HONEYWELL

FLOUR MILLS PLC

RC55495

www.honeywellflour.com

PASSION FOR EXCELLENCE

ANNUAL REPORT & ACCOUNTS 2018

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OUR DIRECTIONAL BEACONS

- Mission
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- Core Values

Mission -Why we exist

To produce consistently good quality Flour and other wheat based products for the complete satisfaction of our highly valued customers, through the commitment of our well-motivated workforce.

Vision -Where we want to be

To be the most admired African Company in terms of our successes, practices and people.

Core Values -What matters to us

Responsibility beyond ourselves

Integrity

Courage

Excellence

Respect for the individual

OUR STORY

Company History

Honeywell Flour Mills Plc. commenced commercial operations in July, 1998 with a single 200MT/day flour mill in Apapa, Lagos. Our entry into the flour milling industry revolutionized the bread flour market by raising the bar on the quality of bread flour bakers had access to. Through consistent delivery of premium quality bread flour, we earned the trust of bakers as they became confident that every bag of Honeywell Superfine Flour would ensure the satisfaction of their customers and provide guaranteed earnings for a day's work.

Today, in response to consumer demands, we have grown our production capacity over ten-fold across three sites, and extended our trademark quality beyond bread flour and bakeries into the kitchens, restaurants and hearts of millions of consumers by providing them with other nourishing food staples from the house of Honeywell, including:

- Pasta – Honeywell Spaghetti and Honeywell Macaroni
- Instant Noodles – Honeywell Noodles
- Ball foods – Honeywell Semolina and Honeywell Wheat Meal

But our purpose goes beyond providing nourishing food. At the core of our operations is a desire to contribute to the development of human endeavour and the wealth of nations by empowering people to conquer hunger and reach for more.

Today, we provide a means of livelihood to thousands of employees, trade channel partners and other third party suppliers. Our next chapter involves working with local farmers to add value to their grain and tuber harvests by transforming their produce from unearthed raw material state to branded shelf stable food products.

PRODUCTS

Honeywell Flour Mills produces a wide range of superior quality products for the complete satisfaction of its highly esteemed customers/consumers.

These products include:

Flour (Honeywell Superfine Flour, Honeywell Brown Flour and Honeywell Bakers' Delight Flour): used mainly for baking. The Flour brand was launched in July 1998 and has since carved a niche for itself through consistent superior quality improvement. The company provides efficient customer service, excellent training and support for bakers across Nigeria.

Honeywell Semolina:

This is a wheat-based ball food that is easy to prepare, smooth to eat and enjoyed with any kind of soup. The brand has set new quality standards for semolina, which it has maintained since its introduction and this is evident in its increased demand and preference by consumers. The brand packaging is distinct and stands out on the shelf.

Honeywell Wheat Meal:
This was launched into the market in 2009. At that time, this category was largely underdeveloped and unpopular. The company has continued to invest in heavy marketing and sales support to develop and grow this category and to make it acceptable to all consumer segments. The brand goes well with any soup, is easy to prepare, hygienically packed and a healthier way to enjoy ball food. It is good for everyone irrespective of social status. The brand packaging is distinct and stands out on the shelf.

Honeywell Pasta:
This is made from the finest quality wheat semolina. The brand is well accepted by consumers for its excellent quality and it comes in very attractive packaging which stands it out on the shelf.

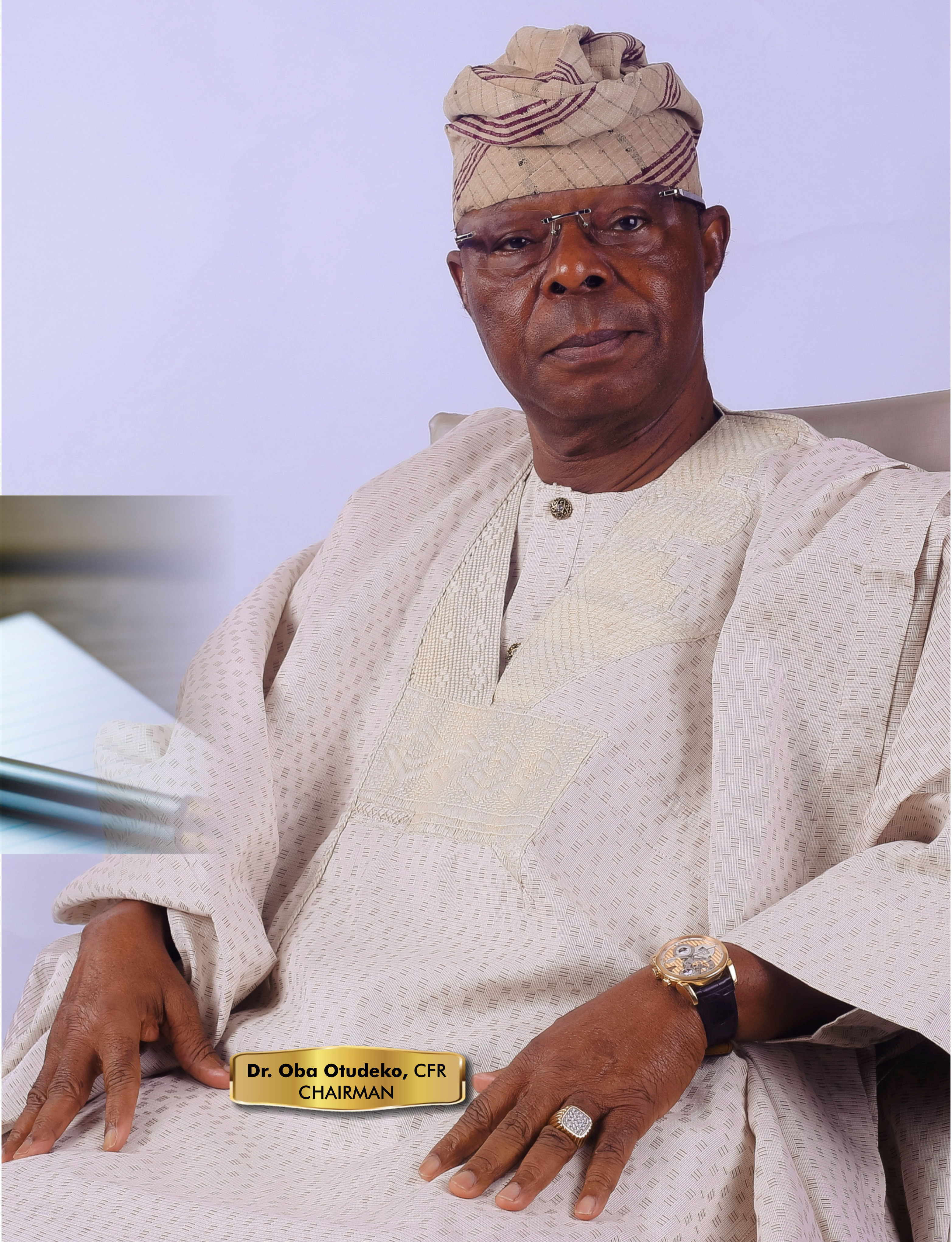
Honeywell Noodles:
This is made from fine quality flour and comes in three variants: Chicken, Spicy Chicken and Onion Chicken. Honeywell Noodles are a consumer's delight. The brand packaging is distinct and stands out on the shelf.

In line with NAFDAC and SON requirements, all our brands are fortified with vitamin A and other essential minerals that are good for the body.

All our brands are rated among the top three in their different categories with respect to market share, top-of- mind awareness and consumer usage.

A MESSAGE FROM OUR CHAIRMAN

We Create Value


Dr. Oba Otudeko, CFR
CHAIRMAN

THE CHAIRMAN

Dr. Oba Otudeko, CFR
CHAIRMAN

A Message from Our Chairman

Every day, Honeywell Flour Mills Plc (HFMP) provides high quality branded food products to millions of consumers in Nigeria and beyond the shores of our great country. In the financial year ended March 2018, we provided nutrient fortified foods for more than 1.3 billion meals consumed; in furtherance of our drive to improve food availability and affordability for Nigerians.

We are delighted that our food products improve the quality of life and make families healthy and happy. Satisfying the nutritional needs of our numerous and esteemed consumers is at the core of our mission as an enterprise. It is our reason for being.

STRATEGY EXECUTION

Growth

In a business such as ours, the number one priority must be to deliver, consistently, profitable top line growth through high capacity utilization rates. It is through this approach that we can achieve lower unit costs to drive affordability of our products. We are therefore resolute in our vision to build and market strong, highly desired and recognisable consumer brands that are well distributed across Nigeria, in the short term, and Africa in a few years to come.

We continue to play in a growth market with an exciting demographic opportunity. For this reason, we are engaging more extensively with our customers as well as all categories of end-users of our products to better understand their needs and aspirations. This improved understanding avails us the opportunity to develop a deep expertise of our local environment. It also enables us to create market-specific, innovative solutions to grow the business.

In 2017, this deeper engagement led to the creation and introduction of three new products: Honeywell Bakers' Delight Flour for traditional bakers not availed of modern baking equipment in specific market regions; Honeywell Noodles in 100g size for a unique segment of the out-of-home consumption channel and; Honeywell Spaghetti Slim which cooks quicker and is tasty even with little quantities of oil-based stews or sauces. These initiatives have contributed significantly to the 34 percent growth in turnover achieved in the year in review.

Our industry is experiencing rapid consolidation as players seek scale for competitive advantage. While we intend to stay nimble and efficient at HFMP, we will also actively pursue Merger & Acquisition opportunities that allow us to broaden and diversify our portfolio whilst strengthening our capabilities.

Efficiency

Through increased use of technology and adoption of modern manufacturing techniques, we are building a more agile business, optimising inputs and other transforming resources without compromising product quality or service delivery standards.

We are building new foundations for our technology platforms to enable us rank amongst the best-in-class in terms of digitalization. Consequently, we are embracing leading concepts in the use of technology in manufacturing to improve efficiency in the medium term. Already we have embraced social media as a means of real time communication with our consumers, resulting in more awareness for our range of products and real time, improved engagement with our consumers.

Reducing waste in the production process, in energy consumption and packaging materials will reinforce efficiency and guarantee reduction of operating expenses. We remain committed to efforts geared towards generating minimal waste in production.

We are retooling our Supply Chain infrastructure to enable us source even more of our raw materials locally while investing to make our route to market more robust to ensure that new products emerging from our innovation pipeline are available for purchase in every city, town and village in Nigeria.

Capability

Organisations with the best people win, and they do so consistently. I have often said that our real strength lies in the passion, talents and capabilities of the 1,500 people who work in Honeywell Flour Mills Plc. Clearly, we know that our employees require continuous training for them to stay ahead of the pack and to stay in tune with the ever-changing trends in the global workplace environment.

It is gratifying that our investments in human resources continue to justify the notion that Nigerians, when placed side by side their counterparts from other parts of the world, can hold their own. For example, we recently sent several of our trainee millers to the Swiss Milling School in Switzerland where they trained alongside and competed against several other participants from across various continents. We are proud to say that our millers emerged top of their class, reinforcing our long-held belief that we have the best people.

In the new financial year, one of the key 'Capability' themes we will pursue is 'Empowerment'. This will centre around getting the people on the frontline to take greater ownership for decision-making in their spheres of responsibility.

SOCIAL IMPACT

We aspire to leave a trail of success everywhere we go. Our commitment to remain a responsible corporate citizen is unwavering. We will continue to do business ethically and in compliance with domestic laws and global best practices.

Our central focus is to conduct our business in a way that engenders positive impact on all our stakeholders. In furtherance of this commitment, within the last 18 months, we have enhanced the baking knowledge of over 1,500 bakers through formal and informal training in our baking school and baking seminars around the country to enable them bake better tasting, high yield bread and pastry products as well as how to manage their business operations. We also continue to provide manufacturing process exposure to school children across all grade levels.

We also intensified our partnership with the Federal Road Safety Corps (FRSC) to promote road safety on our roads, especially during high traffic festive seasons. Annual donations to orphanages also continued during the year under review and we recently supported the Ogun State Government when it hosted the Ogun State Investors Forum 2018.
In the year ahead, we hope to increase our social impact and philanthropic investment accordingly.

CHANGES TO THE BOARD

An extremely enlightened Board is key to building a company that is ready for the challenges of tomorrow. One of the values that we get from our Board members is that they bring varied experiences that enable us to avoid groupthink as we chart a future for the company and set goals that challenge Management to

Mrs. Seye Sandey, Messrs. Soji Akintayo and Benson Evbuomwan resigned from the Board with effect from 28th April, 2017, 31st December, 2017 and 1st March, 2018 respectively to pursue other interests. I thank them, profoundly, for their services to the company.

Mr. Sikiru Rufai was appointed to the Board, as a non-executive director, with effect from the 13th of December 2017 and he brings considerable experience in business across varied functions including treasury, finance, strategy and portfolio management.

DIVIDENDS

The Board has recommended the payment of 6 kobo per share as dividends for the year.

OUTLOOK

Dear Shareholder, your company is quietly going through a transformational phase to ensure that we remain a successful enterprise over the next 100 years. We will face challenges, undoubtedly, but we are confident that we possess the resilience to surmount any obstacles and emerge even stronger.

One of the fallouts of operating in an economy that recently experienced a currency devaluation and recession is the need to strengthen our capital base. The business requirements for working capital and growth capital are now much more enormous and the Board is proactively working to shore up the capital base of the business in a most efficient manner for long term, sustainable growth.
Be assured that in the year ahead, we will seek to accelerate our strategies while navigating the disruptions that typically characterise the political and economic environment ahead of national elections.

On behalf of the Board, I would like to express our gratitude to all our shareholders, customers, consumers and various partners for your unflinching support and unwavering commitment to Honeywell Flour Mills Plc.

THANK YOU.

Dr. Oba Otudeko CFR
Chairman


HONEYWELL
Instant Noodles
SIMPLY DELISH
HONEYWELL
Instant Noodles
Chicken flavour
100g
HONEYWELL
Instant Noodles
Spicy Chicken flavour
120g
HONEYWELL
Instant Noodles
Onion Chicken flavour
HONEYWELL
Instant Noodles
Curry Chicken flavour
HONEYWELL
Instant Noodles
Chicken flavour
...pleasure in every strand.

Governance

- **Leadership**
- **Corporate Governance**
- **Impacting Our Community**

BOARD OF DIRECTORS

MANAGING DIRECTOR'S REVIEW

Managing Director's Review

The financial year, April 2017 to March 2018 was an eventful year for our Company. We overcame many of the challenges, which constrained our growth in the previous year and recorded remarkable market share recovery and comprehensive growth across all our product categories.

ECONOMIC AND BUSINESS ENVIRONMENT

The Nigerian economic environment is still recovering from the global crude oil price collapse of 2014/16. The country only emerged out of recession in the second quarter of 2017 and at the end of the year, Real Gross Domestic Product (GDP) growth was almost flat and averaged less than 1% while inflation averaged 17%.

The Naira/US Dollar exchange rate has somewhat stabilised resulting in relatively stable product prices in 2017 when compared to 2016. The Food & Beverage Sector (including flour milling) was able to recover from most of the impact of devaluation as part of the cost increase was passed to consumers through product selling prices increases.

Despite improvements in the macro-economic environment, the consumer situation remains challenging with most of the labour force still facing flat earnings as wages and salaries have not risen in tandem with inflation as measured by the consumer price index. Even at that, many of the consumers had their salaries delayed or unpaid for some months. This negatively impacted purchasing power.

Nigeria's wheat consumption is growing, and we foresee steady demand for bread flour, pastry flour, wheat-based ball foods, pasta and noodles. The flour milling industry is experiencing a phase of rapid consolidation and intense competition for market share which has invariably led to price discounting and a thinning of margins in the business.

The noodles category is the most competitive and two notable players exited the business within the last eighteen months. Today, there are only six active milling companies/groups against about fourteen, which existed a few years ago.

BUSINESS ACTIVITIES IN FY2017/18

Growth

Total volume of sales grew by 28% year-on-year across both our Business to Business (B2B) and Business to Consumer (B2C) categories. Our four B2C product categories also averaged 28% growth and the relative contribution of B2C to our total volumes increased as well.

The business further enhanced the quality of its flagship flour brand, Honeywell Superfine Flour, to enable it withstand dough cut-backs by bakers who seek to maximize bread loaf quality and quantity. This helped to grow our sales with traditional small-scale bakers across the country. In furtherance of our growth agenda, three new products namely: Honeywell Bakers' Delight Flour, Honeywell Spaghetti Slim and Honeywell Noodles in 100g, were introduced during the period. These new products enabled us to access new customer segments.

