the financial condition and results of operation of the Company as of the period ended 31st December, 2021;
- The Company's internal controls have been designed to ensure that all material information relating to the Company is received and provided to the auditors in the course of the audit;
- The Company's internal controls were evaluated within 90 days of the financial reporting date and are effective as at 31st December, 2021;
- That we have disclosed to the Company's Auditors and the Statutory Audit Committee the following information:
 - a) That there are no significant deficiencies in the design or operation of the Company's internal control which could adversely affect the Company's ability to record, process, summarise and report financial data and have discussed with the auditors any weaknesses in internal controls observed in the course of the audit
 - b) There is no fraud involving management which could have any significant effect on the Company's internal control.

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



Mr. Adebayo A. Adeleke
Director
FRC/2013/NIM/00000002317
17th March, 2022



Mr. Olubodun Oshunlana
Head of Finance
FRC/2015/ICAN/00000012804
17th March, 2022

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 it's business conforms to best practice always.

The Board of Directors of TRANEX PLC is pleased to report that during the year ended December 31, 2021, 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 Limited 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 6 (six) Directors as at December 31, 2021. The age range on the Board is adequate and the female gender representation is 17% 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:

- Mr. Theodore O. Chikelu, the Managing Director, resigned as a Director of the Company.
- Mr. Oluwasegun Isaiah Adeoye and Mr. Adegoke Johnson Olasoko were appointed as Members 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	Resigned with effect from 08/10/2021
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	Appointed with effect from 11/07/2018

		Director	
6.	Mr. Isaiah Oluwasegun Adeoye	Non-Executive Director	Appointed with effect from 27/07/2021
7.	Mr. Johnson A. Olasoko	Non-Executive Director	Appointed with effect from 27/7/2021

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 Limited, the Memorandum and 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 2021 financial year. The Board meetings for 2021 were held on the following days: 25th January, 2021; 15th March, 2021; 27th July, 2021; 8th October, 2021; and 6th December, 2021.

Names of Directors	No. of Meetings Held	No. of meetings Attended
Mr. Sulaiman Adedokun (Chairman)	5	5
Mr. Theodore Chikelu (MD/CEO)*	5	4
Mr. Kayode Ajakaiye	5	5
Mr. Adebayo A. Adeleke	5	5
Ms. Daniella Fatima Suleman	5	5
Mr. Oluwasegun I. Adeoye**	5	2
Mr. Adegoke J. Olasoko**	5	2

*Mr. Theodore Chikelu resigned as Managing Director of the Company with effect from 8th October, 2021.

**Mr. Oluwasegun Adeoye and Mr. Adegoke Olasoko were appointed Directors of the Company with effect from 27th July, 2021.

Committee Meetings:

- i) **Business Development, Finance, & General purpose committee:**
Meetings were held 6 (six) times in 2021 financial year. The Business Development, Finance & General Purpose Committee meetings for 2021 were held on the following days: 11th February, 2021, 16th April, 2021; 12th July, 2021; 22nd September, 2021; 29th November 2021 and 15th December, 2021.

Members of Committee	No. of Meetings Held	No. of meetings Attended
Mr. Adebayo A. Adeleke (Chairman)*	6	6
Mr. Kayode Ajakaiye (Member)	6	6
Ms. Daniella F. Suleman (Member)	6	6
Mr. Adegoke J. Olasoko (Member)**	6	2

*Mr. Adebayo Adeleke was appointed Chairman of the Business Development, Finance & General Purposes Committee at the Board of Director’s meeting held on 8th of October, 2021.

**Mr. Adegoke Olasoko was nominated as a member of the Committee following a reconstitution of the Board Committees at the Board of Directors meeting held on 8th October, 2021.

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

Meetings were held 6 (six) times in 2021 financial year. The Risk Management and Governance Committee meetings for 2021 were held on the following days: 10th February, 2021; 12th July, 2021; 22nd July, 2021; 21st September, 2021, 29th November 2021; and 2nd December, 2021.

