HONEYWELL
FLOUR MILLS PLC
RC55495

World of Possibilities

2021 ANNUAL REPORT & ACCOUNTS

Contents

This document is made up of the Strategic Report, the Governance Report, the Financial Statements and Notes, and Additional Information.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act, 2020 and Financial Reporting Council of Nigeria Act, No. 6, 2011.

Except where you are a shareholder, this material is provided for information purposes only and is not, in particular, intended to confer any legal rights on you.

This Annual Report and Accounts does not constitute an invitation to invest in Honeywell Flour Mills shares. Any decisions you make in reliance on this information are solely your responsibility.

The information is given as of the dates specified, is not updated, and any forward-looking statements are made subject to the following reservation. Forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting Honeywell Flour Mills. They are not historical facts, nor are they guarantees of future performance.

Strategic Report

Our Philosophy

We are a critical part of Nigeria's food industry, determined to grow using our resources, our passion for progress and our skill base. At our core is a desire to contribute to the development of human endeavor by empowering people to conquer hunger and reach for more.

Our Mission

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

Our Vision

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

Our Core Values

Responsibility Beyond Ourselves

We think of our business beyond profitability. We are active catalysts for developing our society and a vehicle for positive change. We seek to make our world a better place.

Integrity

We set the highest standards for ourselves and are uncompromising in adhering to them. Accountability, fairness and strong moral principles define our character.

Courage

We are not afraid to dream. We are daring, we are bold, and we pursue our vision with tenacious passion. Courage for us means continuously breaking new grounds, challenging and exceeding conventional limits.

Excellence

We value and celebrate excellence. We consistently deliver outstanding results to our stakeholders. We strive for excellence in all we do.

Respect for the Individual

We recognize and appreciate every individual in the organization and their contributions towards our collective goals. We are open to new perspectives and encourage diversity. We foster an environment based on fairness and mutual respect.

Performance Snapshot

Our performance is driven by our strategy, underpinned by three enabling drivers: Growth, Efficiency and Capability.

8%
Sales Growth
Up by 2% points from FY'20

₦109.6b
Revenue
36% over FY'20: N80.5b

₦15.6b
Gross Profit
13% over FY'20: N13.9b

₦7.6b
Operating Profit
39% over FY'20: N5.5b

₦1.1b
Profit for the Year
73% over FY'20: N0.65b

₦4.6b
Total Salaries & Social Welfare Expenses
13% over FY'20: N4.1b

₦57.9b
Net Assets
1% over FY'20: N57.3b

7 kobo
Dividend
75% over FY'20: 4 Kobo

Our Business

For over 2 decades, Honeywell Flour Mills has produced branded consumer foods that have become one of the most recognizable and best-loved names in Nigeria.

Our core business is providing healthy, nutritious, and affordable everyday branded food products to Nigeria's growing population. Our entry into the flour milling industry in 1998 revolutionized the bread flour market by raising the bar on the quality of bread flour that bakers had access to.

Responding to growth opportunities in the industry, we have extended our product portfolio beyond bread flour into other nourishing food staples that offer tastier and healthier choices for every life stage, at all times of the day.

What we sell [Revenues in NGN billion]:

Apapa Factory	Sagamu Factory	Ikeja Factory
Bread Flour Semolina Wheat Meal	Spaghetti Macaroni	Noodles
85	19.1	5.5

Our Brands

The Honeywell brand has become a trusted name in Nigeria for good quality, reliable and affordable everyday food. During financial year 2020/2021, we delivered 4.2 billion nutrient fortified servings of foods, consumed by millions of consumers at every moment of the day.

Flour:

- We were baked into over 1 billion loaves of bread
- 3 brands: Honeywell Superfine Flour, Honeywell Bakers' Delight Flour and Honeywell Brown Flour
- Top 3 market position and leader in terms of quality

Ball Foods:

Over 1.5 billion meals of Honeywell Semolina and Honeywell Wheatmeal were enjoyed with various soups.