The impact of formal retail continues to grow in Nigeria and we are well-positioned to ride the trend. Our Modern Trade Business grew by 17% year-on-year, underpinned by strong partnerships with the major Mass Grocery Retail chains across the country. The modern trade channel also serves to boost our direct engagement with consumers and we also deploy merchandisers to ensure that our products are always available and well displayed. For example, our 'Black Friday' promotion in November 2017 recorded outstanding success as we sold 3 weeks' worth of products in a single day! This event, more than the benefit of profitability that it offered, allowed for aggressive trials and product experiences by consumers.

We are also leveraging on digital and emerging media channels and going beyond the traditional TV, radio and billboards channels to sustain and deepen awareness of our brands. In FY2017/18 our digital marketing initiatives led to a followership of over 200,000 consumers of Honeywell brands across Facebook, Instagram and Twitter. The effective use of social media for consumer engagement and information dissemination is now a key area of interest at the Board level and we have set aggressive targets for ourselves, going forward.

Similarly, we expanded our base of direct supply outlets in the Out-of-Home consumption channels and provided instant rewards to consumers while they ate in these outlets in a bid to drive increased consumption of Honeywell branded semolina and whole wheat meal in restaurants and cafeterias in urban areas.

Efficiency

Honeywell Flour Mills Plc operates in one of the most competitive segments of the Foods and Beverage Sector in Nigeria. We are at the intersection of food commodities and branded Fast Moving Consumer Goods (FMCG) and must therefore carefully balance operational efficiency with long term brand building strategies.

The cost of our major raw material, wheat, is subject to fluctuations associated with global commodity markets but we recorded significant successes in wheat sourcing through deft management of freight costs, foreign exchange sourcing and vessel berthing and discharge operations.

Our manufacturing activities were severely challenged by higher energy costs due to a 12-month disruption in gas supply to the Tin Can Island area. Consequently, we ran on more expensive back-up diesel generators for most of the year. This effectively increased our power generating cost and constrained our profit margins.

Thankfully, we overcame this challenge in the last quarter of the year and now have steady supply of pipeline gas to our Apapa and Ikeja factories. On our Continuous Improvement agenda, we executed some projects to reduce downtime due to equipment failure, limit production losses and conserve energy.

The traffic gridlock in Apapa, where our mills are located, was further aggravated during the year leading to an unprecedented 7-day lead time for trucks to access and exit the ports area from the Lagos – Ibadan expressway entry point. To manage this grim situation, we expanded our pool of 3rd party logistics providers as well as our own fleet of bulk powder carriers to ensure continuous timely delivery of products to customers and daily inter-factory delivery of flour for pasta and noodles production.

We also established a new warehousing facility at our Sagamu site to make product pick-ups easier for our self-collecting customers. This entailed us bearing the additional cost associated with transporting products from our Apapa factory to our warehouse facility in Sagamu so that our trade partners outside Lagos can load their orders from Sagamu and be spared the 7-day delays associated with accessing our factory in Tin Can Island Port, Apapa, Lagos.

We continued to engage extensively with local, state and federal authorities involved in fixing roads and managing traffic. We are confident that the situation will improve as soon as the ongoing road re-construction works and the trailer park in Tin Can Island are completed and opened for use by September 2018.

In 2017, we undertook several initiatives to gain greater control of the highly fragmented FMCG value chain required to move our products from the factory to millions of discrete retail points across the country. We made additional investments in our Route-to-Market Channels by appointing a number of Key Distributors and empowering them with personnel, sales tools and delivery vehicles to improve numeric distribution in priority markets.

Furthermore, we have placed a firm footing in e-commerce with strong partnerships with the major players in Nigeria to ensure that our consumers who prefer online shopping have swift access to our products by the click of a button on their internet enabled devices.

Capability

A most recent staff satisfaction survey, conducted in 2017, produced a 70% score, which showed that most of our people derive satisfaction from their jobs. Nevertheless, we see this as a call to action and we are taking concrete steps to improve this rating by deeply engaging with staff in order to meet their expectations in terms of having a conducive work environment, career development and growth plan, compensation and work-life balance. We believe that our Company's long-term success depends, most critically on the talents, capabilities and motivation of our employees and it is my duty, one which I am most committed to, to inspire all our 1,500 team members to excel in their chosen careers whilst working hard to fulfil the mission of the Company.

The war for talent is intensifying and we see this every other day when we conduct interviews for new hires. To win in this war therefore, we are building a more agile organisation with an entrepreneurial culture where employees are empowered to act like owners and encouraged to be result-oriented. We will increasingly reward and compensate more for results and less for effort. We have always committed significant resources towards the technical training of our millers, engineers, quality assurance and production staff and this has, over the years, enabled us parade one of the most technically sound teams in the flour milling industry. Going forward we will invest more in our Commercial, Supply Chain, Finance and Human Resources teams to build capacity and competitive advantages for the future. Our drive remains that of making our Company a great place to work.

FINANCIAL PERFORMANCE

We achieved full year revenue of N71.47 billion, representing a growth of 34% from the previous year's turnover. This was based on underlying volume growth of 28% as earlier stated. Our Gross Margin declined by 2 percentage points to 22%, reflective of slightly higher input and production costs but overall Gross Profit grew 26% from N12.7 billion to N16 billion. Selling & Distribution (S&D) expenses amounted to 7% of turnover, a percentage point higher than the ratio between S&D costs and turnover in the previous year. This increase was largely driven by the increased haulage costs I earlier alluded to, as we paid higher rates to incentivise our transport partners to load from Apapa.

Administrative expenses declined by 8%, from N2.2 billion to N2 billion leading to an operating profit of N9.5 billion.

Net Finance Costs grew 65% from N2.8 billion to N4.6 billion. This led to a 3 percentage points decline in our Profit Before Tax (PBT) Margin to 7%, from 10% in FY16/17. The increase in finance cost was largely due to the prevailing mode of funding working capital requirements due to the dearth of US Dollar-denominated trading lines in the system which led to a substantial increase in Naira funding at higher interest rates.

Consequently, the business posted a Profit After Tax of N4.4 billion, a growth of 3% over the previous year's figure resulting in Earnings Per Share (EPS) of 55.82 kobo (LY – 54.29 kobo).

FUTURE OUTLOOK

The Management Team has a deep sense of its responsibility to shareholders and therefore continues to drive towards consistent profitable performances. In 2017, Honeywell Flour Mills Plc was amongst the top 25 best performing companies on the Nigerian Stock Exchange (NSE) based on the performance of our share price which rose 62% in the calendar year 2017. While we do not run our business based on quarterly results but with a long-term focus, it is gratifying that investors recognise the value inherent in our company and we are inspired to climb higher in this ranking.

In the financial year 2018/2019, notwithstanding the huge access challenges noted earlier, we will consolidate on the gains made so far to meet our ambition to grow towards a 20% share of the wheat-based market while diversifying into new product categories. In this regard, through close collaboration between Marketing and Research & Development, we have developed a pipeline of new and innovative products for the consumer market and we expect to launch a number of these in the months ahead.

We take our task, of making affordable and highly nutritious food products available to the majority of Nigerians seriously and therefore in this new financial year, we will rein in costs and further eliminate waste in our production processes by executing Total Productive Maintenance (TPM) methodology across all 3 manufacturing sites to achieve lower conversion costs in energy, maintenance and labour factors thereby enabling us to deliver our range of products to our consumers at the most competitive price.

Undoubtedly, we operate in a challenging environment, but we remain very optimistic about the future of our business. Indeed, we look forward to the new financial year with determination and optimism given the enormous work we have done to ensure we roll out new products and commence production at the Sagamu factory site. The Nigerian market is very compelling, and we are confident in the resourcefulness of our talents and the overall capacity of our business to maximize the opportunities in Nigeria's huge consumer goods market.

We will continue to count on the support of our customers, partners and esteemed shareholders, as we work to make Honeywell Flour Mills Plc the leading foods company in Nigeria.

'Lanre Jaiyeola
Managing Director

LEADERSHIP PROFILES

Dr. Ayoola Oba Otudeko, CFR
Chairman / Founder

Dr. Oba Otudeko, CFR is the Founder and Chairman of Honeywell Flour Mills Plc, Honeywell Group and Chairman, FBN Holdings Plc. He is a foremost Nigerian entrepreneur and visionary reputed for his highly successful domestic and foreign investments that cut across diverse sectors of the economy. He served on the board of FirstBank between May, 1997 and December, 2010 when he retired as Chairman. He was also the Chairman of FBN Bank (UK) Limited, Fan Milk of Nigeria Plc, and Airtel Nigeria.

He has, at various times served on the Boards of Central Bank of Nigeria (1990 – 1997), Guinness Nigeria Plc (1999 – 2003), British American Tobacco Ltd (2001 – 2004) and Ecobank Transnational Incorporated, headquartered in Lome, Togo (2002 – 2010).

Between September 2006 and August 2009, he was the 16th President and Chairman of Council of the Nigerian Stock Exchange.

Professionally, he is a Chartered Banker, Chartered Accountant and Chartered Corporate Secretary. Dr. Oba Otudeko has also attended executive management training programmes at the International Institute for Management Development (IMD), Lausanne, Switzerland; Harvard Business School, Boston, U.S.A; and then Arthur D. Little School of Management, U.S.A.

Dr. Oba Otudeko holds the Nigerian National Honour of Commander of the Order of the Federal Republic (CFR), awarded in 2011.

He was Chancellor of the Olabisi Onabanjo University, Ago-Iwoye, Ogun State from 2001 to 2010 and currently serves as a member of the Office of Distinguished Friends of the London Business School (UK). Dr. Oba Otudeko is the founder of Oba Otudeko Foundation (OOF), a platform for his charity interventions.

MR. OLANREWAJU JAIYEOLA
Managing Director

Lanre holds a Bachelors degree in Mathematics and Statistics from the University of Ife, Nigeria (now Obafemi Awolowo University) and an MBA in Finance from the University of Lagos. He is a Chartered Accountant; an Associate of the Institute of Chartered Accountants of Nigeria. He is also an alumni of the Lagos Business School, Nigeria and INSEAD, Business School, France.

Lanre started his career with Akintola Williams & Co. (now Akintola Williams Deloitte) where he trained as an Auditor and later worked in the service industry before joining the Honeywell Group in September 1995. His career and business management experience in the company spans finance, sales management and manufacturing management.

He is the current Vice Chairman of the Flour Millers Association of Nigeria.

DR. NINO ALBERT OZARA
Executive Director, Manufacturing

Dr Albert Ozara, is the Executive Director, Manufacturing and is currently responsible for the manufacturing of all the company's products.
Albert joined the Company in 1998 from the Federal University of Technology, Owerri where he had risen to the position of Head of the Crop Production Department. He holds a First Class degree in Soil Science from the University of Ibadan, and a Doctorate degree also in Soil Science from the Cranfield Institute of Technology, United Kingdom. He subsequently had his professional flour milling training at the Swiss Milling School, St. Gallen, Switzerland and the Buhler Training Centre Uzwil also in Switzerland. He also had milling operations experience at the Swiss Mill in Zurich.

Mr. Sikiru Rufai
Non-Executive Director

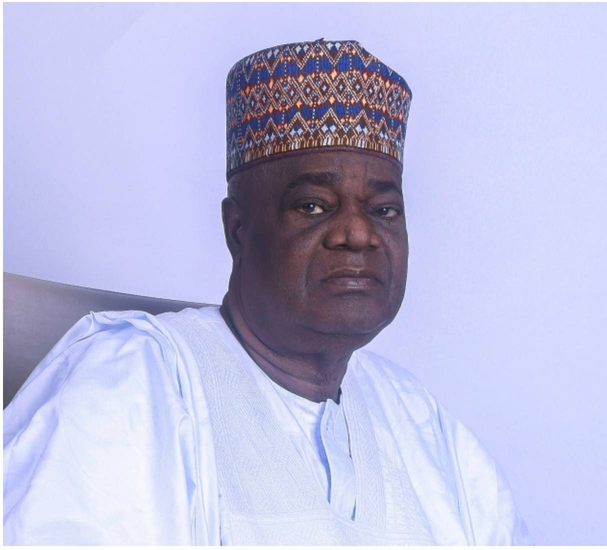
Mr. Sikiru Rufai joined the Honeywell Group in 2005 as the Group Head of Portfolio Management. He was appointed Managing Director, Honeywell Oil and Gas Limited in 2007 and held that position until his appointment as Group Chief Finance Officer in 2015. Prior to joining Honeywell Group, he worked with United Bank of Africa Limited (now UBA Plc), Z. O Ososanya and Co. (Chartered Accountants, now HLB Z.O. Osansanya and Co.), Oyelami Soetan Adeleke and Co. (Chartered Accountants, now Baker Tilly Nigeria), Profund Securities Limited and PricewaterhouseCoopers (PwC).

He is a graduate of both Universities of Jos and Lagos, where he obtained a Bachelor of Science and Master of Business Administration (MBA) degrees respectively. He is a Fellow of the Institute of Chartered Accountants of Nigeria. He is a Fellow of the National Institute of Marketing of Nigeria and a Fellow of the Certified Institute of Cost Management of Nigeria. He is also an Associate of the Chartered Institute of Taxation of Nigeria. He has over two decades of work experience in Teaching, Consulting, Finance, Strategy, Business Process Restructuring, Audit, Training and Human Resource Management.

Mr. Rotimi Gbenga Davies Fadipe
Executive Director, Supply Chain

Mr. Rotimi Fadipe joined the Company in 1993 after a stint of professional training with Messrs. Adetona Isichei & Co (Now Akintola Williams). He holds a First degree in Accounting from the University of Lagos, and a Higher National Diploma in Estate Management from Yaba College of Technology in Nigeria.

He pioneered the Supply Chain functions within the Honeywell Group. He is a Chartered member of The Institute of Logistics and Transport, and Member, Chartered Institute of Purchasing and Supply in United Kingdom. He is also a Fellow of The Institute of Chartered Accountants of Nigeria, The Chartered Institute of Taxation of Nigeria, African Centre for Supply Chain and the Association of Enterprise Risk Management Professionals.
He is an alumnus of Pan-Atlantic University; INSEAD in Singapore and The Business school of IMD, Switzerland. He was appointed to the Board as the Supply Chain Director in 2013 with core responsibility to provide strategic direction for the Company's supply chain functions.



Lt. General Garba Duba (Rtd)
Non-Executive Director

A retired Lieutenant-General of the Nigerian Army and Military Administrator of Sokoto State (1977 to 1979), Bauchi State (1984), General Officer Commanding, 2nd Mechanized Division, Nigerian Army (1987 - 88), General Officer Commanding, 3rd Armored Division and Commandant, Nigerian DefenseAcademy (1990 - 1992).

General Duba has played several political and economic roles as Leader of the Niger State delegation to the National Political Reform Conference and Chairman, New Nigerian Development Company Ltd.

He is currently the Chairman, SGI Nigeria Limited and has been on the board of Honeywell Flour Mills PLC since August 1998.

Mr. Obafemi Otudeko
Non-Executive Director

Mr. Obafemi Otudeko is a chartered accountant by training and is the Executive Director of Honeywell Group Limited, the company responsible for managing the operating companies and portfolio investments within the Honeywell Group. He joined the Honeywell Group in 2003 as a Senior Manager in the Oil & Gas projects group, and was responsible for strategy formulation and business development in the upstream energy sector. Prior to joining the Group, he was a Senior Associate in the Financial Services Industry practice of Pricewaterhouse Coopers.

Since joining Honeywell Group Limited, he has led a number of strategic initiatives ranging from capital raising, including the successful listing of Honeywell Flour Mills Plc on the Nigerian Stock Exchange; Greenfield developments across various sectors; acquisitions and divestments of strategic investments, amongst other initiatives.

He is also a Director of First Bank of Nigeria Limited, and previously served on the board of Airtel Nigeria Limited as a Non-Executive Director. He was also the former Second Vice-President of the Nigerian Gas Association.

Mr. Alan Palmer
Non-Executive Director

Mr. Alan Palmer was Managing Director and CEO of Kraft West Africa and Cadbury Nigeria PLC. He was also previously the Managing Director, South-East Asia for Cadbury Schweppes PLC.

Mr. Palmer has close to 40 years of experience in the fast moving consumer goods (FMCG) space working with global organisations such as Kraft Foods Incorporated, Cadbury PLC and Trebor Bassett Limited. Alan Palmer is presently CEO Foods, Honeywell Group where he has primary responsibility for managing the transformation of the Honeywell Foods Business into a leading, world-class, pan-African foods FMCG company.

Mr. Andrew Smith-Maxwell
Non-Executive Director

Mr. Andrew Smith-Maxwell has over 25 years of global investment banking experience from some of the world's leading Investment banks.