Members of Committee	No. of Meetings Held	No. of meetings Attended
Ms. Daniella F. Suleman (Chairman)*	6	6
Mr. Adebayo A. Adeleke (Member)	6	6
Mr. Kayode Ajakaiye (Member)**	6	2
Mr. Oluwasegun I. Adeoye (Member)**	6	2

*Ms. Daniella F. Sulaiman was appointed Chairman of the Risk Management and Governance Committee at the Board of Director’s meeting held on 8th of October, 2021.

**Mr. Kayode Ajakaiye and Mr. Oluwasegun Adeoye were nominated as members of the Committee following a reconstitution of the Board Committees at the Board of Directors meeting held on 8th October, 2021.

iii) **Audit Committee:**

Meetings were held 6 (six) times in 2021 financial year. The Audit Committee meetings for 2021 were held on the following days: 26th January, 2021; 4th March, 2021; 28th May 2021; 20th September, 2021; 25th November, 2021 and 7th December 2021.

Members of Committee	No. of Meetings Held	No. of meetings Attended
Mr. Oluwaseun B. Olukoya (Chairman)	6	6
Mr. Olusegun Oguntoye (Member)	6	6
Mr. Chuks N. Osadinizu (Member)*	6	3
Mr. Kayode Ajakaiye (Member)	6	4
Mr. Adebayo A. Adeleke (Member)	6	4
*Mr. Adegoke J. Olasoko (Member)**	6	2
*Mr. Oluwasegun I. Adeoye (Member)**	6	2

*Mr. Chuks Osadinizu was nominated as a member of the Committee at the Annual General Meeting held on 28th July 2021.

** Mr. Adegoke Olasoko and Mr. Oluwasegun Adeoye were nominated by the Board to replace Mr. Kayode Ajakaiye and Mr. Adebayo Adeleke as members of the Audit Committee, following the reconstitution of the Board Committees at the Board of Directors meeting held on 8th October, 2021.

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 these 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.

At Tranex PLC, our number one priority is the health and safety of our employees and customers. Therefore, Tranex PLC has had to deal with the covid-19 challenges to ensure the protection of the health of its staff members while maintaining business continuity.

We ensured that all the Covid-19 safety protocols are strictly adhered to and we also provided employees 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 (CAMA) 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, 2021 as follow:

S/N	ANNUAL FEES	₦
1	Non-Executive Directors (per NED)	430,000.00

S/N	SITTING ALLOWANCES	₦
1	Board of Director's Meetings (per NED)	70,000.00
2	Board Committee Meetings (per NED)	60,000.00

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, 2021 is as follows:

S/N	Description	₦
1	Managers remuneration (inclusive of taxes and other statutory obligations)	62,080,000.00

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 underlisted laws/corporate governance guidelines and cooperated with regulatory agencies in the course of carrying out its activities:

- The Nigerian Exchange Limited 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.
- The Financial Reporting Council Act 2011 - The Nigerian Code Of Corporate Governance 2018

BY ORDER OF THE BOARD



CAUTIOUS SERVICES LIMITED
(COMPANY SECRETARIES)
LAGOS, NIGERIA.
FRC/2013/ICSAN/0000000287

March 17, 2022

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 Act, CAP C20, LFN 2020 (as amended) and The Financial Reporting Council Act 2011.

The responsibilities include ensuring that:

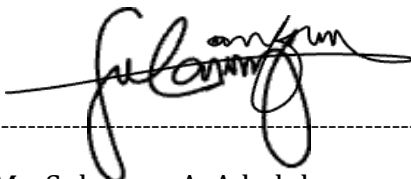
- i. Proper accounting records are maintained.
- ii. Internal control procedures are instituted which as far as is reasonably possible safeguard the assets, prevent and detect fraud and other irregularities.
- iii. Applicable accounting standards are followed.
- iv. Suitable accounting policies are adopted 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, 2021 were approved by directors on March 17, 2022

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



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



Mr. Adebayo A. Adeleke
(Director)
FRC/213/NIM/00000002317

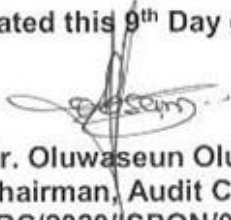
TRANS-NATIONWIDE EXPRESS PLC
REPORT OF THE AUDIT COMMITTEE

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, 2021. 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 9th Day of March, 2022.