- 2 brands: Honeywell Semolina and Honeywell Whole Wheat Meal
- Top 2 market position and leader in terms of quality

Pasta:

We provided over 1.5 billion meals of Pasta.

- 2 brands: Honeywell Spaghetti and Honeywell Macaroni
- Top 3 market position

Noodles:

200 million servings of nutritious Honeywell Noodles were consumed.

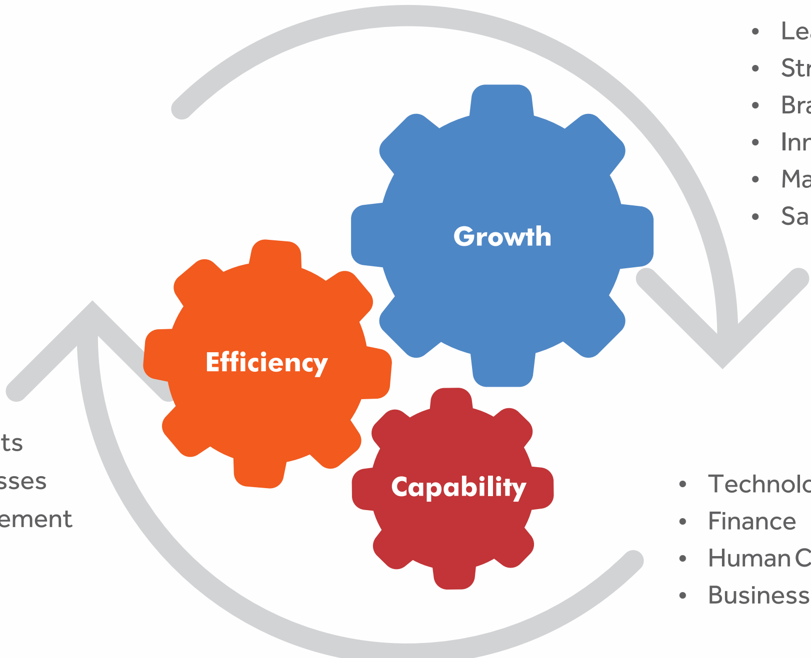
- One brand and well recognized

Our Strategy

Our business strategy is focused on building growing and sustainable business at the heart of the Nigerian food industry through a strong position in the wheat-based segment and a developmental agenda in the indigenous carbohydrates segments. We focus on delivering distinct benefits to consumers through the food products we provide.

Supported by three strategic pillars; **Growth, Efficiency and Capability,** we will continue to relentlessly pursue long term shareholder value maximization through a balanced top-line and bottom-line growth, and positively impact all stakeholders: employees, consumers, business partners, and the communities where we operate from.

- Leadership
- Strategy
- Brands
- Innovation
- Marketing
- Sales



- Manufacturing assets
- Supply Chain processes
- Continuous Improvement

- Technology
- Finance
- Human Capital
- Business Processes

Corporate Information

Board of Directors

Dr. Oba Otudeko D.Sc (Hon) CFR	Chairman
Mr. Olanrewaju Jaiyeola	Managing Director
Mr. Obafemi Otudeko	Non-Executive Director
Mr. Alan Palmer	Non-Executive Director
Mr. Andrew Smith-Maxwell	Non-Executive Director
Dr. Nino Ozara	Non-Executive Director
Mr. Oluranti Sokunbi	Independent Director
Mrs. Wonuola Adetayo	Independent Director
Dr. Raymond Zoukpo	Independent Director

Registered Office
SW8/1185 Sanda Street, Molete, Ibadan, Oyo State.

Registration Number
RC 55495

Company Secretary
Mrs. Yewande Giwa
Tel: +234 12900525
Lagos.

Company Registrar
First Registrars & Investor Services Limited
Plot 2 Abebe
Village Road, Iganmu, Lagos

Independent Auditors
Bakertilly Nigeria (Chartered Accountants),
Kresta Laurel Complex (4th Floor),376,
Ikorodu Road,
Maryland,
Lagos.