He is Chairman of Fieldstone Private Capital Group, a boutique investment bank specialising in power and infrastructure projects across Africa. Prior to that, he led and built up the Energy and Utilities Group at Dresdner Kleinwort Wasserstein, an erstwhile British-based investment bank which is now a member of the global banking group, Commerzbank, where he was responsible for overseeing its teams in the UK, Germany, Asia, Latin America and the United States.

He has previously served on the Board of Wessex Water following its acquisition by YTL Power International.

His considerable experience and insight into corporate finance continues to be an important contribution to the board of the company.

Mrs Wonuola Adetayo
Independent Director

Mrs. Wonuola Adetayo has over 25 years of combined consulting and marketing experience. She is currently a partner, co-founder and chief executive at Kainos Edge Consulting Limited. Mrs Adetayo's rich career has seen her work, at various times, in senior marketing and leadership roles across different geographies with Unilever/UACN. These roles included: Divisional Marketing Director, UAC Foods; Marketing Director, CAP Plc; Managing Director, UACN Pharmaceutical & Personal Products Limited; and, Group Marketing Manager, Unilever Caribbean in Trinidad & Tobago.

She left UACN/Unilever to work in consulting, joining Phillips Consulting as Associate Director. She later founded and was Managing Director of SoftSkills Management Consultants. She was a member of the Nigeria 2020 Vision Drafting Committee and Chairman of the Governance & Institutions sub-committee.
She currently serves on the board of the Nigerian Economic Summit Group (NESG).

Mr Theophilus Oluranti Sokunbi
Independent Director

A graduate of Chemistry from the University of Ibadan, Nigeria, He obtained a Post Graduate Certificate in Management (PGCM) from University of Derby, United Kingdom, in 2000. He has since attended several other management courses both locally and internationally, which included Senior Management Development Programme at Ashridge Management College and Total Quality Management Course from the Lagos Business School.

He has held various management positions at West African Portland Cement PLC (Nigeria) where he resigned as the Managing Director in 2005. He is a member of several professional bodies including the Nigerian Institute of Management and fellow of the Nigerian Institute of Marketing. He is presently the Chairman of Jacobs Educational Services Ltd and Tonbol International Ltd. He joined the Board of Honeywell Flour Mills on October 17, 2011.

Dr. Zate Raymond Zoukpo
Independent Director

Dr. Zate Raymond Zoukpo obtained his Ph.D in Economics from the University of Tsukuba, Japan in 1985. As a scholar, Dr. Zoukpo began his career as a Research Fellow with the Ivorian Centre for Economic and Social Research.

He later went into banking, where he spent 30 meritorious years across diverse executive roles and functions at African Development Bank (AfDB), from where he retired as Director, First Vice Presidency and Chief Operating Office.

He is currently the CEO of ECG, a strategic and operational advisory firm, working with first rated global companies interested in investing in Africa. He also serves on the advisory boards of a number of reputable firms in Africa, America, Asia and Europe.

Mrs. Oluwayemisi Busari
Company Secretary

Oluwayemisi is an Irving & Bonnar/Bentley Edu trained legal practitioner with over 25 years' extensive work experience in the areas of company secretarial, corporate governance and commercial law practices. In addition to her role as Group Head, Legal & Regulatory Affairs she has also at various times simultaneously held the executive management roles of Group Head, Corporate Communications and Group Head, Human Resources & Administration.

As Group Company Secretary/ Head, Legal & Regulatory Affairs, she is responsible for the secretarial, legal advisory and dispute resolution activities of the Honeywell Group and also handles its trademark portfolio. Oluwayemisi holds a Masters in Business Administration (MBA) from the Lagos Business School and a Masters in Law from the University of Lagos. She has attended several courses locally and internationally.


H
HONEYWELL
Semolina
QUALITY H GUARANTEED
Suggested serving
ADDED MICRONUTRIENTS
A
VITAMIN A FORTIFIED
2kg
QUALITY
GUARANTEED
...a plate of delight!
Smooth • Mouldable • Satisfying.

AWARDS AND CERTIFICATIONS

CORPORATE GOVERNANCE RATINGS SYSTEM ASSESSMENT

Honeywell Flour Mills Plc is one of the 25 companies, which recorded successful performance in the first rollout phase of the Corporate Governance Rating System (CGRS) exercise facilitated by the Convention on Business Integrity and the Nigerian Stock Exchange. Its Directors are also amongst the 435 directors who passed the Fiduciary Awareness Certification Test.

The CGRS rates all listed companies in Nigeria on their corporate governance and integrity practices. The process comprises three segments: an independently verified self-assessment by the company, a certification of its directors' awareness of their fiduciary duties, and a corporate integrity assessment of the company, where perceptions of actual company behaviour are sought from internal and external stakeholders. Only companies that score a minimum of 70% are accorded the CGRS certification mark.

AWARDS AND CERTIFICATIONS

NIGERIA SAFETY AWARD FOR EXCELLENCE (HALL OF FAME) *- SEPTEMBER 2017*

MANUFACTURERS ASSOCIATION OF NIGERIA (APAPA BRANCH) - SECOND RUNNER UP BEST KEPT INDUSTRIAL PREMISES COMPETITION *- OCTOBER 2017*

LASEPA-EFFICIENT ETP AWARD
-OCTOBER 2017 (IKEHE FACTORY)

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Honeywell Flour Mills Plc is committed to the best practices and principles of Corporate Governance. The Company is a member of the Society for Corporate Governance of Nigeria, and also successfully completed the Corporate Governance Rating System assessment, a joint initiative of the Nigerian Stock Exchange and the Convention on Business Integrity. Its business is conducted in a fair, honest and transparent manner, which conforms to the SEC Code of Corporate Governance.

1. Board Composition

The Board is headed by a non-Executive Chairman and consists of an appropriate mix of Executive, non-Executive and Independent Directors, who bring their vast business management experience, competence and expertise to bear in discharging their duties as directors. They are professionals and entrepreneurs with proven track records in their respective fields.

2. Role of the Board

The Board has the responsibility of ensuring that the Company is properly managed and achieves its strategic objectives with the aim of creating sustainable long term value to the Shareholders.

3. Record of Directors' Attendance at Meetings

Members of the Board of Directors hold periodic meetings to decide on policy matters with the aim of directing the affairs of the Company, reviewing its operations and finances and formulating growth strategies. Board agenda and reports are provided ahead of meetings.

Further to the provision of Section 258(2) of the Companies and Allied Matters Act, CAP C20 LFN 2004, the records of the Directors' attendance at Board meetings during the year under review is available at the Company's Corporate Head office for inspection. In accordance with Corporate Governance principles, details of attendance at Board meetings during the year are as follows:

Names of Directors	No. of Meetings held	No. of Meetings attended
Dr. Oba Otudeko, D.Sc. (Hon.) CFR	4	4
Mr. Olanrewaju Jaiyeola	4	4
Dr. Nino Albert Ozara	4	4
Mr. Rotimi Gbenga Fadipe	4	4
Mr. Benson Evbuomwan	4	3 *(resigned with effect from 1st March 2018)*
Mrs. Oluseye Sandey	4	Nil *(resigned with effect from 28th April 2017)*
Mr. Obafemi Otudeko	4	4
Lt. General Garba Duba (rtd.)	4	4
Mr. Akinsoji Akintayo	4	3 *(resigned with effect from 31st Dec. 2017)*
Mr. Oluranti Sokunbi	4	4
Mr. Alan Palmer	4	3
Mr. Andrew Smith-Maxwell	4	4
Mrs. Wonuola Adetayo	4	4
Dr. Raymond Zoukpo	4	4
Mr. Sikiru Rufai	4	2 *(appointed 13th December 2017)*

Board meetings were held on 15th June, 2017, 21st September, 2017, 13th December, 2017 and 15th March, 2018.

4. Board Changes

Mrs. Seye Sandey, Messrs. Soji Akintayo and Benson Evbuomwan resigned from the Board with effect from 28th April, 2017, 31st December, 2017 and 1st March, 2018 respectively. Mr. Sikiru Rufai was appointed to the Board with effect from the 13th of December, 2017.

5. Committees

a) Statutory Audit Committee

In compliance with section 359 (4) of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004, members of the Audit Committee were elected at the Annual General Meeting held on 20 September, 2016. The Committee in the conduct of its affairs reviews the Company's overall risk management and control systems, financial reporting arrangements and standard of business conduct. Members of the Audit Committee have direct access to the Internal Audit Department and Independent Auditors. The statutory functions of the Committee are provided for in section 359(6) of the Companies and Allied Matters Act, Cap.C20, Law of the Federation of Nigeria, 2004.

Members that served on the Committee during the year are:

i. Mr. Adebayo Adeleke: Chairman, Shareholder

Adebayo Adeleke holds a first degree from the Obafemi Awolowo University, Ife and an MBA from Delta State University. He is a member of the Nigeria Institute of Management and the Financial Reporting Council, and a graduate member of the Chartered Institute of Stockbrokers. He currently serves as Non-Executive Director of several blue-chip companies including May & Baker Nigeria Plc, Saham Unitrust Insurance Limited and BOC Gases Plc. He also serves as the Chair of the Audit Committees of several organisations. He has extensive experience in oil & gas operations, asset management and real estate development having held positions in African Petroleum (now Forte Oil Plc), 5-Star Asset Management Limited and Lancelot Ventures Limited, amongst others. He is married with children.

ii. Mr. Quadri Yemi Ayuba: Shareholder

Quadri Yemi Ayuba is a Fellow of both the Institute of Chartered Accountants of Nigeria (ICAN) and the Association of Chartered Certified Accountants of the United Kingdom. He is also an Associate Member of the Institute of Professional Financial Managers of the United Kingdom. He holds a Higher National Diploma in Accountancy (Upper Credit) from The Polytechnic of Ibadan, Oyo State, Nigeria.

He has over sixteen years of quality experience spanning Taxation, Accounting, Auditing, Feasibility Studies, and Consultancy in Manufacturing companies, the Banking sector, Insurance sector and Oil & Gas services related companies. He has contributed immensely to human capital development in the areas of accounting and finance. He is a prolific and seasoned resource person on International Financial Reporting Standards, International Public Sector Accounting Standards on contemporary issues in finance and accounting. He is presently the Chairman and CEO of a Financial Training Hub and a Lead Consultant in Pure-Integrity Consult.

iii. Mr. Emmanuel Omole: Shareholder

Omole Emmanuel Olu is an investor, and a member of the clergy. He holds an Ordinary Diploma in Business Management from Rufus Giwa Polytechnic, Ondo State, a Higher Diploma in Purchasing from the Institute of Purchasing & Supply, and an Advanced Diploma in Theology. He also serves as a member of the Audit Committee of McNichols Plc and a director of Emmorad Business Ventures.

iv. Lt. Gen. Garba Duba (rtd.): Director
v. Mr. Akinsoji Akintayo: Director (up to 31st December, 2017)
vi. Mr. Andrew Smith-Maxwell: Director
vii. Mr. Sikiru Rufai: Director (with effect from 13th December, 2017)

The details of the attendance at meetings of the Committee during the year are as follows:

Names of Members	Meetings held	Meetings attended
Mr. Adebayo Adeleke	4	4
Mr. Yemi Ayuba	4	2 *(elected 22nd September 2017)*
Mr. Emmanuel Omole	4	2 *(elected 22nd September 2017)*
Lt. Gen. Garba Duba (Rtd)	4	4
Mr. Akinsoji Akintayo	4	3 *(resigned with effect from 31st Dec. 2017)*
Mr. Andrew Smith-Maxwell	4	4
Mr. Sikiru Rufai	4	1 *(appointed 13th December 2017)*

Audit Committee meetings were held on 13th June, 2017, 18th September, 2017, 11th December, 2017 and 12th March, 2018.

b) Business Development Committee

The purpose of the Business Development Committee is to assist the Board in fulfilling its responsibilities in relation to assessing and managing the Company's business development strategies and activities. Details of attendance at the Business Development Committee meeting during the year are as follows:

Names of Members	No. of Meetings held	No. of Meetings attended
Mr. Alan Palmer (Chairman)	3	3
Mr. Olanrewaju Jaiyeola	3	3
Dr. Nino Ozara	3	3
Mr. Rotimi Fadipe	3	3
Mr. Benson Evbuomwan	3	1 *(resigned with effect from 1st March 2018)*
Mrs. Wonuola Adetayo	3	3
Mr.Oluranti Sokunbi	3	3

Business Development Committee meetings were held on 14th September, 2017, 22nd November, 2017 and 5th March, 2018.

c) Nominations' Committee

The Nominations' Committee is empowered to bring to the Board recommendations regarding the appointment of any Director. The Committee ensures that a review of Board candidates is undertaken in a disciplined and objective manner. Due to the nature of its remit, the Nominations Committee meets on a need-to basis.

Members of the Committee are:

Dr. Oba Otudeko, CFR
Lt. Gen. Garba Duba (rtd.)
Mr. Obafemi Otudeko

The Committee met on the 21st of September, 2017.

d) Shareholder Value Enhancement Committee

The core mandate of this Committee is to maintain a rigorous strategic planning and oversight process with respect to the creation of shareholder value. These strategies relates mostly to shareholder and investor engagement among other areas. The key area of responsibility for the Shareholder Value Enhancement Committee is to build investors' confidence, enhance the Company's share value, review trends affecting investors' perception/sentiment and closely monitor the investor relations programme for HFMP. The Committee meets on a need-to basis.

Members of the Committee are:

Mr. Alan Palmer and Mr. Lanre Jaiyeola.

6. Management

The Executive Management comprises the Executive Directors and Heads of Department of the Core Business Units of the Company. It meets three times a week and is responsible for setting overall corporate targets, reviewing the Company's performance and operational issues and overseeing the affairs of the Company on a day-to-day basis. Members of the Executive Management are:

Mr. Olanrewaju Bamidele Jaiyeola	-	Managing Director
Dr. Albert Nino Ozara	-	Manufacturing Director
Mr. Benson Evbuomwan	-	Marketing Director *(up to 1st March, 2018)*
Mr. Rotimi Gbenga Fadipe	-	Supply Chain Director
Mrs. Oluseye Sandey	-	Executive Director, Finance *(up to 28th April, 2017)*
Mrs. Oluwayemisi Busari	-	Company Secretary
Mr. Mobolaji Fakayode	-	Financial Controller
Mr. Babatunde Adebayo	-	Head, Human Resources & Admin
Mr. Oluseye Ogunwole	-	Head, National Sales (Business to Business)
Mr. Narendra Nagarkar	-	Head, National Sales (Business to Consumers)

7. Performance Evaluation of the Board

The Board has established a system to undertake a formal and rigorous periodic evaluation of its own performance, that of its Committees, the Chairman and individual Directors. The evaluation system includes the criteria and key performance indicators and targets for the Board, its Committees and each individual Committee member. The Company engages the services of external consultants to facilitate this evaluation.

8. Policies

In keeping with its practice of adhering to best corporate governance standards, Honeywell Flour Mills Plc has in place several policies, which protect the interests of its customers and stakeholders.

a. Security Trading Policy

In line with Section 14 of the Amendment to the Listing Rules of the Nigerian Stock Exchange, Honeywell Flour Mills Plc has in place a Security Trading Policy.

During the financial year under review, the Directors and employees of the Company complied with the Nigerian Stock Exchange Rules relating to securities transactions and the provision of the Honeywell Flour Mills Plc Policy on insider trading.

b. Shareholders Enquiries & Complaints Management Policy

Honeywell Flour Mills Plc has in place a Shareholders Enquiries & Complaints Management Policy in compliance with the Investments and Securities Act (ISA), 2007 and in line with the Securities and Exchange Commission Rules relating to the Complaints Management Framework of the Nigerian Capital Market.

During the financial year, all enquiries and complaints covered under the Policy were promptly resolved. Enquiries and complaints may be submitted through the following channels:

i. Company Registrar

First Registrars & Investor Services Limited
Plot 2 Abebe Village Road
Iganmu
Lagos.
Tel: 234 1 2799880, 2701078, 2701079
Fax: 234 1 2701071, 2701072
Email: info@firstregistrarsnigeria.com

ii. Company Secretary

Shareholders seeking to escalate unresolved complaints are invited to contact the Company Secretary as follows:

Office of the Company Secretary/Head, Group Legal & Regulatory Affairs
6b, Mekunwen Road
Ikoyi
Lagos.
Email: hfml@honeywellflour.com
Tel: +234 1 731 5870, +234 1 7932694

c) Whistle Blowing Policy

Under its whistle blowing mechanism, employees of Honeywell Flour Mills Plc and other stakeholders including third parties are encouraged to report any observed or suspected acts of fraud, corruption or other irregularities through the independent helpline or online without fear of reprisal or recrimination.