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
3. Mr. Chuks Osadinizu

Directors' Representatives

1. Mr. Adegoke Olasoko
2. Mr. Oluwasegun Adeoye

Messrs. Cautious Services Limited served as Secretaries at all the meetings of the Audit Committee.



**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 2021, the statement of profit or loss, statement of changes in equity, statement of cash flows for the year ended 31st December 2021, a summary of significant accounting policies and other explanatory information set out on pages 22 to 49.

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, 2021 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.

We however, specifically highlight that there are no key audit matters pertaining to these financial statements.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board as adopted by the Financial Reporting Council of Nigeria and the requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2020.

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HLB Z.O. Ososanya & Co. is an independent member of HLB the global advisory and accounting network

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

Report on other legal requirements

The Companies and Allied Matters Act, CAP C20 LFN, 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.
18th March, 2022

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2021 N'000	2020 N'000
Revenue	3	678,508	668,622
Direct costs of operation	4	(603,623)	(543,621)
		-----	-----
Gross profit		74,885	125,001
Administrative expenses	5	(227,612)	(201,508)
Other operating income	6	<u>118,454</u>	<u>2,107</u>
Loss before taxation		(34,273)	(74,400)
Income tax expense	22(i)	<u>(5,438)</u>	<u>14,554</u>
 Loss for the year attributable to:			
Owners of the company		(39,711)	(59,846)
		=====	=====
 Earnings per share:			
Basic – Loss per share		(8.5)k	(12.8)k

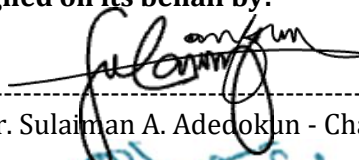


See notes to the financial statements on pages 24 to 44

STATEMENT OF FINANCIAL POSITION

	Notes	2021 N'000	2020 N'000
ASSETS:			
Non-current assets			
Property, plant and equipment	11	230,370	246,407
Intangible asset	12	16,484	6,339
Equity instrument at fair value through profit or loss	13a	4,288	4,204
Investment	13b	1,153	-
Deferred tax asset	20	<u>22,059</u>	<u>17,762</u>
		274,354	274,712
Current assets			
Inventories	14	5,005	5,336
Trade and other receivables	15	334,451	485,837
Cash and cash equivalents	16	<u>35,777</u>	<u>39,443</u>
Total current assets		375,233	530,616
Total assets		649,587	805,328
EQUITY			
Share capital	17	234,424	234,424
Share premium	18	71,261	71,261
Retained earnings	29	<u>54,942</u>	<u>207,226</u>
Total equity		360,627	512,911
Non-current liabilities			
Deferred tax liabilities	20	-	-
Current liabilities			
Trade and other payables	21	252,950	264,278
Income tax payable	22(ii)	<u>36,010</u>	<u>28,139</u>
Total current liabilities		288,960	292,417
Total liabilities		288,960	292,417
Total equity and liabilities		649,587	805,328

See notes to the financial statements on pages 27 to 47.

The financial statements were approved by the Board of directors on the 17th March, 2022 and signed on its behalf by:

	
Mr. Sulaiman A. Adedokun - Chairman	FRC/2020/ICAN/00000010637
	
Mr. Adebayo A. Adeleke - Director	FRC/2013/NIM/00000002317
	
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
2021				
Balance at 1 st January, 2021	234,424	71,261	207,226	512,911
Dividend paid	-	-	-	-
Prior year adjustment	-	-	(112,573)	(112,573)
Loss for the year	<u>-</u>	<u>-</u>	<u>(39,711)</u>	<u>(39,711)</u>
Balance at 31 st December, 2021	234,424 =====	71,261 =====	54,942 =====	360,627 =====
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	<u>-</u>	<u>-</u>	<u>(59,846)</u>	<u>(59,846)</u>
Balance at 31 st December, 2020	234,424 =====	71,261 =====	207,226 =====	512,911 =====