Operational Office:

Apapa Factory
2nd Gate By-Pass, Tin Can Island Port, Apapa, Lagos.

Ikeja Factory
Plot YABB, Mobolaji Johnson Avenue, Alausa, Ikeja, Lagos.

Sagamu Factory
Sagamu Inter-Change, Sagamu, Ogun State.

Bankers

Access Bank Plc	Guaranty Trust Bank Plc	UBA Nigeria Limited
Ecobank Nigeria Limited	Keystone Bank Limited	Union Bank of Nigeria Plc
Fidelity Bank Plc	Polaris Bank Limited	Zenith Bank Plc
First Bank of Nigeria Limited	Standard Chartered Nigeria Limited	

Chairman's Letter

Dear fellow Shareholders,

When the financial year 2020/2021 commenced, few could have imagined what the year had in store for the company and the world. From the Covid-19 pandemic that unleashed both economic and health catastrophe, to the #ENDSARS protests that led to significant human and economic loss, the past twelve months have been one of the most challenging in the company's history. We responded by working collaboratively towards the execution of our corporate goals, guided by clear priorities; keeping our people safe and motivated, ensuring supply of our food products to consumers across the length and breadth of the country, and caring for the communities where we operate. Despite the inevitable disruption to our business, we delivered a strong performance in very challenging circumstances.

> "We achieved record production and sales volumes, growing total sales volume by 8% to over 400,000MT of high quality, nutritious staple food products"

Delivering Growth On All Fronts

2020 was a year of several record-breaking achievements for our company. This is a true testament to the dedication and tenacity of our employees, our diversified portfolio and the agility of our supply chain. We achieved record production and sales volumes, growing total sales volume by 8% to over 400,000MT of high quality, nutritious staple food products. Growth was supported by strong momentum in the consumer food category with Pasta growing at 42% and Ball Foods, made up of Honeywell Semolina and Honeywell Wheatmeal growing by 21% over the prior year.

We continued to make significant progress in leveraging our scale at the Sagamu Pasta factory to generate value for our shareholders. The factory now directly employs about 450 people with 1,000 more engaged in and around the community. The B2B flour category of the business also maintained good momentum, gaining share and sustaining its quality rating in key markets across the country.

In line with record volume sales, we achieved record revenue surpassing last financial year performance by 36%. The revenue achievement of N109.5 billion is a defining moment for the company as it fulfils the ambition we set for ourselves five years ago to cross the N100 billion turnover mark by the end of 2021 financial year. Sharper focus on volume-led competitive growth resulted in underlying operating profit growing by 38% to N7.6 billion. Profit after tax increased by 73% year-on-year from N650m to N1.1 billion. These results demonstrate the consistency of our company.

We continued to make progress in our portfolio transformation towards becoming a highly valued foods business. We have now commenced a 10-year evolutionary journey that will transition our beloved company from Honeywell Flour Mills to Honeywell Foods. Our aim is to offer a broader portfolio of food products manufactured from a wide range of raw materials drawn from local sources that offer good nutrition and contribute to a healthier and balanced life. To this end, we have identified 5 attractive, growing and scalable categories, that have both consumer and industrial food processing applications and provide us with potential for export. These categories will be developed over the 10-year period, with one currently in development. We are committed to investing in growth platforms, especially in the carbohydrates category that will improve agricultural productivity in Nigeria, through commercialisation of locally available inputs for foods production.

In line with our strategy to increase supply of raw materials from local sources, we have been working through the Flour Milling Association of Nigeria (FMAN), to improve local supply and production capacity of wheat. FMAN has been working with the government to invest in research to improve seed varieties and technology while also donating seeds and

> "Our aim is to offer a broader portfolio of food products manufactured from a wide range of raw materials drawn from local sources"

equipment to reduce post-harvest loss and assuring offtake for produce that meets agreed criteria. While progress has undoubtedly been made, more work has to be done to make Nigeria self-sufficient in wheat production.