The Company guarantees that the identity of the reporting individual or organisation is accorded utmost protection and the report timeously investigated and treated. This robust system has been embraced by all employees and stakeholders.

Whistleblowers may report misconduct, irregularities or malpractices via the following channels:

- whistleblower@honeywellgroup.com
- 0708 060 1099
- www.honeywellgroup.com/whistleblowing/

Mmmmmmmmm...!
Satisfy your craving with
Honeywell Spaghetti.
HONEYWELL
SPAGHETTI
500g
HONEYWELL
SPAGHETTI
SLIM
500g
Butta la Pasta !
...bring Honeywell Pasta


COMPLETE NOURISHMENT FOR EVERYONE
NO SUGAR ADDED
NO SUGAR ADDED
NO SUGAR ADDED
HONEYWELL
Whole Wheat Meal
QUALITY GUARANTEED
Suggested serving
ADDED MICRONUTRIENTS
VITAMIN A FORTIFIED
2kg
...more than just a meal
Rich in fibre, vitamins and minerals, Honeywell Wheatmeal is 100% natural and goes with any soup.
High in Fibre
Rich in Protein
Good for everyone

d) Quality Policy

The Company is committed to the continuous achievement of business success by maintaining quality leadership in the flour milling industry.

This is driven by a quality management system designed to ensure that customers are always provided with high quality products and services that meet International Standards. Such standards are in full compliance with all statutory and regulatory requirements and are set out in writing for adherence by all staff at all times.

Honeywell Flour Mills Pic was the first flour milling company in Nigeria to be ISO-certified. All processes and procedures across the organisation are in line with international best practices. This is to ensure that it continuously produces good quality products for the complete satisfaction of its highly esteemed customers. The Company employs state-of-the-art facilities for the production of its various brands in conjunction with its technical partners Buhler AG of Switzerland (the world's leading milling equipment manufacturer) for the installation and maintenance of its mills as well as a partnership agreement with Muhlenchemie of Germany for the supply of additives.

e) Others

In line with the Code of Corporate Governance, Honeywell Flour Mills Plc also has in place other policies which further strengthens its corporate governance structure. They include:

- Code of Ethics for employees and the Board of Directors
- Communications policy
- Board Appointment policy
- Board remuneration policy
- Internal Control policy
- Robust charters for the Board and Committees
- Orientation & induction programme for new Directors

IMPACTING OUR COMMUNITY

It is the policy of Honeywell Flour Mills Plc that every employee is provided with a safe and healthy working environment so far as is practicable, having due regard to all moral, legal and economic obligations. The Directors of the Company recognize that they have a responsibility to ensure that all reasonable precautions are taken to maintain good working conditions that are safe, healthy and comply with all statutory requirements and best codes of practice. The Company recognizes that a safe and healthy environment can be maintained only with the co-operation of all employees and stakeholders operating on its premises. Employees and stakeholders will, therefore, continue to be encouraged to express their views on the Company's safety standards through the Safety Committee while Health and Safety training opportunities will be provided annually.

Honeywell Flour Mills Plc is a socially responsible Company, which embarks on projects that aim at alleviating poverty, aiding learning, sports development and helping the less privileged. The Company is the only Flour Milling Company in Nigeria that provides formal training for bakers, at the **Honeywell Baking School.**

DONATION TO SOS VILLAGE IJEBU MUSHIN, OGUN STATE.

DONATION TO BETHESDA HOME FOR THE BLIND

DONATION TO LITTLE SAINTS ORPHANAGE

SPORTS DEVELOPMENT

BAKING SCHOOL

HFMP trained and graduated 47 bakers from her baking school in 2018. They were trained in modern baking techniques and how to manage their baking businesses.

EVENTS AND SPONSORSHIPS

2017 LAGOS INTERNATIONAL TRADE FAIR

OGUN STATE INVESTMENT FORUM

CHILDREN'S DAY DEBATE

CHILDREN'S DAY CELEBRATION

2017 ANNUAL GENERAL MEETING

Financial Statements

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Financial Highlights
Notice of AGM
Report of Directors
Proxy Form
Mandate Form

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 MARCH, 2018

	2018 **N'000**	2017 N'000	*Increase/* *(decrease)* %
Revenue	**71,476,319**	53,227,891	34
Profit before taxation	**4,872,291**	5,469,833	(11)
Profit after taxation	**4,426,978**	4,304,955	3
Total assets	**124,835,013**	113,151,715	10
Shareholders' fund	**56,391,664**	52,334,665	8
Total liabilities	**68,443,349**	60,817,050	13
Issued and fully paid share capital	**3,965,099**	3,965,099	-
Market capitalization at 31 March	**20,222,004**	8,326,708	143
Per 50k share data			
	kobo	kobo	**kobo**
Earnings	**55.82**	54.29	1.53
Proposed Dividend	**6.00**	6.00	-
Net assets	**711.10**	659.94	51.16
Stock Exchange quotation at 31 March (Naira)	**2.55**	1.05	1.50

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING
NOTICE IS HEREBY GIVEN that the 9th Annual General Meeting of **Honeywell Flour Mills Plc** will hold as follows:

Date: Thursday 20 September, 2018
Venue: Civic Centre Ozumba Mbadiwe Street, Victoria Island, Lagos
Time: 11a.m

The following will be transacted at the meeting as ordinary business:

1. To receive the Audited Financial Statements for the year ended March 31, 2018, together with the Report of the Directors, Independent Auditors and Audit Committee thereon.
2. To declare a dividend
3. To re-elect retiring Directors.
4. To authorise the Directors to fix the Auditors' remuneration
5. To elect members of the Audit Committee.

Proxy
Any member of the Company who is entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. A proxy form is enclosed herewith. A proxy form must be completed and deposited at the office of the Company's Registrar, First Registrars & Investor Services Limited, 2 Abebe Village Road, Iganmu Lagos not later than 48 hours before the time fixed for the meeting.

Audit Committee
Any Shareholder may nominate another Shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Secretary of the Company at least 21 days before the Annual General Meeting.

Dividend
If the Dividend recommended by the Directors is approved by the members at the Annual General Meeting, Dividend will be paid by Friday 21 September, 2018 to the Shareholders whose names appear in the Company's Register of Members on the close of business on Friday 7 September, 2018.

Closure of Register and Transfer Books
The Register of Members and Transfer books will be closed from Monday, 10 September, 2018 to Friday, 14 September, 2018, both days inclusive for the purpose of updating the Register of Members.

E-Dividend
Notice is hereby given to all Shareholders to open bank accounts, stock broking accounts and CSCS accounts for the purpose of dividend. A detachable application form for e-dividend is attached to this Annual Report to enable all Shareholders furnish particulars of their accounts to the Registrar (First Registrars & Investor Services Limited) as soon as possible.

BY ORDER OF THE BOARD

....
Oluwayemisi Busari (Mrs.)
Company Secretary
FRC/2013/NBA/00000004046

BOARD OF DIRECTORS

Board Directors

1.	Dr. Oba Otudeko, D.Sc. (Hon.) CFR	Chairman
2.	Mr. Lanre Jaiyeola	Managing Director
3.	Dr. Nino Ozara	Executive Director, Manufacturing
4.	Mr. Benson Evbuomwan	Executive Director, Marketing *(resigned with effect from March 1, 2018)*
5.	Mr. Rotimi Fadipe	Executive Director, Supply Chain
6.	Mrs. Oluseye Sandey	Executive Director, Finance *(resigned with effect from April 28, 2018)*
7.	Lt. Gen. Garba Duba (rtd.)	Non- Executive Director
8.	Mr. Obafemi Otudeko	Non- Executive Director
9.	Mr. Alan Palmer	Non- Executive Director
10.	Mr. Andrew Smith-Maxwell	Non- Executive Director
11.	Mr. Akinsoji Akintayo	Non- Executive Director *(resigned with effect from December 31, 2017)*
12.	Mr. Sikiru Rufai	Non- Executive Director *(appointed with effect from December 13, 2017)*
13.	Mrs. Wonuola Adetayo	Independent Director
14.	Mr. Oluranti Sokunbi	Independent Director
15.	Dr. Raymond Zoukpo	Independent Director

Secretary

Oluwayemisi Busari (Mrs)
Tel: +234 1 731 5870, +234 1 793 2694
Email: Obusari@honeywellflour.com

Operational Office:

(a) **Apapa Factory**
2nd Gate By-Pass
Tin Can Island Port
Apapa,
Lagos.
Website: www.honeywellflour.com
Email: hfml@honeywellflour.com

(b) **Ikeja Factory**
Plot YABB, Mobolaji Johnson Avenue
Alausa, Ikeja,
Lagos.

CORPORATE INFORMATION

Registrars

First Registrars & Investors Services Limited
2, Abebe Village Road,
Iganmu, Lagos.

Registered Office

SW8/1185 Sanda Street
Molete, Ibadan,
Oyo.

Bankers

Access Bank Plc
Diamond Bank Plc
EcoBank Nigeria Plc
Fidelity Bank Plc
First Bank of Nigeria Limited
Guaranty Trust Bank Plc
Keystone Bank Limited
Skye Bank Plc
Standard Chartered Bank of Nigeria Limited
Union Bank Plc
United Bank for Africa Plc
Zenith Bank Plc

Independent Auditors

BBC PROFESSIONALS
(Chartered Accountants)
Charter House,
7, McNeil Road,
Sabo-Yaba,
Lagos.

REPORT OF DIRECTORS

The Directors have the pleasure to submit to members their annual report together with the audited financial statements for the year ended 31 March, 2018.

PRINCIPAL ACTIVITIES

Honeywell Flour Mills Plc (HFM Plc.) was initially registered as GATEWAY HONEYWELL FLOUR MILLS LIMITED on 21 June, 1983. A change in the Company's ownership structure led to a change of the name to HONEYWELL FLOUR MILLS LIMITED in June 1995. The Company was converted to a Public Liability Company in 2008. Its shares were listed on the Nigerian Stock Exchange (NSE) in 2009.

The Company is principally involved in the manufacturing and marketing of wheat-based products such as flour, semolina, whole wheat meal, noodles and pasta.

RESULTS FOR THE YEAR

	2018	2017
	N'000	N'000
Revenue	**71,476,319**	53,227,891
	==========	==========
Profit before taxation	**4,872,291**	5,469,833
Taxation	**(445,313)**	(1,164,878)
Profit after taxation	**4,426,978**	4,304,955
	==========	==========

DIVIDEND

The directors have proposed a dividend of **=N=475,811,859** which translates to **6k per ordinary shares** of 50k each. As this is subject to the approval of the shareholders at the Annual General Meeting and does not meet the criteria of present financial obligations, the proposed dividend has not been included as part of the liabilities in these financial statements.

PRODUCTS DISTRIBUTION

The Company's products are distributed through distributors across the country.

vii. Directors Interest

The direct and indirect interest of Directors in the Issued Share Capital of the Company as recorded in the Register of Directors Shareholdings and/or as notified by the Directors for the purposes of Sections 275 and 276 of the Companies and Allied Matters Act, CAP C20 LFN 2004 and the listing requirements of the Nigerian Stock Exchange is as stated hereunder:

	At 31 March, 2018		At 31 March, 2017	
	Indirect Unit Holdings	Direct Unit Holdings	Indirect Unit Holdings	Direct Unit Holdings
Dr. Oba Otudeko, D.Sc. Hon. CFR*	5,294,363,565	-	5,303,363,565	-
Mr. Obafemi Otudeko *	618,000,000	-	618,000,000	-
Mr. Olanrewaju Bamidele Jaiyeola	-	150,000	-	150,000
Dr. Nino Albert Ozara	-	250,000	-	250,000
Lt. General Garba Duba (Rtd)	-	4,554,030	-	4,554,030
Mr. Akinsoji Akintayo	-	200,000	-	200,000
Mr. Oluranti Sokunbi	-	208,000	-	208,000
Mr. Rotimi Gbenga Fadipe	-	115,000	-	115,000
Mr. Benson Evbuowan	-	20,000	-	20,000
Mrs. Oluseye Sandey	-	-	-	100,000
Mr. Alan Palmer	-	75,783	-	75,783
Mr. Andrew Smith-Maxwell	-	-	-	-
Mrs. Wonuola Adetayo	-	50,000	-	50,000
Dr. Raymond Zoukpo	-	-	-	-
Mr. Sikiru Rufai	-	30,000	-	-

*Dr. Oba Otudeko and Mr. Obafemi Otudeko have indirect holdings amounting to 5,294,363,565 and 618,000,000 respectively through Siloam Global Services Limited who is a 75% equity holder in the Company.

viii. Directors Interest in Contracts

None of the Directors have notified the Company for the purpose of Section 227 of the Companies and Allied Matters Act, CAP C20 LFN 2004 of any disclosable interest in contracts with which the Company was involved during the year ended 31 March, 2018.

ix. Responsibilities of the Directors

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act, CAP C20 LFN 2004 and Financial Reporting Council of Nigeria Act No.6, 2011, the Directors of Honeywell Flour Mills Plc are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Company as at 31 March, 2018 and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards (IFRS)

The responsibilities include, ensuring that:

- appropriate internal controls are established to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;

- the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act, CAP C20 LFN 2004;

- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed;

- the financial statements are prepared on a going concern basis unless it is presumed that the Company will not continue in business.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act, CAP C20 LFN 2004 and Financial Reporting Council of Nigeria Act, No. 6, 2011.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of the financial performance during the year.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of these financial statements.

x. Performance Evaluation of the Board

The Board has established a system to undertake a formal and rigorous annual evaluation of its own performance, that of its Committees, the Chairman and individual Directors. The evaluation system includes the criteria and key performance indicators and targets for the Board, its Committees and each individual Committee member. The Board engages the services of external consultants to facilitate the performance evaluation of the Board, its Committees or individual members. The Board Performance appraisal did not hold in the year under review.

EMPLOYMENT AND EMPLOYEES

Employment policy

It is the policy of the Company that there should be no discrimination in considering applications for employment including those from physically challenged persons. However, there was no physically challenged person in the employment of the Company during the year.

Training and development

It is the Company's policy to equip all employees with the skills and knowledge required for the successful performance of their jobs. The Company sees the investment in its employee as a major part of its strategic development and has maintained a consistent policy of training its staff, both locally and internationally to enhance their skills and competence.

Health and welfare of employees

The Company maintains a staff clinic with full-time nurses and weekly attendance by a physician. It also offers free medical services through a health management services provider to all members of staff.

The Company continuously strives to improve its operations to ensure a safe working environment. It also maintains high standard of hygiene in all its premises through sanitation practices and regular fumigation exercises, as well as installation of pest and rodent control gadgets. Nutritionally balanced meals are provided in the Staff Canteen free for the Junior Staff and at highly subsidized rate for the Senior Staff.

AUDIT COMMITTEE

In compliance with section 359 (4) of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004, members of the Audit Committee were elected at the Annual General Meeting held on 22 September, 2017. Members that served on the Committee during the year comprise:

Mr. Adebayo Adeleke	Shareholder	
Alhaji Lateef Ayodeji Shonubi	Shareholder	(Up to 21 September, 2017)
Dr. Tunji Odebunmi	Shareholder	(Up to 21 September, 2017)
Mr. Emmanuel Omole	Shareholder	(with effect from 21 September, 2017)
Mr. Quadri Ayuba	Shareholder	(with effect from 21 September, 2017)
Lt. Gen. Garba Duba (Rtd)	Director	
Mr. Akinsoji Akintayo	Director	(Up to 31 December, 2017)
Mr. Andrew Smith-Maxwell	Director	
Mr. Sikiru Rufai	Director	(with effect from 12 March, 2018)

The Committee in the conduct of its affairs review the Company's overall risk management and control systems, financial reporting arrangements and standard of business conduct. Members of the Audit Committee have direct access to the Internal Audit Department and Independent Auditors. The statutory functions of the Committee are provided for in section 359(6) of the Companies and Allied Matters Act, Cap.C20, Law of the Federation of Nigeria, 2004.The detail of the attendance at meetings of the Committee during the year are as follows:

Names of Members	No. of Meetings held	No. of Meetings attended
Mr. Adebayo Adeleke	4	4
Alhaji Lateef Ayodeji Shonubi	4	2 (Up to 21 September, 2017)
Dr. Tunji Odebunmi	4	2 (Up to 21 September, 2017)
Mr. Emmanuel Omole	4	2 (with effect from 21 September, 2017)
Mr. Quadri Ayuba	4	2 (with effect from 21 September, 2017)
Lt. Gen. Garba Duba (Rtd)	4	4
Mr. Akinsoji Akintayo	4	3 (Up to 31 December, 2017)
Mr. Andrew Smith-Maxwell	4	4
Mr. Sikiru Rufai	4	1 (with effect from 12 March, 2018)

Audit Committee meetings were held on 13 June, 2017, 18 September, 2017, 11 December, 2017 and 12 March, 2018.