STATEMENT OF CASH FLOWS

		2021		2020	
	Notes	N'000	N'000	N'000	N'000
Cash flows from operating activities:					
Cash received from customers		918,551		632,588	
Cash payments to suppliers and employees		<u>(887,564)</u>		<u>(578,740)</u>	
Cash generated from operations	23	30,987		53,848	
Taxation paid		<u>(199)</u>		<u>(9,303)</u>	
Net cash from operating activities			30,788		44,545
Cash flows from investing activities					
Purchase of Property, Plant, & Equipment and Intangibles		(68,301)		(17,502)	
Proceeds from disposal of Equipment		34,543		376	
Investment in Trane Agencies		(1,153)		-	
Interest received		43		764	
Dividend received		<u>414</u>		<u>69</u>	
Net cash outflow from investing activities			(34,454)		(16,293)
Cash flows from financing activities					
Dividend paid		<u>-</u>		<u>(14,065)</u>	
Net cash outflow from financing activities			<u>-</u>		<u>(14,065)</u>
Net decrease/(increase) in cash & cash equivalents			(3,666)		14,187
Cash and cash equivalents at 1 st January			<u>39,443</u>		<u>25,256</u>
Cash and cash equivalents at 31st December	16		35,777		39,443
			=====		=====

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

The financial statements of Trans-Nationwide Express Plc for the year ended 31st December, 2021 were authorized for issue in accordance with the approval of the Board of Directors on 17th March, 2022.

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 CAP C20: Laws of the Federation of Nigeria 2004 and Financial Reporting Council of Nigeria Act, 2011.

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 (₦'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, ware housing 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 2021 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 of 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 measured 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. 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 amortized 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 2021 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

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts.

These requirements are designed to achieve the goal of a consistent, principle – based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance contracts as of 1 January, 2021

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 on 18 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:

	2021	2020
	₦'000	₦'000
Courier services	338,644	352,207
Logistics income	9,567	46,718
Internal mailing income	48,762	48,762
Mail bag income	15,963	13,135
Mass mailing income	36,963	39,121
Freight income	109,843	47,978
Cold chain income	98,057	109,517
Cash cargo income	8,940	336
Warehousing income	<u>11,769</u>	<u>10,848</u>
	678,508	668,622
	=====	=====

4. Direct costs of operation		
Salaries and staff related costs	208,281	209,797
Direct operating expenses	179,307	126,615
Logistic expense	3,735	29,670
Internal mailing expense	38,401	37,502
Mass mailing expense	2,337	8,922
Mail bag expense	1,874	1,963
Freight expense	81,061	41,208
Warehousing expense	8,532	5,255
Direct delivery cost	14,522	15,335
Cold chain expenses	8,557	15,752
Depreciation cost of sales	<u>57,016</u>	<u>51,602</u>
	<u>603,623</u>	<u>543,621</u>
	=====	=====
5. Administrative expenses		
Rent, rates and insurance	28,546	25,008
Salaries and related staff cost	36,755	43,294
Directors' emoluments	10,275	12,070
Bank charges and commissions	2,196	908
Printing and stationery	3,601	2,401
Repairs and maintenance	11,991	8,103
Impairment allowance for receivables	38,591	25,200
Audit fee	2,000	2,000
Legal and other professional fees	6,939	2,882
Vehicle running expenses	22,471	20,850
Depreciation	9,522	8,806
Amortisation	2,368	962
General administrative expenses	52,307	48,974
Donation and subscription	<u>50</u>	<u>50</u>
	<u>227,612</u>	<u>201,508</u>
	=====	=====
6. Other income		
Gain on investment valuation (financial assets)	84	264
Interest income	43	769
Dividend income	414	64
Exchange rate gain	73,106	-
Insurance claim	13,698	-
Sundry income	1,853	634
Profit on assets disposal	<u>29,256</u>	<u>376</u>
	<u>118,454</u>	<u>2,107</u>
	=====	=====
7. Depreciation, amortization and costs of inventories included in the statement of profit or loss.		
	2021	2020
	N'000	N'000
<i>Included in direct cost of operation:-</i>		
Costs of inventories recognized as an expense	3,152	3,950
Depreciation (Note 4)	<u>57,016</u>	<u>51,602</u>
	=====	=====
<i>Included in administrative expenses:-</i>		
Depreciation (Note 5)	9,522	8,806
Amortisation of intangible assets (Note 5)	<u>2,368</u>	<u>962</u>
	=====	=====