Embedding a Culture of Everyday Efficiency and Effectiveness

We fuel our growth agenda through disciplined cost management and improving operational efficiency in all areas of the business. This approach combined with volume growth, affords us the opportunity to free up resources to re-investment in product innovation, and brand building, while creating value for our all our stakeholders.

The company made tangible progress on its journey to becoming an advantaged low-cost producer, anchored on manufacturing and supply chain efficiencies. We achieved 28% reduction in conversion costs year-on-year across our factory locations. This was underpinned by record capacity utilisations across the Apapa and Sagamu factories. In procurement, contracts negotiations and strategic sourcing for packaging and raw materials, helped reduce costs and complexity. We doubled the warehouse holding capacity for some of the consumer food products to enhance continuous production. We also overhauled and streamlined our transport and products delivery to be more customer centric and value focused. This led to significant savings in delivery costs despite increase in sales volume. To facilitate intra-factory input supply, we invested in additional haulage trucks, with positive impact on Pasta production and sales performance. In administration, we continued to simplify and standardise our everyday processes. This resulted in our administrative expenses reducing by 5%.

Overall, our selling, distribution and administrative expenses reduced by 4% year-on-year, despite double digit inflation during the period. We will continue to improve operational efficiency and productivity by leveraging our size, and scale, and integrating the activities of our supply chain, manufacturing, warehouse, and distribution functions.

Developing and Scaling Core Capabilities

The global pandemic did not slow us down. We continued to upgrade our ability to capture and convert intelligence in market trends to support product portfolio and respond with speed to rapid changes in the industry as well as those brought about by the pandemic. This capability enabled us to adequately define go-to-market strategies, fed continuous evolution of our pricing structures and ultimately improved customers' performance. As a result, we were able to gain share in key markets.

Recognising the need to improve our retail offering and address rising consumer demand for food at home, we are deepening our capacity to sell at retail. We partnered with specific customers who worked with us to increase our retail presence. Our products are now available in thousands of outlets and consumed in millions of households. We also offered combination of our different products in packs, the Combo Pack, targeted at families. This Combo pack previously a seasonal offering continues to gain acceptance and patronage all year round. In the year ahead, we will focus on embedding appropriate technology that enables us to measure the value of consumer and customer touchpoint, monitor the effectiveness of our promotional activities while effectively meeting the needs of consumers. We will also implement channel-specific category management methodologies focused on differentiated sales, and relevant innovation. Our aim is to empower our teams to make smarter, quicker decisions by transforming data into an accessible, reusable asset.

Chairman's Letter Cont'd

This past year was an unusually challenging year for our people and the world at large, but Honeywell Flour Mills employees stepped up to the challenge. Our people brought our purpose and values to life across all levels of the company. During Covid-19, we concentrated on business continuity, making the workplace safe for all essential duty staff to return to work, while the rest of our staff worked remotely. We did so with strict protocols to protect everyone's physical and psychological safety and thankfully, we did not have to shut down any of our factory locations due to the outbreak of the virus.

We refocused our learning activities and leveraged technology to make sure our people have the skills to fulfill critical business functions. This focus on learning is a key part of our ambition to make sure all our people can reskill, upskill, and work more flexibly. We developed and commenced implementation of a succession planning, talent management, training and employee retention framework that will ensure transfer of responsibility, knowledge and ownership of key business processes, to the next generation of leadership. We also improved and enhanced employee engagement and experience evidenced by our employee engagement score increasing by 17 per cent points over last financial year rating.

> "We are committed to investing in the capabilities we need, the know-how and the talent to continue to create value"

Sharing Our Success

We have a long-standing commitment to the communities we operate in. The commitment is to reach out beyond our business to affect lives in a positive manner by implementing initiatives that promote Education, Safety and the Environment.

In the last twelve months, the company sponsored several youth-focused events in universities across different states in the country. The emergence of Covid-19 did not permit us to provide manufacturing process exposure to school children, however, we donated to initiatives related to children during the period. We partnered with Lagos State Government under the Eko Cares Initiative, an empowerment programme for women. We continued to partner with the Federal Road Safety Corps (FRSC) to educate and promote the need for safe driving particularly during the festive periods, just as support to orphanages and related bodies remained unwavering.