SECURITY TRADING POLICY

In line with Section 14 of the Amendment to the Listing Rules of the Nigerian Stock Exchange, Honeywell Flour Mills Plc has in place a Security Trading Policy.

During the financial year under review, the Directors and employees of the Company complied with the Nigerian Stock Exchange Rules relating to securities transactions and the provision of the Honeywell Flour Mills Plc Policy on insider trading.

COMPLAINTS MANAGEMENT POLICY

Honeywell Flour Mills Plc has in place a Complaints Management Policy in compliance with the Investments and Securities Act (ISA), 2007 and in line with the Securities and Exchange Commission Rules relating to the Complaints Management Framework of the Nigerian Capital Market.

During the financial year, all enquiries and complaints covered under the Policy were promptly resolved.

WHISTLE BLOWING POLICY

Under its whistle blowing mechanism, employees of Honeywell Flour Mills Plc and other stakeholders including third parties are encourage to report any observed or suspected acts of fraud, corruption or other irregularities, orally or anonymously contact the independent helpline by telephone or online without fear of reprisal or recrimination.

The Company guarantees that the identity of the reporting individual or organisation shall be accorded utmost protection and the report timeously investigated and treated.

The robust system has been embraced by all employees and stakeholders.

QUALITY POLICY

The Company is committed to the continuous achievement of business success by maintaining its quality leadership in the flour milling industry.

This is driven by a quality management system designed to ensure that customers are always provided with high quality products and services that meet International Standards. Such standards are in full compliance with all statutory and regulatory requirements and are set out in writing for adherence by all staff at all times.

SHAREHOLDING ANALYSIS

The shareholding structure of the company as at 31 March, 2018 is as stated below:

Share range	No of holders	% of holders	No of holdings	% of holdings
1 - 1,000	11,196	34.91	10,151,004	0.13
1,001 - 5,000	13,618	42.46	35,980,292	0.45
5,001 - 10,000	2,895	9.03	23,852,999	0.30
10,001 - 50,000	2,816	8.78	66,331,958	0.84
50,001 - 100,000	651	2.03	51,697,162	0.65
100,001 - 500,000	679	2.12	147,591,340	1.86
500,001 - 1,000,000	112	0.35	84,594,370	1,07
1,000,001 - 5,000,000	77	0.24	154,924,927	1.95
5,000,001 - Above	25	0.07	7,355,073,606	92.75
	32,069	100.00	7,930,197,658	100.00

SUBSTANTIAL INTEREST IN SHARES

According to the register of members, the following shareholders of the Company held at least 5 percent of the Issued Share Capital of the Company as at 31 March, 2018:

	2018	
	Number	**%**
Siloam Global Services Limited	**5,921,363,565**	**75**
First Bank of Nigeria Limited	**400,967,024**	**5**

DONATIONS, SPONSORSHIP AND CORPORATE SOCIAL RESPONSIBILITY

The Company gave donations and gifts to several charitable organisations and CSR initiatives in the course of the year. The value of these gifts and donations are as follows:

	= N=
NYSC Orientation Camp activities	5,000,000
SOS Children Village Nigeria	1,313,527
Little Saints Orphanage	1,313,527
Bethesda Home	1,313,527
LASPARK/Ndubuisi Kanu Park Children day programme	4,700,401
Federal College of Education, Yaba	219,478
Nigerian Navy School Sport Sponsorship	100,000
FRSC Road Safety Campaigns	698,936
Youth Musical Festival	412,875
Nigerian Red Cross	191,428
	15,263,699

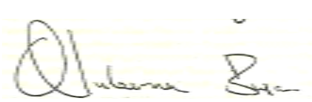
PROPERTY, PLANT AND EQUIPMENT

Movements in Property, Plant and Equipment during the year are shown in note 6 page 85. In the opinion of the Directors, the market value of the Company's properties are not lower than the value shown in the financial statements.

INDEPENDENT AUDITORS

In accordance with section 357 (2) of the Companies and Allied Matters Act, CAP C20 LFN 2004, Messrs BBC Professionals [Chartered Accountants] have expressed their willingness to continue in office as Independent Auditors to the Company. A resolution will be passed at the Annual General Meeting to authorize the Directors to fix the remuneration of the auditors.

Dated 27 June, 2018
By Order of the Board



Oluwayemisi Busari (Mrs.)
FRC/2013/NBA/00000004046
Company Secretary
Lagos, Nigeria.

INDEPENDENT AUDITORS' REPORT

To Members of Honeywell Flour Mills Plc

Opinion

We have audited the accompanying financial statements of Honeywell Flour Mills Plc which comprise the statement of financial position as at 31 March, 2018, the income statement and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, explanatory notes to the financial statements including a summary of significant accounting policies as set out on pages 62 to 97.

In our opinion, the financial statements give a true and fair view of the financial position of Honeywell Flour Mills Plc as at 31 March, 2018 and of its financial performance and cash flows for the year ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act, CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilties for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the requirements of the Institute of Chartered Accountants of Nigeria Professional Code of Conduct and Guide for Accountants (ICAN Code) and other independent requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) .

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were most significant in our audit of the financial statements of the current year. However, there were no issues of Key Audit Matters during the financial year.

Other information than the Financial Statements and Audit Report thereon

The directors are responsible for the other information. The other information comprises the Directors' Report which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Other information than the Financial Statements and Audit Report thereon (Continued)

Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Directors for the Financial Statements

The Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (FRCN Act No. 6, 2011) and in the manner required by the Companies and Allied Matters Act CAP C20 LFN 2004. These responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide with those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the benefits derivable by the public by such communication.

Report on other Legal and Regulatory Requirements

In accordance with Schedule 6 of the Companies and Allied Matters Act CAP C20 LFN, 2004 we expressly state 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, so far as it appears from our examination of those books; and

(iii.) The Company's statement of financial position and income statement are in agreement with the books of account and returns.

James O. Obogwu, FCA
FRC/2013/ICAN/00000002913
For: **BBC PROFESSIONALS**
Charterered Accountants
Lagos, Nigeria

29 June 2018

Audit Committees' Report to Members of Honeywell Flour Mills Plc
For the Financial Year Ended 31 March, 2018

In compliance with the provisions of Section 359(6) of the Companies and Allied Matters Act CAP C20 LFN 2004, we the members of the Audit Committee of Honeywell Flour Mills Plc received the Audited Financial Statements for the year ended 31 March, 2018 together with Management Control Report from the external auditors and management response thereto at duly convened meeting of the committee and hereby report as follows:

We confirm that:

(a) We reviewed the scope and planning of the audit requirements;
(b) We reviewed the external auditors' Management Control Report together with Management Responses; and
(c) We have ascertained the accounting and reporting policies of the company for the year ended 31 March, 2018 are in accordance with legal requirements and agreed with ethical practices

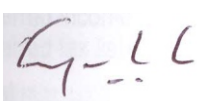
In our opinion, the scope and planning of the audit for the year ended 31 March, 2018 was adequate and Management Responses to the auditors' findings were satisfactory.

We confirm that the internal control system was being consistently and effectively monitored through effective Internal Audit.

The External Auditors confirmed that they received full co-operation from the management during the course of the statutory audit.

The Committee therefore recommend that the Audited Financial Statements for the year ended 31 March, 2018 and the External Auditors' Report thereon be presented for adoption at the Annual General Meeting.

Dated 26 June, 2018



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Mr. Adebayo Adeleke
For the Chairman, Audit Committee
FRC/2013/NIM/00000002317

Members of the Audit Committee

Mr. Adebayo Adeleke	-Chairman/Shareholder
Mr. Emmanuel Omole	-Shareholder
Mr. Quadri Ayuba	-Shareholder
Lt. Gen. Garba Duba (Rtd)	-Director
Mr. Andrew Smith-Maxwell	-Director
Mr. Sikiru Rufai	-Director

STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH, 2018	Notes	2018 N'000	2017 N'000
Assets			
Non-current assets			
Property, plant and equipment	6	**103,210,062**	100,118,393
Intangible assets	7	**13,862**	21,432
		103,223,924	100,139,825
Current assets			
Inventories	8	**7,844,965**	4,515,525
Trade and other current receivables	9	**6,518,925**	871,697
Cash and cash equivalents	10	**7,247,199**	7,624,668
		21,611,089	13,011,890
Total assets		**124,835,013**	113,151,715
Liabilities			
Current liabilities			
Financial liabilities	12.1	**15,455,006**	18,521,614
Trade and other payables	11	**12,331,422**	7,478,658
Current tax liabilities	15.2	**420,830**	318,426
Total current liabilities		**28,207,258**	26,318,698
Non-current liabilities			
Financial liabilities	12	**34,934,897**	28,947,260
Retirement benefit obligations	13	**842,702**	1,039,365
Deferred tax liabilities	15.4	**4,458,492**	4,511,727
Total non-current liabilities		**40,236,091**	34,498,352
Total liabilities		**68,443,349**	60,817,050
Equity			
Share capital	17	**3,965,099**	3,965,099
Share premium		**6,462,041**	6,462,041
Retained earnings	18	**45,964,524**	41,907,525
Total Equity		**56,391,664**	52,334,665
Total liabilities and equity		**124,835,013**	113,151,715

The financial statements and notes on pages 62 to 97 were approved by the Board of Directors on 27 June, 2018 and signed on its behalf by:

Dr. Oba Otudeko, D.Sc. Hon. CFR
Chairman
FRC/2013/ICAN/0000002365

Olanrewaju Bamidele Jaiyeola
Managing Director/CEO
FRC/2014/ICAN/00000008542

Mobolaji Fakayode
Financial Controller
FRC/2017/ICAN/00000016847

Income Statement for the year ended 31 March, 2018			
	Notes	**2018** **N'000**	2017 N'000
Revenue	19	**71,476,319**	53,227,891
Cost of sales	20	**(55,423,670)**	(40,515,269)
Gross profit		**16,052,649**	12,712,622
Other Income	21	**202,217**	1,211,846
Selling and Distribution Expenses		**(4,718,121)**	(3,418,285)
Administrative Expenses		**(2,059,563)**	(2,243,395)
Results from operating activities		**9,477,182**	8,262,788
Finance Income		**-**	934,350
Finance Costs		**(4,604,891)**	(3,727,305)
Net finance cost		**(4,604,891)**	(2,792,955)
Profit before taxation		**4,872,291**	5,469,833
Taxation	15.1	**(445,313)**	(1,164,878)
Profit for the year		**4,426,978**	4,304,955
Earnings per share			
Earnings per share (kobo)		**55.82**	54.29

The notes on pages 62 to 97 form an integral part of these financial statements.

STATEMENT OF OTHER COMPREHENSIVE INCOME

Statement of Other Comprehensive Income
for the year ended 31 March, 2018

	Note	2018 N'000	2017 N'000
Profit for the year recognized in the income statement		**4,426,978**	4,304,955
Re-measurement of post-employment benefit obligation	13	**(16,844)**	(337,571)
Fair value gain on post employment gain obligation		**122,677**	-
Total comprehensive income		**4,532,811**	3,967,384
Attributable to the owners of the Company		**4,532,811**	3,967,384
Total comprehensive income for the year		**4,532,811**	3,967,384

The notes on pages 62 to 97 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity
for the year ended 31 March, 2018

2018	Share capital N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
At 1 April, 2017	3,965,099	6,462,041	41,907,525	52,334,665
Profit for the year	-	-	4,426,978	4,426,978
Dividend paid during the year			(475,812)	(475,812)
Other comprehensive income				
Actuarial loss	-	-	(16,844)	(16,844)
Fair value gain on post-employment benefit obilgation			122,677	122,677
At 31 March, 2018	**3,965,099**	**6,462,041**	**45,964,524**	**56,391,664**
2017				
At 1 April, 2016	3,965,099	6,462,041	5,935,459	16,362,599
Provision for additional tax liability	-	-	(110,914)	(110,914)
Profit for the year	-	-	4,304,955	4,304,955
Revaluation Surplus			32,115,596	32,115,596
Other comprehensive income				
Actuarial loss	-	-	(337,571)	(337,571)
To 31 March, 2017	**3,965,099**	**6,462,041**	**41,907,525**	**52,334,665**

The notes on pages 62 to 97 form an integral part of these financial statements.

STATEMENT OF CASH FLOW

Statements of Cash Flows
for the year ended 31 March, 2018

	Notes	2018 N'000	2017 N'000
Cash flows from operating activities			
Cash generated from operations	16	**15,274,043**	(1,726,849)
Retirement benefit paid	13	**(151,989)**	(305,876)
Tax paid	15.2	**(396,144)**	(500,356)
Net cash flows (used in)/generated from operating activities		**14,725,910**	(2,533,081)
Cash flows from investing activities			
Interest received		**-**	934,350
Purchase of property, plant and equipment	6	**(7,309,226)**	(16,843,271)
Proceeds from sales of property, plant and equipment		**1,333,702**	52,058
Net cash flows from investing activities		**(5,975,524)**	(15,856,863)
Cash flows from financing activities			
Interest payment		**(4,604,891)**	(3,727,305)
Proceeds from borrowings		**15,000,000**	16,193,311
Repayment of borrowings		**(18,425,382)**	(2,719,542)
Dividend paid		**(475,812)**	-
Cash generated from financing activities		**(8,506,031)**	9,746,464
Net (decrease)/increase in cash and cash equivalents		**244,355**	(8,643,482)
Cash and cash equivalents at 1 April		**6,852,807**	15,496,289
Cash and cash equivalents at 31 March	10	**7,097,162**	6,852,807

The notes on pages 62 to 97 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March, 2018

Index to Notes to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2018

REPORTING ENTITY

Honeywell Flour Mills Plc. was initially registered as Gateway Honeywell Flour Mills Limited on 21 June, 1983. A change in the company's ownership structure led to a change of the name to Honeywell Flour Mills Limited in June, 1995. The Company was converted to a Public Liability Company in 2008. Its shares were listed on the Nigerian Stock Exchange (NSE) in 2009. As part of its vertical integration strategy, the Company acquired 100% ownership of Honeywell Superfine Foods Limited, manufacturer of pasta and noodles in 2008.

Honeywell Flour Mills Plc. is a company domiciled in Nigeria. The Company is principally engaged in the manufacture and marketing of wheat-based products including flour, semolina, whole wheat meal, noodles and pasta.

BASIS OF PREPARATION

(a) STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) being Standards in force at 31 December, 2013 and those issued thereafter. They have been prepared in line with IFRS accounting policies selected by the Company on transition to IFRS.

(b) BASIS OF MEASUREMENT

The financial statements have been prepared under the historical cost basis, except for items measured at fair value and the use of actuarial methods for estimating certain employees benefits.

(c) FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in the Nigerian Naira, which is the Company's functional currency. All financial information presented in Naira have been rounded to the nearest thousand.

(d) USE OF ESTIMATES AND JUDGMENTS

The preparation of the financial statements in conformity with the IFRS requires management to make judgments, estimates and assumption that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- measurement of defined benefit obligations; and
- provisions and contingencies.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening IFRS statements of financial position as at 1 April, 2011 for the purpose of the transition to IFRS, unless otherwise indicated.

(a) GOING CONCERN

The Directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the unforeseeable future. The Company continues to adopt the going concern basis in preparing its financial statements.

(b) BUSINESS COMBINATION

Business combination involving entities under common control are outside the scope of IFRS 3. Management exercises its judgment to apply the pooling of interest method of accounting for business combination in accordance with IAS 8, 10 - 12. The IAS 8 and 12 allow management to consider the most relevant conceptual framework in developing an accounting policy where IFRS has no specific requirements.

Under a pooling of interests-type method, the acquirer accounts for the combination as follows:

- the assets and liabilities of the acquiree are recorded at book value not fair value (although adjustments should be recorded to achieve uniform accounting policies);
- no goodwill is recorded. The difference between the acquirer's cost of investment and the acquiree's equity is presented separately within Other Statements of Comprehensive Income;
- comparative amounts are restated as if the combination had taken place at the beginning of the earliest comparative period presented.

(c) SEGMENT REPORTING

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

The Company's business operating segments are identified by two factories located at Ikeja and Apapa. The Apapa factory manufactures flour, semolina, wheat meal, bakers delight and brown flour, while the Ikeja factory manufactures pasta and noodles.

(d) FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into Naira using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'other gains / (losses) - net'.