8. Employee benefits expenses

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

	208,281	209,797
--	---------	---------

-Included in cost of administrative expenses:-

Salaries and related staff cost

	36,755	43,294
--	--------	--------

	43,294	253,091
--	--------	---------

Total employees' benefits expenses

	245,036	253,091
--	---------	---------

	253,091	253,091
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9. Profit/(loss) before taxation

Profit/(loss) before taxation is stated after charging:

Depreciation of property, plant and equipment (Note 11)

	66,538	60,408
--	--------	--------

	60,408	962
--	--------	-----

Amortization of intangible assets (Note 12)

	2,368	12,384
--	-------	--------

	12,384	2,000
--	--------	-------

Directors' emoluments (Note 24.1)

	2,000	118,455
--	-------	---------

	118,455	2,107
--	---------	-------

Auditor's remuneration (Note 5)

	118,455	2,107
--	---------	-------

	2,107	2,107
--	-------	-------

Other income (Note 6)

	118,455	2,107
--	---------	-------

	2,107	2,107
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9.1 Other income represents majorly income from non-operating business of the company such as: sales of scrap materials, dividend income, interest on short-term deposit, Insurance claim received, 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:

	2021 N'000	2020 N'000
Net loss attributable to ordinary equity holders of the company for basic loss	(39,711)	(59,167)
	=====	=====

10.1 Basic/diluted loss per share:

Weighted average shares on basic and diluted loss per share

	468,848	468,848
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	468,848	468,848
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Basic earnings per share

	(8.5)k	(12.8)k
--	--------	---------

	(12.8)k	(12.8)k
--	---------	---------

Diluted loss per share

	(8.5)k	(12.8)k
--	--------	---------

	(12.8)k	(12.8)k
--	---------	---------

11. **Property, Plant and Equipment**

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

	Land	Building	Motor vehicles	Office equipment	Furniture & Fittings	Motor Cycles	Plant & machinery	Computer Equipment	Total
COST	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 01/01/2021	55,000	97,841	325,025	21,583	12,850	33,796	10,985	38,105	595,185
Additions	-	-	38,991	421	285	5,379	6,673	4,039	55,788
Disposals	-	-	<u>(28,735)</u>	-	-	<u>(3,031)</u>	-	-	<u>(31,766)</u>
At 31/12/2021	<u>55,000</u>	<u>97,841</u>	<u>335,281</u>	<u>22,004</u>	<u>13,135</u>	<u>36,144</u>	<u>17,658</u>	<u>42,144</u>	<u>619,207</u>
DEPRECIATION									
At 01/01/2021	-	11,938	246,774	13,155	10,248	31,176	6,879	28,608	348,778
Charge for the year	-	1,957	54,007	1,501	503	3,009	1,410	4,151	66,538
Disposals	-	-	<u>(23,448)</u>	-	-	<u>(3,031)</u>	-	-	<u>(26,479)</u>
At 31/12/2021	-	<u>11,938</u>	<u>277,333</u>	<u>14,656</u>	<u>10,751</u>	<u>31,154</u>	<u>8,289</u>	<u>32,759</u>	<u>388,837</u>
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	-	-	<u>(1,700)</u>	-	-	-	-	-	<u>(1,700)</u>
At 31/12/2020	<u>55,000</u>	<u>97,841</u>	<u>325,025</u>	<u>21,583</u>	<u>12,850</u>	<u>33,796</u>	<u>10,985</u>	<u>38,105</u>	<u>595,185</u>
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	-	-	<u>(1,700)</u>	-	-	-	-	-	<u>(1,700)</u>
At 31/12/2020	-	<u>11,938</u>	<u>246,774</u>	<u>13,155</u>	<u>10,248</u>	<u>31,176</u>	<u>6,879</u>	<u>28,608</u>	<u>348,778</u>
CARRYING AMOUNTS									
At 31/12/2021	<u>55,000</u>	<u>11,938</u>	<u>57,948</u>	<u>7,348</u>	<u>2,384</u>	<u>4,990</u>	<u>9,369</u>	<u>9,385</u>	<u>230,370</u>
At 31/12/2020	<u>55,000</u>	<u>85,903</u>	<u>78,251</u>	<u>8,428</u>	<u>2,602</u>	<u>2,620</u>	<u>4,106</u>	<u>9,497</u>	<u>246,407</u>