Responding to the effects of the pandemic, we partnered with a number of State Governments at the beginning of the financial year, donating food products to their emergency food response programmes with 2.2 million servings of food provided to people most at need during COVID induced lockdown.

Change to the Board

The Board is committed to entrenching a culture of good leadership, strong organizational ethics and responsible corporate citizenship. Dr. Nino Albert Ozara retired from his position as Executive Director, Manufacturing, on 18 May, 2020, having served the company for over 22 years. On behalf of the board, I thank him for his peerless service and great leadership. Congratulations on a job well done and a retirement well deserved. Recognising the immense contributions, insights and perspectives Dr. Ozara still has to offer, he was re-appointed to the board as a non-executive director on 26 June, 2020. We look forward to his continued involvement with Honeywell Flour Mills.

Dividends

The Board of Directors is pleased to recommend the payment of 7 kobo per share as dividend for the year. This represents 75 per cent increase over last financial year dividend. If approved, the dividend will be paid to shareholders on 14th October after deducting the appropriate withholding tax.

Fit for the future

While we expect market conditions to remain tough and the effects of Covid-19 may be with us for the foreseeable future, our company has shown the capacity to withstand shocks and emerge stronger. And with consumer behaviour evolving faster than ever, we are adapting to this new reality by executing with speed in order to deliver competitive returns and meet the needs of our multiple stakeholders. We are committed to investing in the capabilities we need, the know-how and the talent to continue to create value.

Finally, on behalf of the Board, I want to express our profound appreciation to the over 2,000 hardworking men and women of Honeywell Flour Mills and our

Chairman's Letter Cont'd

business partners for their unwavering commitment. We thank our customers, consumers and the communities in which we operate for their unwavering support. We also sincerely thank you our shareholders for the trust you have placed in us to deliver on our strategy to create long-term value for you and all our stakeholders.

Dr. Oba Otudeko, CFR
Group Chairman

Managing Director's Q&A

Olanrewaju Jaiyeola answers questions on the company's performance in the financial year, impact of the pandemic, new strategic direction and other highlights.

How has the Covid-19 pandemic impacted Honeywell Flour Mills?

It was indeed a tough year for everyone, with significant effects on people's health, national and global economies. Our thoughts go out to all those that have been impacted by the pandemic.

Expectedly, the company was not immune to the effects of the pandemic. Both our local and foreign supply chains were impacted by various lockdown measures implemented to minimise the spread of the virus. To mitigate this impact, we secured our supply chains, increased our stock holding quantity of critical items, and replaced imported manufacturing inputs with locally available substitutes where possible. This was particularly rewarding as it did not only ensure that we continued to operate as smoothly as the conditions permitted, but we were also able to collaborate with local suppliers to develop their capacity to supply based on our quality requirements.

The combined effect of naira devaluation which led to significant increases in the cost of raw materials, the prevailing economic conditions and lower spending power of consumers necessitated that increases in input costs could not be fully passed on to the customer. This compelled us to accelerate implementation of initiatives that improved our operational efficiency and optimized cost.

As a food manufacturer in a critical industry, the health, safety and well-being of our people have always been our topmost priority as we were convinced that once our people are safe and motivated, the business will be able to overcome any challenge that the pandemic brought. We implemented a wide range of protocols across all our manufacturing locations to prevent the occurrence and spread of the virus and thankfully, we did not have to shut down any of our locations due to the outbreak of the virus.

As you look back, how do you reflect on HFMP's business performance in the financial year? What were the highlights for you?

Honeywell Flour Mills delivered a very strong performance during one of the most volatile periods of our existence. The performance re-affirmed the robustness of our strategy, the strength of our brands, the resilience and ingenuity of our people in the face of unprecedented challenges. The Company achieved several record feats; we broke our previous revenue record achieved last financial year with an all-time high of N109.5 billion. The new record, a 36% increase from the N80.4 billion achieved in FY2019/20, firmly puts the business in the elite company of FMCGs in Nigeria.