(e) PROPERTY, PLANT AND EQUIPMENT

Land and building held for use in the production or supply of goods or services, or for administration purposes, are stated in the statement of financial position at deemed cost at the date of transition to IFRS less accumulated depreciation and any accumulated impairment losses.

All other assets are stated at historical cost less accumulated depreciation and accumulated impairment losses. All other Property, Plant and Equipment are stated at historical cost or valuation less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flows hedges of foreign currency purchases of Property, Plant and Equipment.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of the 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 the cost can be measured reliably.
The carrying amount of the replaced cost is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

An item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits is expected from its use. Gains or losses on disposal or de-recognition of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment, and are recognized in income statement.

Depreciation is provided on components that have homogenous useful lives by using the straight line method so as to depreciate the initial cost down to the residual value over the estimated useful lives. The useful lives are as follows:

Buildings	20 - 50 years
Tools, Furniture/Fittings and Equipment	2 - 5 years
Vehicles	4 years
Land	Not depreciated

Assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting date.

Where an indication of impairment exists, 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. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement for the period.

(f) INTANGIBLE ASSETS

(i) Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives. Costs associated with maintaining computer software programmes are recognized as expenses incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

It is technically feasible to complete the software product and use or sell it;
Management intends to complete the software product and use or sell it;

- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development, employee costs and an appropriate portion of relevant overheads. Other development expenditure that do not meet these criteria are recognized as expenses as Incurred. Development costs previously recognized as expense are not recognized as asset in subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful lives.

(iii) AMORTIZATION OF INTANGIBLE ASSETS

Intangible assets are amortized on a straight line basis in the income statement over their estimated useful lives, from the date that they are available for use. The estimated useful life of computer software for the current and comparative years is five (5) years. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted for if appropriate.

(g) FINANCIAL ASSETS

(i) Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

-Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

-Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the financial statement.

-Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date, the date on which the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to received cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are substantially carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within 'other (losses) / gains - not in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the income statement as part of other income when the Company's right to receive payments is established. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in other comprehensive income. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the income statement as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognized in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognized in the income statement as part of other income when the Company's right to receive payments is established.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(iv) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss events (or events) has an impact on the estimated future cash flows of the financial asset or Company of financial assets that can be reliably estimated. The criteria that the company uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio.
- adverse changes in the payment status of borrowers in the portfolio; and national or local economic conditions that correlates on the assets in the portfolio.

The Company first assesses whether objective evidence of impairment exists. For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical expedient, the company may measure impairment on the basis of an instrument's fair value using an observable market price. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the income statement.

(v) Impairment of non - financial assets

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready for use - are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are tested at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) INVENTORIES

Inventories are stated at the lower of cost and estimated net realizable value.
Costs comprise direct material costs and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.
Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Spare parts and servicing equipment are usually carried as inventory and recognized in profit or loss as consumed. However, major spare parts and stand-by equipment qualify as property, plant and equipment when the Company expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment. Such classified spares are depreciated as property, plant and equipment over the useful life on a straight line basis.

(i) TRADE RECEIVABLES

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less provision for impairment. The collectability of trade receivables is reviewed on an ongoing basis. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due, according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the provision is recognized in the income statement.

(j) RESEARCH AND DEVELOPMENT

Research and development expenditure is charged against profits in the year in which it is incurred, unless it meets the criteria for capitalization set out in IAS 38 'Intangible assets'.

(k) CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS

Cash, cash equivalents and bank overdrafts include cash at bank and in hand plus short-term deposits less overdrafts. Short-term deposits have a maturity of less than three months from the date of acquisition. Bank overdrafts are repayable on demand and form an integral part of the Company's cash management.

(l) BORROWING

Interest- bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis through the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise.

(m) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payments is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(n) Investments

Investments are classified as either held-to-maturity, held-for-trading, loans and receivables or available-for-sale. Held-to-maturity investments and loans and receivables are measured at amortized cost. Held-for-trading and available-for-sale investments are measured at fair value. Where securities are held-for-trading purposes, gains and losses arising from changes in fair value are included in the income statement for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognized directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the income statements for the period.

(o) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation and the amount has been reliably estimated. Provisions for restructuring costs are recognized when the Company has a detailed formal plan for the restructuring that has been communicated to affected parties. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be acquired to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

(p) Tax

Income tax expense represents the sum of current tax expense and deferred tax expense. Current tax and deferred tax are recognized in income statement except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Company is subject to the following types of current income tax:

- Companies Income tax - This relates to tax on revenue and profit generated by the company during the year, to be taxed under the Companies Income Tax Act Cap C21, LFN 2004 as amended to date.

- Tertiary Education tax - Tertiary education tax is based on assessable income of the Company and is governed by the Tertiary Education Trust Fund (Establishment) Act LFN 2011.

(ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- Taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

(iii) Tax exposures

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

(q) Employee benefits

(i) Defined benefit plan

The defined benefit plan defines an amount of gratuity the employee will receive on retirement, dependent on date of employment, year of service and compensation. The defined benefit plan is being accounted for using the projected unit method that considers the rate of inflation, the degree of salary increases of employees, the retirement age among other factors.

The liability recognized in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of planned assets, together with adjustments for unrecognized past service costs.
The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.
The present value of the defined benefit obligation is determined by discounting the estimated future cash outflow using market rates on Government Bonds.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in income statement.

(ii) Defined contribution scheme

The Company operates a defined contribution plan which is funded by contributions from the Company and the employees. The Company's contribution is recognized as employee benefit expenses and charged to the income statement. The contributions of both the company and the employees are paid on a monthly basis to a pension fund administrator. The Company has no legal or constructive obligation to pay further contributions if the pension fund administrator does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expenses when they are due.

(iii) Short-term employee benefit

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit sharing plan if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the obligation can be estimated reliably.

(r) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below:

(i) Sale of goods

The Company manufactures and sells a range of products to the distributors and dealers. Sale of goods are recognized when the Company has delivered products to the customers and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery does not occur until the products have been shipped to the specified locations; the risks of obsolescence and loss have been transferred to the customers and either the customers have accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The products are often sold with discounts and rebates. Sales are recorded based on the price specified on the sales invoice net of the discounts, rebates and returns at the time of sale.

Sales are also recognized when the customer self-collect the product directly at the Company's premises during which the risks and rewards of ownership passes to the customer at the point of loading after the customer's delivery truck leaves the Company's premises.

No element of financing is deemed present where sales are made on agreed credit terms which are consistent with the market practice.

(ii) Interest income

Interest income is recognized using the effective interest rate method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the investment, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognized using the original effective interest rate.

(s) Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Dividends are recognized once paid.

(t) Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the number of ordinary shares held at the year end.

(u) Share Capital

The Company has only one class of shares - ordinary shares which are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve.

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

4. Risk management

Risk management is inherent in the business operations of the Company. Management has set up processes and systems to identify, assess, monitor and control business risks including the following :-

(a) Credit risk

This refers to the risk that a trade debtor will default by failing to make payments in accordance with the agreed credit terms and conditions. The possible impact of the credit risk is poor Account Receivable assets quality arising from high level of bad and doubtful debts and possible impairment of shareholders' funds. The carrying amount of financial assets represents the maximum credit exposure.

Mitigating Measures

- Credit application follows rigorous and extensive credit review and approval processes.
- All credits are secured by insurance or bank bonds.
- Once conditions precedent to credit utilization are met by the customer, the approved credit is updated, monitored and controlled by the ERP on real times basis in accordance with credit terms.
- Credit utilization report are prepared and monitored on a daily basis.

(b) Liquidity risk

This refers to the risk of Company's inability to finance its operation and meet its obligation when they become due without incurring unacceptable losses. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources.

Mitigating Measures

- Efficient and effective working capital management.
- Efficient Naira facility management.
- Efficient funds management to eliminate idle funds, meet obligations as they fall due and reduce interest expenses to the minimum level.
- Liquidity and working capital management reports are prepared and monitored on daily basis.

- The Treasury Department is well structured and equipped under the management of a very experienced and well trained team.

(c) Market risk

Market risk is the risk of financial loss due to the change in value of the market risk factors. The Company is faced with the following market risk factors:

- Interest rate risk:- The risk that interest rate will change adversely at the money market.
- Foreign exchange risk:- The risk that foreign exchange rates will fluctuate unfavorably at the foreign exchange market.
- Commodity risk:- The risk that wheat prices will significantly increase at the international commodity markets.

Mitigating Measures

- Efficient management of exchange and interest rate risks including generation of relevant risk management reports for the monitoring and review on a daily and weekly basis.
- Monitor the money, capital and foreign exchange markets including micro and macroeconomic environment on a daily basis.
- Efficient management of the commodity risk by the Logistics and Supplies Department with a full-fledged experienced and well trained team in the area of wheat dynamics and procurement strategies.
- Monitoring of price dynamics and changes at the relevant Commodity Exchange Boards on a real time basis and taking proactive decisions on a timely basis.
- The commodity risk affects the global milling industry as the wheat prices are determined at the international commodity markets. We usually increase product price in response to global volatility in wheat prices in order to recover some portion of the rise in wheat prices .

(d) Operational Risk

This relates to the risk of loss resulting from inadequate or failed internal processes, controls, procedures, people, and systems. Operational risk is inherent in the business activities. These include risk of inadequate haulage partners required to achieve the company's objectives in terms of sales volume and profit; risk of wastages, downtime and other associated losses arising from inefficient plant operations; risk of breakdown of ERP and IT infrastructure or outright loss of critical operational/business data and information; risk of loss of company assets due to unexpected disaster which may affect business operations; risk of breakdown of internal control systems and misstatement of financial statements.

Mitigating Measures

- Efficient and effective maintenance culture to prevent down time and inefficient production operations.
- Control activities are an integral part of the Company's day to day operations and are defined at every business area.
- Existence of robust ERP and comprehensive computerization of internal business processes, systems and procedures.
- Existence of robust IT business continuity and disaster recovery programmes.
- All insurable business risks are assessed, identified and adequately covered/insured.
- Existence of documented standard operating procedures for all business activities.
- All key positions have a minimum of one under-study who can assume the roles immediately with minimum support, and eventually grow into the position.
- The Company continually train talents to meet its future skill requirements.
- Continuous recruitment of qualified haulage contractors to meet corporate requirements and prevent shortage of delivery trucks. The Company also acquired and managed some of its delivery trucks e.g. bulk flour loading trucks.
- It has a strong, active and experienced Internal Audit Team. Internal Audit Reports highlighting control weaknesses periodically to the Management and Board Audit Committee.
- The Company's internal control and risk management systems ensure that material errors or inconsistencies in the financial statements are identified and corrected. Financial Statements are prepared in accordance with accounting standards and policies.
- Financial statements are prepared periodically on monthly and quarterly bases for the review of the Management and Board. Performance are monitored and compared with budgets.

5. New Standards and interpretations

5.1 New accounting standard issued but not yet adopted

The new standard below have been issued by the IASB but is not yet effective for the financial year ended 31 March, 2018, thus it has not been applied in preparing these financial statements.

IFRS 16 leases

The International Accounting Standard Board (IASB or Board) issued IFRS 16 Leases on 13 January, 2016. The new standard requires lessees to recognise assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 Leases.

The new standard will be effective for annual periods beginning on or after 1 January, 2019. Early application is permitted, provided the new revenue standard, IFRS 15 Revenue from contracts with customers, has been applied or is applied at the same date as IFRS 16.

5.2 New standards and interpretations issued and effective

The Company adopted, in the preparation of 2018 financial statements, certain standards, which are effective for annual periods ending 31 March, 2018.

IFRS 15: Revenue from Contracts with Customers

IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. The standard also provides a model for the measurement and recognition of gains and losses on the sale of certain non-financial assets, such as property or equipment. This was effective from 1 January, 2018.

IFRS 9 Financial instruments

The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The application of IFRS 9 may change the measurement and presentation of many financial instruments, depending on their contractual cash flows and business model under which they are held. IFRS 9 is effective for annual periods beginning on or after 1 January, 2018, with early application permitted.

Ammendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

The ammendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.


HONEYWELL
MACARONI
Fusilli
HONEYWELL
MACARONI
Cavatto
NET WEIGHT
500g
HONEYWELL
MACARONI
Cornetti
NET WEIGHT
500g
Enjoy delicious Honeywell Macaroni,
fortified with vitamin A for the entire family.
Butta la Pasta !
...bring Honeywell Pasta

6 PROPERTY, PLANT AND EQUIPMENT

a) COST	Land N'000	Building N'000	Capital work in progress N'000	Plant and machinery N'000	Furniture And Equipment N'000	Motor vehicles N'000	Total N'000
At 1 April, 2017	9,460,603	26,651,520	37,632,684	35,355,911	402,726	1,285,547	110,788,991
Of additions	-	-	6,974,047	88,842	29,144	217,193	7,309,226
Reclasification	-	18,957	(391,771)	372,814	-	-	-
Of disposals	-	-	-	(2,230,923)	(329)	(4,860)	(2,236,112)
At 31 March, 2018	**9,460,603**	**26,670,477**	**44,214,960**	**33,586,644**	**431,541**	**1,497,880**	**115,862,105**
DEPRECIATION							
To 1 April, 2017	-	1,379,398	-	8,277,619	287,742	725,839	10,670,598
Charge for the year	-	616,915	-	2,022,220	39,583	209,787	2,888,505
On disposals	-	-	-	(902,150)	(250)	(4,660)	(907,060)
To 31 March, 2018	**-**	**1,996,313**	**-**	**9,397,689**	**327,075**	**930,966**	**12,652,043**
CARRYING AMOUNT							
At 31 March, 2018	**9,460,603**	**24,674,164**	**44,214,960**	**24,188,955**	**104,466**	**566,914**	**103,210,062**
At 31 March, 2017	9,460,603	25,272,122	37,632,684	27,078,292	114,984	559,708	100,118,393

Depreciation expenses of N2.535b (2017:N2.235b) has been charged in 'cost of goods sold', N128.931m (2017: N103.486m) in 'selling and distribution costs' and N223.776m (2016:N180.735m) in administrative expenses'.

Property, plant and equipment were professionally revalued on 1 April, 2016 by Ubosi Eleh & Co (Estate Surveyors and Valuers) on the Open Market Valuation basis and are used as reference to determine their fair value in the financial year. The open market represent the price which an interested party in a property or an item of plant and machinery might reasonably be expected to realize in a sale by private treaty assuming the following:

(i) a willing buyer;
(ii) a reasonable period within which to negotiate the sale taking into consideration the nature of the assets and the state of the market;
(iii) values will remain static throughout the period;
(iv) the assets will be freely exposed to the market
(v) no account is to be taken of an additional bid by a special purchaser; and
(vi) no account is to be taken of expenses of realization which may arise in the event of a disposal.

		2018 N '000	2017 N '000
7	**INTANGIBLE ASSETS**		
	Cost		
	At 1 April 2017	**52,929**	52,929
	At 31 March 2018	**52,929**	52,929
	Amortization and impairment		
	At 1 April 2017	**31,497**	21,797
	Amortization for the year	**7,570**	9,700
	At 31 March 2018	**39,067**	31,497
	Net carrying amount	**13,862**	21,432

Amortization expenses of N7.570m (2017: N9.700m) has been charged in 'administrative expenses'.

		2018 N '000	2017 N '000
8	**INVENTORIES**		
	Raw materials and consumables	**6,865,934**	3,590,840
	Work-in-progress	**224,494**	186,858
	Finished goods	**632,158**	458,251
	Goods-in-transit	**122,379**	279,576
		7,844,965	4,515,525

The amount of write down of inventories recognised as an expenses is N86.56 million (2017: N49.18 million). This expense is included in cost of sales. Inventory recognised as expenses during the period totaled N135.75 million (2017: N5.52 million).

There are no inventories pledged as security for liabilities.

		2018 N '000	2017 N '000
9	**TRADE AND OTHER CURRENT RECEIVABLES**		
	Gross trade receivables	**957,259**	834,854
	Allowance for impairment losses	**(503,537)**	(510,295)
	Net trade receivables	**453,722**	324,559
	Advance and prepayments	**4,394,560**	547,138
	*Intercompany receivables	**1,670,643**	-
		6,518,925	871,697

There is no material difference between the fair value of receivables and their carrying amount.

*The intercompany receivables represent balances due from Uraga Real Estate Limited, Anchorage Leisures Limited, Honeywell Group Limited and Uraga Power Solutions Limited as at 31 March, 2018.