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, 2021 (2020:Nil)

12. Intangible assets	2021	2020
	₦'000	₦'000
Cost:		
At 1 st January	7,700	7,700
Additions	12,513	-
Write-off	<u>-</u>	<u>-</u>
At 31st December	20,213	7,700
	-----	-----
Accumulated amortization		
At 1 st January	1,361	399
Charge for the year	2,368	962
Write-off	<u>-</u>	<u>-</u>
At 31st December	3,729	1,361
	-----	-----
Carrying amounts:		
At 31st December,2021	16,484	6,339
	=====	=====

The intangible asset is in respect of application and other software and are amortised on a straight-line basis over their estimated useful lives.

	2021	2020
	₦'000	₦'000
13(a). Investment in equity shares		
12,801 units of Stanbic IBTC shares	461	564
80,356 units of Zenith Bank Plc shares	2,021	1,993
185,952 units of Access Bank Plc shares	1,729	1,571
30,000 units Fidelity Bank Plc shares	<u>77</u>	<u>76</u>
	4,288	4,204
	=====	=====
13(b) Investment		
Investment in Trane Agencies Ltd	1,153	-
	=====	=====

Investment in Trane Agencies Ltd represents costs incurred by Trans-Nationwide express Plc on secretarial matters to the Corporate Affairs Commission.

Trans-Nationwide Express Plc
Financial Statements -31st December, 2021

	2021	2020
	₦'000	₦'000
14. Inventories		
Courier fliers	190	1,369
Courier seals	-	2,858
Airway bills	2,470	1,109
Other consumables	<u>2,345</u>	<u>-</u>
	5,005	5,336
	=====	=====
	2021	2020
	₦'000	₦'000
15. Trade and other receivables		
Trade receivables	423,839	380,038
Impairment allowance (Note 15.1)	<u>(252,528)</u>	<u>(101,364)</u>
Trade receivables: net	171,311	278,674
Prepayments (Note 15.2)	7,372	31,189
Other receivables	20,055	40,381
Withholding tax receivables (Note 15.3)	<u>135,713</u>	<u>135,593</u>
	334,451	485,837
	=====	=====

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.	2021	2020
	₦'000	₦'000
At 1 st January, 2021	101,364	76,163
Charge for the year	38,591	25,201
Prior year impairment loss	<u>112,573</u>	<u>-</u>
At 31 st December, 2021	252,528	101,364
	=====	=====

15.2 Ageing analysis

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

	2021	2020
	₦'000	₦'000
Neither past due nor impaired	29,462	52,889
Past due but not impaired:		
0 – 60 days	38,864	47,560
Past due and impaired:		
60-180 days	61,523	58,231
180-360 days	58,614	40,388
Above 1 year	<u>235,376</u>	<u>180,970</u>
	423,839	380,038
	-----	-----