We achieved record production and sales volumes driven by consumer food products which also achieved record sales volume. Our investment in a new Pasta factory at Sagamu paid off greatly as we grew Pasta sales by over 40% to meet the generated demand for our Pasta products. The factory now directly employs about 450 people with 1,000 more indirectly engaged in and around the community.

The year highlighted our agility in many ways. In order not to completely pass on significant increases in input costs to the customer, we accelerated the implementation of initiatives that improved efficiency. Our ambition to become an advantaged low-cost producer led to a 4% reduction in OPEX despite the double-digit inflation observed during the period. This resulted in the operating profit growing at a faster rate than revenue at 39% to N7.6 billion. Profit after tax improved significantly by 73% to N1.1 billion even as we were able to retain some of the value generated from top line growth.

The incredible efforts of people whether on the factory floor, or from a home office, enabled us to continue to work quickly and safely during the period. And despite all the uncertainty, our people were more engaged, with engagement scores rising by 17 per cent points over last financial year's engagement score. Significant improvement in career development and reward positively impacted employee engagement and trust level across the organization. As well as the many ways in which we worked with speed and agility, we continued to future-proof the capital value of the business by ensuring transfer of responsibility, knowledge and ownership of key business processes, to the next generation of leadership. I want to record my appreciation and admiration for all our people did to keep the business moving forward during such a challenging period.

Have the events of the last financial year helped to re-focus Honeywell's strategy?

Our strategic vision was conceived and has been in place for some years whereby we identified 5 core areas of focus. However, the last eighteen months have shown that expectations are changing as consumers embrace new trends, habits and lifestyles. In addition, our industry has developed from production of flours for bakeries and biscuits makers into a fast-growing food industry. Around the corner comes African Continental Free Trade Area [AfCFTA], a reality in 12-18 months offering opportunities and equally new threats. We are responding by sharpening our focus and strengthening our efforts to continue to create value. Consequently, we have commenced a 10-year evolutionary journey that will see Honeywell Flour Mills transition to become Honeywell Foods. Our aim is to offer a portfolio of food products manufactured from a wide range of raw materials drawn from local sources that offer good nutrition and contribute to a healthier and balanced life. Our aim also aligns with the Federal Government's commitment to achieve the United Nation's 2030 Agenda of Sustainable Development Goals that seeks to ensure access to safe, nutritious and sufficient food.

How will this new strategic direction strengthen Honeywell Flour Mills?

At Honeywell, we strongly believe in the power of innovation and technology. Our success is based upon our ability to continuously reinvent ourselves and our determination to maximise opportunities to help address national challenges. The next phase of our development is to be at the forefront of the carbohydrate industry, providing affordable, nutritious foods to our fast-growing population. Huge strategic opportunity exists for us in the development and commercialization of modern formats of indigenous carbohydrates, and we have commenced the development of an exciting opportunity in the indigenous tubers category that will significantly broaden our business base and serve as a source to generate foreign exchange through export. We have also identified 4 other scalable food categories that will be developed over the next 10 years. These categories have both consumer and industrial food processing applications and provide us with potential for export.

Ability to efficiently source raw materials is key to our strategy and as a result, we are establishing an agro-focused Strategic Business Unit [SBU] that will have responsibility for local sourcing and working with farmers/ other stakeholders to assure supply. Honeywell Foods in the medium term will be required to make investments in commercial farming to assure supply of a percentage of its input requirements. We are committed to promoting better agricultural practices and addressing local supply chain issues. Also, we are developing a high performing route to market that focuses on the right markets, with alignment to the behaviours and needs of the consumers in those markets. We will also deepen our research and development capabilities in order to ensure we drive growth and continuous improvement throughout the portfolio.

Managing Director's Q&A Cont'd

We are convinced that all these efforts will translate to significant value creation for all our shareholders, customers, consumers, staff and the economy at large. I am enthusiastic about the prospects of Honeywell Foods in the next 10 years and beyond.