	2018 N '000	2017 N '000
Analysis of Trade Receivables		
The analysis below shows the changes in the allowance for impairment losses in the year.		
Ageing of trade receivables		
Total trade receivables	**957,259**	834,854
Less: impairment provision for trade receivables	**(503,537)**	(510,295)
	453,722	324,559
	=========	=========
of which:		
Carrying amount neither past due nor impaired	**414,070**	200,475
Carrying amount past due but less than three months	**37,032**	39,263
Carrying amount past due for more than three month but less than six months	**2,422**	82,066
Carrying amount past due for more than six months but less than one year	**19,586**	77,519
Carrying amount past due more than one year	**484,150**	435,531
	957,260	834,854
Impairment for trade receivables	**(503,537)**	(510,295)
	453,723	324,559
	=========	=========
Impairment provision for trade and other receivables		
At 1 April	**510,295**	395,230
Charge to income statement for the period	**-**	115,065
Allowance no longer required	**(6,758)**	-
At 31 March	**503,537**	510,295
	=========	=========

a. The maximum exposure to credit risk at the reporting date is the carrying value of the receivables. The Company holds insurance/bank bonds as security against default.
b. Impairment allowance is made when there is objective evidence that the Company will not be able to collect the debts. The allowance raised is the amount needed to reduce the carrying value to the present value of expected future cash receipts. Bad debts are written off when identified.
c. As at 31 March, 2018, trade receivables of N414 million (2017: N200 million) neither past due nor impaired. These relate to a number of independent customers for whom there is no recent history of default. Analysis of customer credit risk were performed on the customers.
d. The amount of the provision for impairment was N503 million as at 31, March 2018 (2017: N510 million). The individually impaired receivables mainly relate to wholesalers, which are in unexpected difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. Plans are in place to ensure substantial recovery of the receivables. The Company engaged on series of debt drive during the financial year.
e. Impairment losses are presented in the income statement with selling and marketing expenses.

	2018 N '000	2017 N '000
10 CASH AND CASH EQUIVALENTS		
Bank and cash balances	**6,707,498**	3,869,064
Short term deposits	**539,701**	3,755,604
Balance as stated in the statement of financial position as at 31 March	**7,247,199**	7,624,668
Less bank overdrafts shown as liabilities in the statement of financial position	**(150,037)**	(771,861)
Cash and cash equivalents	**7,097,162**	6,852,807

There is no material difference between the fair value and the carrying amount of cash equivalents.

Short term deposits represent temporary excess of liquidity invested in low-risk short-term bank deposits with a maturity not exceeding 365 days. Included in the short-term deposits is unclaimed dividend returned by the Company's Registrar in line with Securities and Exchange Commission directive.

	2018 N '000	2017 N '000
11 TRADE AND OTHER PAYABLES		
Due within one year		
Trade payables	**979,769**	1,240,177
Accruals and other payables	**8,276,726**	6,148,244
Pension and sundry taxes	**7,365**	6,990
Unclaimmed dividend	**95,809**	83,247
Intercompany payable	**2,971,753**	-
Balance at 31 March	**12,331,422**	7,478,658

Accrued liabilities represent contractual liabilities that relate respectively to expenses that were incurred but not paid for at the year-end.

The carrying amount of trade and other payables and accrued liabilities is considered to be in line with their fair value at the reporting date.

The unclaimed dividend represents amount returned by the Company's Registrar in line with Securities and Exchange Commission directive that all unclaimed dividend in the custody of the registrars should be returned to the paying company 12 months after the date of approval of dividend at a general meeting.

	2018 N '000	2017 N '000
12 FINANCIAL LIABILITIES		
Current loans and advances		
Bank loans	**-**	1,070,401
Bank overdrafts	**150,037**	771,861
Import finance facilities	**15,304,969**	16,679,352
	15,455.006	18,521,614
Non-current loans and advances		
Bank loans	**34,934,897**	28,947,260
	34,934,897	28,947,260

a) Bank loans and overdraft are secured by mortgage on property, plant and equipment while import finance facilities are secured by all assets' debenture.
b) The fair value of current borrowings equal their carrying amount, as the impact of discounting is not significant.

c) The carrying amounts and fair value of the non-current borrowings are as follows:

	Carrying Amount		Fair Value	
	2018	2017	**2018**	2017
	N'000	N'000	N'000	N'000
Skye Bank Plc	**1,825,646**	2,312,485	**1,825,646**	2,312,485
First bank of Nigeria Limited	**-**	1,200,857	**-**	1,200,857
First bank of Nigeria Limited - Term loan	**11,217,029**	11,217,029	**11,217,029**	11,217,029
First bank of Nigeria Limited (CBN Intervention Fund)	**500,000**	666,667	**500,000**	666,667
Fidelity Bank Plc - Term Loan	**1,086,000**	7,086,000	**1,086,000**	7,086,000
Diamond Bank Plc - Term Loan	**634,000**	951,000	**634,000**	951,000
Bank of industry Limited	**4,672,222**	5,513,222	**4,672,222**	5,513,222
Fidelity Bank Real Sector Fund	**10,000,000**	-	**10,000,000**	-
Skye Bank Real Sector Fund	**5,000,000**	-	**5,000,000**	-
	34,934,898	28,947,260	**34,934,898**	28,947,260

i) First Bank of Nigeria Limited Term loan of **=N=11,217,028,466.87**, which was meant to ease the Company's cashflow was restructured during the financial year under review. An extention of repayment period was agreed with a change in terms of agreement. A new expected repayment period of three (3) years tenor which is to commence on 16 June, 2018 was agreed.

ii) First Bank of Nigeria Limited's Central Bank of Nigeria/Bank of Industry Intervention Fund (term loan) of **=N=666,666,666** was restructured during the year 2018. An extention of repayment period was agreed with a change in terms of agreement. An extended loan tenor of seven (7) years was agreed, at a rate of 7% interest per annum with effect from 16 June, 2018.

iii) The loan from Bank of Industry Limited (BOI) was granted to the Company to finance the new Pasta Factory located at Sagamu. The loan has a tenor of seven (7) years inclusive of two (2) years moratorium on principal repayment beginning from date of first disbursement. Interest rate on the loan is 10%. The loan and accrued interest on the Bank of Industry's (BOI) loan was guaranteed by Skye Bank Plc.

iv) The Company obtained a loan of **N10,000,000,000** from Fidelity Bank Plc, under the Central Bank Of Nigeria (CBN) Real Sector Support Fund (RSSF) Programme to finance the ongoing Sagamu expansion project. The loan was released in two batches. The first batch was granted in April, 2017 with original expected repayment date of 11th January, 2024 while the second batch was granted in August, 2017 with expected repayment date of 24th May, 2024. The loans have a tenor of seven (7) years each inclusive of two (2) years moratorium on principal repayment beginning from the date of first disbursement. Interest rate on the loan is 9%.

v) A loan of **N5,000,000,000** was obtained from Skye Bank Plc, under the Central Bank Of Nigeria (CBN) Real Sector Support Fund (RSSF) Programme to finance the ongoing Sagamu expansion project. The loan was granted in October, 2017 with expected repayment date of 10th October, 2024. The loans has a tenor of seven (7) years inclusive of two (2) years moratorium on principal repayment beginning from the date of first disbursement. Interest rate on the loan is 9%.

13 RETIREMENT BENEFIT OBLIGATIONS

The Company has both defined benefit and defined contribution plans.

Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions to a separate entity. The Company has no legal or constructive obligations to pay further contributions if the funds does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

Defined benefit plan

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation. The Company operates funded defined benefit plans for qualifying employees of the Company. The plan was funded by N300 million during the financial year. The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation less the fair value of planned assets, together with adjustments for unrecognized actuarial gains or losses and past service costs.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 31 March, 2018 by KDA Associates. The present value of the defined benefit obligation, and the related current service cost, were measured using the Projected Unit Credit Method.

The amount recognized in the statement of financial position is determined as follows:

	2018 N '000	2017 N '000
At 1 April	1,489,365	1,195,901
Interest cost	225,773	173,598
Current service cost	135,386	88,171
Benefits paid	(151,989)	(305,876)
Actuarial (gain) / loss due to change in experience	16,844	337,571
Present value of funded obligations	1,715,379	1,489,365
Fair value of Plan Assets	(872,677)	(450,000)
Balance as stated in the statement of financial position as at 31 March	842,702	1,039,365

The principal actuarial assumptions are as follows:

Actuarial Method : Projected Unit Method
Discount rate : 14%
Rate of Salary escalation : 15% per annum
Retirement Age : 60 years
Pre-retirement mortality : A67/70 Ultimate
Withdrawal : Based on the average experience of other similar arrangements adjusted for the company's experience
Expenses : No explicit allowance.

	2018 N '000	2017 N '000
14 PROFIT BEFORE TAXATION		
The following items have been charged/credited in arriving at profit before tax:		
Depreciation	**2,888,505**	2,519,630
Allowance for bad and doubtful receivables	**(6,758)**	115,065
Auditors' remuneration	**18,000**	14,000
Directors' emoluments:		
Fees	**15,663**	15,144
Others	**34,808**	36,328
Finance cost	**4,604,891**	3,727,305
And crediting		
Profit on disposal of fixed assets	**4,651**	-
Finance income	**-**	934,350
	=========	=========

	2018 N '000	2017 N '000
15 TAXATION		
.1 **Income Statement**		
Current company income tax	**439,737**	201,170
Education tax	**58,811**	83,951
Capital gain tax	**-**	108
	498,548	285,229
Deferred tax written Back/Charge	**(53,235)**	879,649
Tax charge to income statement	**445,313**	1,164,878
	=========	=========
.2 **Current tax liabilities**		
The movement in current tax balance is as follows:		
At 1 April	**318,426**	422,639
Charge for the year	**498,548**	285,229
Additional liability	**-**	110,914
	816,974	818,782
Payment during the year	**(396,144)**	(500,356)
At 31 March	**420,830**	318,426
	=========	========

The provision for Income tax was based on the provision of the Companies Income Tax Act (LFN CAP 60) as amended, while Education tax was based on Education Tax Act No. 7 CAP E4 LFN, 2004.

.3 **Pioneer Status**

The Company was granted Pioneer Status Certificate for the new Mills E & F production plant at Apapa Factory with effect from 1 April, 2013. This will enable the Company to enjoy a 5-year Tax Holiday on the new Mills.

The ERP of the Company has been designed to ensure a separate accounting for the new Mill. The new Mill is self-accounting in order to prepare an independent Income Statement and Statement of Financial Position for its operations. The new Mill was at the peak of its installed capacity during the year. Turnover and Profit Before Tax relating to the new Mill for the year ended 31 March, 2018 were **N48.775 Billion** (2017: 35.258 Billion) and **N3.144 Billion** (2017: 3.031 Billion) respectively.

15 **TAXATION (CONT'D)**

.4 **Deferred tax**

	2018	2017
Per income statement	N '000	N '000
Charge to income statement for the year	(53,235)	879,649
Per statement of financial position		
The movement in deferred tax is as follows:		
Deferred tax liability:		
At 1 April	4,511,727	3,632,078
Charge for the year	(53,235)	879,649
At 31 March	4,458,492	4,511,727

16 **STATEMENT OF CASH FLOWS**

The Statement of Cash Flows has been drawn up using the indirect method. Working capital comprises inventories, receivables and current liabilities (excluding bank overdrafts). The cash flows from investing activities relates to the net amount of investments and disposals whilst the cash position consists of cash in hand and at bank.

Cash flows from operating activities	2018	2017
Reconciliation of net profit to operating profit before working capital changes	N '000	N '000
Profit before tax	4,872,291	5,469,833
Adjustments for non cash items:		
Depreciation of property, plant and equipment	2,888,505	2,519,630
Profit on disposal of property, plant and equipment	4,651	26,673
Amortization of intangible assets	7,570	9,700
Revaluation surplus	-	(32,115,596)
Non-current financial liabilities	-	15,745,653
Interest income	-	(934,350)
Interest expense	4,604,891	3,727,305
Net charge in retirement benefit obligations	361,159	261,769
Operating (loss)/profit before working capital changes	12,739,067	(5,289,383)

.2 **Working capital changes**

	2018	2017
Decrease/(increase) in inventories	3,329,440	(1,070,559)
Decrease in deferred income and accruals	-	(25,528)
(Increasee)/decrease in trade and other receivables	(5,647,227)	297,733
Increase in trade and other payables	4,852,763	4,360,888
	2,534,976	3,562,534
Cash generated from/ (used in) operations	15,274,043	(1,726,849)

	2018	2017
.17 SHARE CAPITAL	N '000	N '000
Authorized		
8,000,000,000 ordinary shares of 50k each	4,000,000	4,000,000
	=========	=========
Issued and fully paid		
7,930,197,658 (2016: 7,930,197,658) ordinary shares of 50k each	3,965,099	3,965,099
	=========	=========

	2018	2017
.18 RETAINED EARNINGS	N '000	N '000
At 1 April	41,907,524	5,935,459
Profit transferred from income statement	4,426,978	4,304,955
Provision for additional tax liability	-	(110,914)
Dividend paid during the year	(475,812)	-
Actuarial loss	(16,844)	(337,571)
Revaluation surplus	-	32,115,596
Fair value gain on retirement benefit	122,677	-
	45,964,524	41,907,524
	=========	=========

19 **SEGMENT REPORTING**

The Company's business operating segments are identified by two Factories located at Ikeja and Apapa.

The chief operating decision maker, who is responsible for allocating resources and accessing performance of the operating segments, is the Board of Directors.

The Board reviewed the Company's monthly financial and operational information in order to assess its performance and allocate resources.

The chief operating decision maker assesses the performance based on operating profits for each operating segments. Below is the summary of the operations from the two segments of the Company:

	2018			2017		
	Ikeja	Apapa	Total	Ikeja	Apapa	Total
	N '000	N '000	N '000	N '000	N '000	N '000
.1 **Revenue and Result**						
Revenue	12,342,163	59,134,157	71,476,319	9,648,581	43,579,310	53,227,891
Cost of sales	(11,317,203)	(44,106,468)	(55,423,670)	(7,991,493)	(32,523,776)	(40,515,269)
Gross profit	1,024,960	15,027,689	16,052,649	1,657,088	11,055,534	12,712,622
Net other trading & operating income	73,280	128,936	202,217	27,530	67,969	95,499
Foreign exchange gain	-	-	-	223,269	893,077	1,116,347
Selling & admin expenses and net interest expenses	(1,008,574)	(5,769,109)	(6,777,684)	(1,127,001)	(4,534,678)	(5,661,679)
Segment operating profit/(loss)	89,666	9,387,516	9,477,182	780,886	7,481,902	8,262,788
	=========	=========	=========	=========	=========	=========

	2018	2017
	N '000	N '000
.2 **Revenue by geographical location of customers:**		
Domestic (within Nigeria)	71,476,319	53,227,891
Export (outside Nigeria)	-	-
	71,476,319	53,227,891
	==========	==========

All sales were made within Nigeria

20 COST OF SALES

Cost of sales comprises of the following:

	2018	2017
Cost of raw and packaging materials	**48,103,519**	33,597,438
Production employee remuneration cost	**1,247,611**	1,124,475
Plant maintenance and power cost	**2,371,933**	2,425,319
Depreciation (cost of sales)	**2,535,796**	2,235,410
Factory rents and rates	**113,255**	127,377
Insurance	**27,620**	23,464
Other production cost	**1,023,936**	981,786
	55,423,670	40,515,269

21 OTHER INCOME

Other income comprises the following:

	2018 N '000	2017 N '000
Sale of by-products	**120,193**	72,736
Net gain on sale of property, plant and equipment	**4,651**	-
Raw wheat sales	**2,757**	-
Allowance no longer required	**6,758**	-
Exchange gain	**-**	1,116,347
Sundry income	**67,858**	22,763
	202,217	1,211,846

22 CHAIRMAN'S AND DIRECTORS' EMOLUMENTS, PENSIONS AND COMPENSATION FOR LOSS OF OFFICE

The remuneration paid to Directors was

.1 Fees:

	2018	2017
Chairman	**1,600**	1,600
Other directors	**14,063**	13,544
	15,663	15,144

.2 Fees and other emoluments disclosed above include amount paid as:

	2018	2017
Fees	**15,663**	15,144
Other emoluments	**34,808**	36,328
	50,471	51,472

.3 Number of directors (excluding the chairman) whose emoluments were within certain ranges were:

	Number	Number
N100,000 and above	**12**	13

.4 Waived emoluments

Number of directors that waived their right to receive emoluments	**Nil**	**Nil**
Aggregate of those emoluments	**-**	-

.5 Pensions were not paid to existing and past directors

.6 No compensation for loss of office was paid to any of the directors.