	2021	2020
	₦'000	₦'000
15.3 Prepayments		
Insurances	4,173	8,525
Rent and rates	<u>3,199</u>	<u>22,664</u>
	7,372	31,189
	=====	=====
15.4 Withholding tax receivable		
At 1 st January	135,593	141,140
Addition in the year	1,791	3,756
Tax offset	<u>(1,671)</u>	<u>(9,303)</u>
	135,713	135,593
	=====	=====
16. Cash and cash equivalents		
Cash balances	1,260	1,262
Bank balances	<u>34,517</u>	<u>38,181</u>
	35,777	39,443
	=====	=====
17. Share capital	2021	2020
<i>Minimum issued share capital:</i>	₦'000	₦'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	207,226	281,137
Dividend paid	-	(14,065)
Prior year adjustment	(112,573)	
Loss for the year	<u>(39,711)</u>	<u>(59,846)</u>
	54,942	207,226
	=====	=====

Prior year adjustment of ₦112.6 million relates to additional provision for impairment losses on Trade receivables for the years 2018, 2019 and 2020 financial statements.

Trans-Nationwide Express Plc
Financial Statements -31st December, 2021

	2021	2020
	N'000	N'000
20. Deferred tax		
Balance as at 1 st January	(17,762)	(1,337)
Decrease for the year	<u>(4,297)</u>	<u>(16,425)</u>
Balance at 31 st December	(22,059)	(17,762)
	=====	=====
21. Trade and other payables		
Trade payables	8,218	31,644
Other creditors and accruals	104,561	139,159
Other payables (Note 22.2)	<u>140,171</u>	<u>93,475</u>
	252,950	264,278
	=====	=====
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	2021	2020
	N'000	N'000
Withholding tax	2,505	1,992
Value Added Tax	61,270	42,844
Staff PAYE	8,414	7,619
Pension fund	16,866	14,867
Staff salaries and allowances	28,099	23,626
Industrial Training fund	2,527	2,527
Other accruals	<u>20,490</u>	<u>-</u>
	140,171	93,475
	=====	=====
22. Taxation		
(i) <i>Statement of profit or loss:</i>		
Income tax	8,113	1,672
Tertiary education tax	1,622	199
Deferred tax release	<u>(4,297)</u>	<u>(16,425)</u>
	5,438	(14,554)
	=====	=====
(ii) <i>Statement of financial position:</i>		
Balance at 1 st January	28,139	35,571
Charge for the year	9,735	1,871
Payment during the year	<u>(1,864)</u>	<u>(9,303)</u>
	36,010	28,139
	=====	=====

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 2021 (as amended).

23. Cash flows from operating activities	2021	2020
	₦'000	₦'000
Loss before tax	(34,273)	(74,400)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortization	68,906	61,370
Profit on disposal of plant and equipment	(29,256)	(376)
Unrealized (gain)/loss on investment valuation	(84)	(264)
Prior year adjustment	(112,573)	-
Interest received	(43)	(764)
Dividend received	<u>(414)</u>	<u>(69)</u>
Operating profit before working capital changes	(107,737)	(14,503)
	-----	-----
Working capital changes		
Decrease in inventories	331	3,950
Decrease/(Increase) in trade and other receivables	151,386	(36,668)
(Decrease)/Increase in trade and other payables	<u>(11,328)</u>	<u>101,069</u>
Net changes in working capital	140,389	68,351
	-----	-----
Tax paid	(1,864)	(9,303)
Cash generated from operation	30,788	44,545
	=====	=====

Information relating to employees and directors during the year are:

24.1 Directors	2021	2020
	₦'000	₦'000
Fees	4,170	4,170
Sitting allowance	3,965	4,920
Other emoluments	<u>2,140</u>	<u>2,980</u>
Aggregate emoluments	10,275	12,070
	=====	=====
<i>Fees and other emoluments paid to:</i>		
The Chairman	2,020	2,020
Other directors	<u>8,255</u>	<u>10,050</u>
Aggregate emoluments	10,275	12,070
	=====	=====

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	2021	2020
	N'000	N'000
Wages, salaries, allowances and other benefits	245,036	253,091
Post-employment benefits	<u>-</u>	<u>-</u>
	245,036	253,091
	=====	=====

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

	Number	Number
Management staff	4	11
Senior staff	11	14
Supervisors	29	35
Junior staff	<u>99</u>	<u>108</u>
	143	168
	=====	=====

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

	Number	Number
450,001 - 550,000	10	16
550,001 - 650,000	1	7
650,001 - 950,000	100	108
950,001 - Above	<u>31</u>	<u>37</u>
	143	168
	=====	=====

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 (2020: ~~₦ 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 31st December	2021		2020	
	₦'000	%	₦'000	%
Turnover	678,508		668,622	
Other income	<u>118,454</u>		<u>2,107</u>	
	796,962		670,729	
Bought-in materials & services- Local	<u>(517,293)</u>	—	<u>(430,667)</u>	—
Value added	<u>279,669</u>	100	<u>240,062</u>	100
	=====	=====	=====	=====
APPLIED AS FOLLOWS:				
In payment to employees:				
Wages, salaries and other benefits	245,036	88	253,091	105
In payment to providers of funds:				
Finance cost	-	-	-	
In payment to government:				
Income tax	8,113	3	1,672	1
Education tax	1,622	1	199	-
Retained for future replacement of assets and expansion of business:				
Deferred tax	(4,297)	(2)	(16,425)	(6)
Depreciation and amortization	68,906	24	61,371	25
Profit or loss account	<u>(39,711)</u>	<u>(14)</u>	<u>(59,846)</u>	<u>(25)</u>
	<u>279,669</u>	<u>100</u>	<u>240,062</u>	<u>100</u>
	=====	=====	=====	=====

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 31st December

	2021	2020	2019	2018	2017
	N'000	N'000	N'000	N'000	N'000
ASSETS EMPLOYED					
Property, plant & equipment	230,370	246,407	289,313	295,833	166,581
Deferred tax	22,059	17,762	1,337	-	
Intangible assets	16,484	6,339	7,301	-	
Short term financial asset	4,288	4,204	3,940	3,809	4,620
Investment	1,153	-	-	-	-
Inventories	5,005	5,336	9,286	12,756	6,722
Trade receivables	171,311	278,674	250,177	179,875	227,988
Other receivables	163,140	207,163	198,992	185,154	138,788
Cash and cash equivalents	<u>35,777</u>	<u>39,443</u>	<u>25,256</u>	<u>43,223</u>	<u>214,642</u>
	649,587	805,328	785,602	720,650	759,341
	=====	=====	=====	=====	=====
EQUITY AND LIABILITIES					
Share capital	234,424	234,424	234,424	234,424	234,424
Share premium	71,261	71,261	71,261	71,261	71,261
Retained earnings	54,942	207,226	281,137	266,221	292,654
Deferred tax liabilities	-	-	-	366	13,013
Trade and other liabilities	252,950	264,278	163,209	122,065	117,038
Tax liabilities	<u>36,010</u>	<u>28,139</u>	<u>35,571</u>	<u>26,313</u>	<u>30,951</u>
	649,587	805,328	785,602	720,650	759,341
	=====	=====	=====	=====	=====
TURNOVER & PROFIT					
Revenue	678,508	668,623	790,525	775,055	701,387
(Loss)/Profit before taxation	(34,273)	(74,400)	22,516	(38,938)	5,553
Taxation (Def. / tax release/charge incl.)	(5,438)	14,554	(7,600)	12,505	(1,942)
(Loss)/Profit after taxation	<u>(39,711)</u>	<u>(59,846)</u>	<u>14,916</u>	<u>(26,433)</u>	<u>3,611</u>
	=====	=====	=====	=====	=====
PER 50K SHARE DATA (KOBO)					
Earnings per share	(8.5)	(12.8)	3.2	(5.6)	0.8
Dividend per share	-	-	3	-	