23 EMPLOYEES AND RELATED REMUNERATION

Number of employees in receipt of emoluments excluding allowances were within the following ranges:

			Number	Number
N500,001	-	N1,000,000	427	425
N1,000,001	-	N1,500,000	66	65
N1,500,001	-	N2,000,000	30	30
N2,000,001	-	N2,500,000	59	59
N2,500,001	-	N3,000,000	15	15
N3,000,001	-	N3,500,000	23	23
N3,500,001	-	N4,000,000	16	16
N4,000,001	-	N4,500,000	12	12
N4,500,001	-	N5,500,000	15	14
N5,500,001	-	N6,000,000	10	10
N6,000,001	-	Above	28	31
			701	700

24 CONTINGENT LIABILITIES, GUARANTEES AND OTHER FINANCIAL COMMITMENTS

i Charges

The Company has loan facilities with First Bank of Nigeria Limited secured by All Assets Debenture.

ii Financial commitments

The Directors are of the opinion that all known liabilities and commitments have been taken into account in the preparation of the financial statements under review. These liabilities are relevant in assessing the Company's state of affairs as at 31 March, 2018.

iii Legal charges

There is a litigation against the Company as at 31 March, 2018 the outcome of which had not been determined.

However, the directors, having sought legal advice of professional counsel are of the opinion that no material liabilities may arise in the ordinary course of business. No provision was made in these financial statements to that respect.

25 LOANS AND OTHER TRANSACTIONS FAVOURING DIRECTORS AND OFFICERS

a) During the year, the Company guaranteed no loan in favour of its Directors and Officers.
b) No loans were given to the Directors to purchase the Company's shares during the year.

26 CONTRAVENTIONS

There was no contravention of any sort during the financial year.

27 COMPARATIVE FIGURES

Where necessary, comparative figures have been restated to conform with changes in presentation in the current year.

28 EARNINGS PER SHARE

The Earnings Per Share (EPS) is calculated by dividing the profit attributable to ordinary shareholders by the number of ordinary shares issued as at 31 March, 2018.

29 SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing its financial statements, the Company has made significant judgments, estimates and assumptions that impact on the carrying value of certain assets and liabilities, income and expenses as well as other information reported in the notes. The Company periodically monitors such estimates and assumptions and make sure that they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

The judgments made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in the financial statements, and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Revenue recognition

The Company makes provisions for trade discounts, volume rebates and charge back for product returns allowed by the sale contracts when recognizing the revenue derived from sales of its products. Such deductions represent estimates, which are subject to judgments and assumptions based on past experience as well as the company's knowledge available at the time the estimate is made.

Allowance for doubtful receivables

The determination of the recoverability of the amount due from customers involves the identification of whether there is any objective evidence of impairment. In cases where that process is not feasible, a collective evaluation of impairment is performed. As a consequence, the way individual and collective evaluations are carried out and the timing relating to the identification of objective evidence of impairment require significant judgment and may materially affect the carrying amount of receivables at the reporting date.

Asset impairment tests

A financial asset or a group of financial assets, other than those categorized at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Impairment exists only when the Company ascertains that a "loss event" affecting the estimated future cash flows of the financial asset has occurred. It may not be possible to identify a single, discrete event that caused the impairment and moreover to determine when a loss event has occurred might involve the exercise of significant judgment.

The amount of impairment loss recognized for financial assets carried at amortized cost is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Net realizable value of inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories is written down to their estimated realizable value when their cost may no longer be recoverable, such as when inventories are damaged or become wholly or partly obsolete or their selling prices have declined. In any case, the realizable value represents the best estimate of the recoverable amount, based on the most reliable evidence available at the reporting date and inherently involve estimates regarding the future expected realizable value. The benchmarks for determining the amount of write-downs to net realizable value include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgment and may materially affect the carrying amount of inventories at the reporting date.

Deferred tax estimation

Recognition of deferred tax assets and liabilities involves making a series of assumptions. As far as deferred tax assets are concerned, their realization ultimately depends on taxable profits being available in the future. Deferred tax assets are recognized only when it is probable that taxable profits will be available against which the deferred tax asset can be utilized and it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the Company making assumptions within its overall tax-planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability.

Actuarial assumptions on defined benefit retirement plans

Accounting for defined benefit plans may be complex because actuarial assumptions are required to measure the obligation and the expense, with the possibility that actual results differ from the assumed results. These differences are known as actuarial gains and losses. Defined benefit obligations are measured using the Projected Unit Method, according to which the Company has to make a reliable estimate of the amount of benefits earned in return for services rendered in current and prior periods, using actuarial techniques.

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 MARCH, 2018

	2018 N'000	%	2017 N'000	%
Revenue	**71,476,319**		53,227,891	
Other revenue	**202,217**		1,211,846	
	71,678,536		54,439,737	
Bought in goods and services	**(57,535,465)**		(41,060,431)	
VALUE ADDED	**14,143,071**	**100**	13,379,306	100
	=========	===	=========	===
APPLIED AS FOLLOWS:				
1 **To pay employees**				
Salaries and wages, pension and social benefits	**1,777,384**	**13**	1,662,538	12
2 **To pay providers of funds**				
Finance expenses	**4,604,891**	**33**	3,727,305	28
3 **To pay government**				
Income and education taxes	**498,548**	**4**	285,229	2
4 **To provide for maintenance and expansion of assets**				
Depreciation	**2,888,505**	**20**	2,519,630	19
Deferred tax	**(53,235)**	**(1)**	879,649	7
Retained Profit/(loss)	**4,426,978**	**31**	4,304,955	32
VALUE ADDED	**14,143,071**	**100**	13,379,306	100
	========	===	========	===

Note: Value added is the wealth created by the efforts of the Company and its employees and its allocation between employees, shareholders, government and re-investment for the future creation of further wealth.

FIVE-YEAR FINANCIAL SUMMARY

FOR FIVE-YEAR ENDED 31 MARCH

	2018	2017	2016	2015	2014
STATEMENT OF FINANCIAL POSITION	**N'000**	N'000	N'000	N'000	N'000
Property, plant and equipment	**103,210,062**	100,118,393	53,757,796	49,282,429	36,085,450
Intangible assets	**13,862**	21,431	31,131	36,846	12,332
Inventories	**7,844,965**	4,515,525	5,586,084	12,546,468	11,287,037
Trade and other receivables	**6,518,925**	871,697	1,169,430	2,187,332	5,874,818
Cash and bank balances	**7,247,199**	7,624,668	15,502,135	3,890,369	10,570,802
Total assets	**124,835,013**	113,151,714	76,046,576	67,943,444	63,830,439
Current liabilities	**(28,207,258)**	(26,318,697	(44,213,225	(31,860,220)	(28,059,339)
Non-current liabilities	**(40,236,091)**	(34,498,351)	(15,470,752)	(15,767,390)	(15,165,852)
Total net assets	**56,391,664**	52,334,665	16,362,599	20,315,834	20,605,248
Share capital	**3,965,099**	3,965,099	3,965,099	3,965,099	3,965,099
Share premium	**6,462,041**	6,462,041	6,462,041	6,462,041	6,462,041
Retained earnings	**45,964,524**	41,907,525	5,935,459	9,888,694	10,178,108
Capital employed	**56,391,664**	52,334,665	16,362,599	20,315,834	20,605,248
STATEMENT OF COMPREHENSIVE INCOME					
Revenue	**71,476,319**	53,227,891	50,883,780	49,057,511	55,084,305
Profit/(loss) before tax & after exceptional item	**4,872,291**	5,469,833	(2,869,342)	1,434,828	4,237,432
Taxation	**(445,313)**	(1,164,878)	(154,510)	(314,561)	(885,868)
Profit/(loss) after tax	**4,426,978**	4,304,955	(3,023,852)	1,120,267	3,351,564
Transfer to revenue reserve	**4,426,978**	4,304,955	(3,023,852)	1,120,267	3,351,564
Profit/(loss) attributable to:					
Equity shareholders	**4,426,978**	4,304,955	(3,023,852)	1,120,267	3,351,564
Earnings/(loss) per 50k share [k]	**55.82**	54.29	(38.13)	14.13	42.26
Net assets per 50k share [k]	**711.10**	659.94	206.33	256.18	259.83

NOTE: *Earnings and net assets per share are based on 7,930,197,658 ordinary shares of 50k each and profit after tax as at the date of these financial statements.*

PROXY FORM

HONEYWELL FLOUR MILLS PLC
9TH ANNUAL GENERAL MEETING TO BE
HELD AT 11.00 AM
ON THURSDAY SEPTEMBER 20 2018
AT THE CIVIC CENTRE,
OZUMBA MBADIWE STREET,
VICTORIA ISLAND, LAGOS.

(Name of Shareholder in block letters)
The undersigned, being a member/members of the above-Named Company hereby appoint the Chairman of the meeting Or failing him...
..............as my/our Proxy to vote me/us and On my/our behalf at the Annual General Meeting of the Company to be held on September 20, 2018 and at any adjournment thereof."
Unless otherwise instructed, the proxy will vote or abstain from Voting as he/she thinks fit.
Dated this.............................day of..2018
Signature..

Notes

1.Please sign this proxy card and send it to reach the Registered office of the Company or its Registrars not less than 48 Hours before the time fixed for the meeting.

2.If executed by a corporation, the proxy card should be Sealed with the common seal.

3.This proxy card will be used both by show of hands,
And in the event of a poll being directed or demanded

RESOLUTION	FOR	AGAINST
1. To adopt the Annual Report and Accounts 2. To declare Dividend 3. To re-elect the following Directors: Mr. Alan Palmer Mr. Andrew Smith-Maxwell Mrs. Wonuola Adetayo Dr. Raymond Zoukpo 4. To authorize the Directors to fix Auditors remuneration. 5. To appoint members of the Audit Committee		

Please indicate with an "X" in the appropriate section how you wish your votes to be casted on resolutions set above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

Before posting the above form please tear off this part and retain it for admission to the meeting

ADMISSION FORM

HONEYWELL FLOUR MILLS PLC (RC55495)
9TH ANNUAL GENERAL MEETING TO BE HELD at Civic Center Ozumba Mbadiwe street, Victoria Island Lagos on Thursday September 20, 2018 at ll a.m

Name of Shareholder*...

Name of Proxy*...

If you are unable to attend the meeting

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

Important

Please insert your name in BLOCK CAPITALS on both proxy and admission forms where asterisked. Insert the name of any person where a member of the Company or not, with the exception of the Company who will attend the meeting and vote on your behalf.

ELECTRONIC DELIVERY MANDATE FORM

I / We/ Chief/ Dr/ Mr/ Mrs.

Title:

Name:

Address:

hereby agree to the delivery of Annual Report and other statutory documents of Honeywell Flour Mill Plc to me/us via electronic mode:

The Company should forward the materials to the email address stated below:

e-mail address : ....

Signature : ....

The Registrar
First Registrars and Investor Services Limited
Plot 2, Abebe Village Road
Igamnu
Lagos.

LIST OF DISTRIBUTORS

S/N	NAMES	REGION
1.	NWOYIRI LUCKY ENTERPRISES.	SOUTH - SOUTH
2.	OJL PRAISEGOD ENTERPRISES	SOUTH - EAST
3.	HUSSCAVE GLOBAL RESOURCES COMPANY	LAGOS
4.	TEM-FODY VENTURES.	LAGOS
5.	OBI OKOYE	SOUTH - SOUTH
6.	NATURE WORTH LIMITED.	LAGOS
7.	FUNAWO TRADING & INVESTMENT	NORTH-EAST
8.	CELYNJOY VENTURES.	LAGOS
9.	RAOLU ENTERPRISES.	LAGOS
10.	ATOYEN VENTURES	LAGOS
11.	A.BODECO ENTERPRISES	WEST
12.	KANIMARAN VENTURES	NORTH-EAST
13.	TOPAG NIGERIA ENTERPRISES	LAGOS
14.	ASSURED SPRING INVESTMENT LTD.	LAGOS
15.	TONY CONFECTIONERIES LTD	WEST
16.	ADUNNI-ADE GLOBA VENTURE.	NORTH-EAST
17.	IBROD NIG. ENTERPRISES	LAGOS
18.	KATUM NIG ENT	LAGOS
19.	BENOMAG NIGERIA ENTERPRISES.	LAGOS
20.	CLEASON NIGERIA ENTERPRISES	NORTH-CENTRE
21.	FOSMARICH NIGERIA LIMITED	LAGOS
22.	OYEFESO AYO-OLA VENTURES.	LAGOS
23.	FOLA GLOBAL QUEST LTD.	LAGOS
24.	MINTY'S COUTURE	LAGOS
25.	SHELTEXPROP NIGERIA LIMITED	LAGOS
26.	MAFILAD ENTERPRISES..	LAGOS
27.	PAWA DERIVATIVES LIMITED	LAGOS
28.	NKEM SPECIAL INTEGRATED SERVICES	WEST
29.	BUSISO INTEGRATED SERVICES LIMITED.	NORTH - CENTRE
30.	FERUKA AGOR GLOBA RESOURCES	SOUTH - EAST
31.	UCHE CHISOM ENTERPRISES	SOUTH - SOUTH
32.	BLESSED CHINEMEREM BENSON ENTERPRISE.	SOUTH - SOUTH
33.	Y K B ENTERPRISES	NORTH - EAST
34.	MASTER VESSEL.	WEST
35.	BOLUDE NIGERIA ENTERPRISES	LAGOS
36.	CHIDE KOSI BUCH NIGERIA LTD	LAGOS
37.	DELMINIC GLOBAL NIGERIA LIMITED	LAGOS
38.	TOMAK NIGERIA ENTERPRISES.	WEST
39.	BOURN B INTERNATIONAL LTD	SOUTH - EAST
40.	BOLMIC NIGERIA LTD	WEST

Unclaimed Dividend

Analysis of Unclaimed Dividend as at May 31st, 2018

Year	Number of Shareholders	Amount Delcared	Amount Unclaimed	Ratio of Unclaimed Dividend
		N'000	N'000	%
2010	13,687	872,332	5,010	0.57%
2011	15,014	1,031,000	6,884	0.67%
2012	16,068	1,189,530	10,525	0.88%
2013	16,746	1,268,831	14,651	1.15%
2014	17,554	1,348,134	18,869	1.40%
2015	19,703	396,510	41,410	10.44%
2017	20,704	475,812	86,674	18.22%

Detailed list of Unclaimed Dividends can be viewed or downloaded from the Company's website at *www.honeywellflour.com*

Share Capital History

Year	Authorized (N'000)		Issued & Fully Paid-up (N'000)		Consideration
	Increase	Cumulative	Increase	Cumulative	
1990	-	10,000	-	2	Cash @ N1 each
1991	-	10,000	-	2	Cash @ N1 each
1992	-	10,000	-	2	Cash @ N1 each
1993	-	10,000	-	2	Cash @ N1 each
1994	-	10,000	-	2	Cash @ N1 each
1995	40,000	50,000	49,998	50,000	Cash @ N1 each
2001	160,000	210,000	160,000	210,000	Cash @ N1 each
2003	790,000	1,000,000	790,000	1,000,000	Cash @ N1 each
2008	1,000,000	2,000,000	999,999	1,999,999	Acquisition of Honeywell Superfine Foods Limited
2008	-	2,000,000	-	1,999,999	Share Split of N1 to N0.50
2008	2,000,000	4,000,000	1,500,000	3,499,999	Bonus Issue of 3 to 4 shares
2009	-	4,000,000	465,100	3,965,099	Public Issue @ N8.50 each

A x A Recent passport
photograph
(Individual)

The Registrar,
First Registrars & Investor Services Limited
2, Abebe Village Road, Iganmu, P.M.B. 12692
P. M. B. 12692 Lagos, Nigeria.

Mandate Form E-Dividend Payment

I/We hereby request that from now on, all Dividend Warrant(s) due to me/us from my /our holdings in Honeywell Plc should be paid directly to my/our Bank below:

Date (DD/MM/YY)

(1) Honeywell Flour Mills Plc

Shareholder's Account Number (If Known)

(2) *Surname/Company's Name (whichever is applicable)

(2.2)*Present Postal Address

(2.4)*City

State

(2.5)*Email Address

(2.6) Mobile (GSM) Phone Number

(3) *Bank Name

(3.1) *Branch Address

(3.2)*Bank Account Number (10 Digit NUBAN Number)

(3.3) * Bank Sort Code (Very Important)

(4) *

Shareholder's Signature/Thumb Print

Joint/Corporate Shareholder(s)/Company Signatures

(5) *

Authorised Signature and Stamp of Banker

The branch stamp and signatures of the authorised signatories of your bank are required to confirm that the signature(s) in box 4 is/are that of the shareholder(s) or an authorised signatory.

.
NOTES

a) When completed on behalf of a corporate body, each signatory should state the representative capacity, e.g. Company Secretary, Director, etc
b) When the holding is in more than one name, all of the shareholders must sign.
c) All Asterisked fields must be completed.

NOTES

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