What are your priorities for the financial year 2022?

We are making significant investment in organic growth and expansion which is central to meeting the expectations of our growing consumer base and securing future earnings. We recently launched the Spaghetti Mini, the first of its kind in Nigeria in terms of packaging. Spaghetti Mini, is a high-quality single serve product that offers convenience to consumers at an affordable price point. The product is an outcome of our extensive research to identify consumer needs in order to serve them in the most relevant and personalized way. We will continue to focus on our competitive advantage and improve our product offerings in order to exceed our consumers' expectations, while increasing market share, and delivering value to our shareholders.

We will continue to work through the Flour Milling Association of Nigeria (FMAN), to improve local supply and production capacity of wheat. FMAN has been working with the government to invest in research to improve seed varieties and technology while also donating seeds and equipment to reduce post-harvest loss and assuring offtake for produce that meets agreed criteria. While progress has undoubtedly been made, more work must be done in collaboration with the Government to make Nigeria self-sufficient in wheat production.

Digitalisation is vital for Honeywell's continued evolution. We are advancing as a digitally enabled and data powered business and will continue to strengthen our digital capabilities in the areas of business intelligence, sales data analytics, e-commerce, and social media in order to fuel new growth opportunities and create efficiencies. Safeguarding our digital assets is also key in view of rising cyber-attacks.

We will improve our go-to-market strategy, product availability and penetration by expanding our customer base and products distribution infrastructure, with particular emphasis on retail. We are committed to deepening our relationships with our customers to help them win in their respective prioritized categories where we operate.

The quality of our people is the true secret of our business success. Therefore, we will continue to make deliberate investments in people development and organizational resourcing through the process of retaining, developing, optimizing and properly engaging our 2,000+ workforce.

We are focused on retaining high performing employees, promoting employee engagement and satisfaction levels, and ensuring the development of employee capabilities and skills to drive achievement of our business goals.

Olanrewaju Bamidele Jaiyeola
Managing Director/CEO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Governance Report

Our Directors

Dr. Ayoola Oba Otudeko, CFR
Chairman / Founder

Mr. Obafemi Otudeko
Non-Executive Director

Mr. Alan Palmer
Non-Executive Director

Mr. Andrew Smith-Maxwell
Non-Executive Director

Mrs. Wonuola Adetayo
Independent Non-Executive Director

Our Directors (Cont'd)

Mr. Olanrewaju Jaiyeola
Managing Director

Dr. Nino Albert Ozara
Non-Executive Director

Mr. Oluranti Sokunbi
Independent Non-Executive Director

Dr. Zate Raymond Zoukpo
Independent Non-Executive Director

Mrs. Yewande Giwa
Company Secretary

Directors' Profiles

Dr. Ayoola Oba Otudeko, CFR
Chairman / Founder

Dr. Oba Otudeko, CFR is the Founder and Chairman of Honeywell Flour Mills Plc and Honeywell Group. He was also the Chairman of First Bank of Nigeria Limited, FBN Holdings Plc, FBN Bank (UK) Limited, Fan Milk of Nigeria Plc, and Airtel Nigeria. 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 has at various times, served on the Boards of the 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 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 and the National Productivity Order of Merit awarded in 2019.

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.

Directors' Profiles (Cont'd)

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 span, sales management and manufacturing management.

He is the current Vice Chairman of the Flour Millers Association of Nigeria. He is also currently the Deputy Coordinator of the Technical Working Group (TWG), Manufacturing & Industrialization sector for the preparation of the Medium-term National Development Plan (2021-2025) and Nigeria Agenda 2050.

Dr. Nino Albert Ozara
Non-Executive Director

Dr. Nino Albert Ozara holds a B.Sc 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 in 1989.

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, Switzerland and Kurz Muhlen, Memingen, Germany. He attended many management and executive training courses at the Lagos Business School, Nigeria, INSEAD, Singapore and Boston Business School, Boston, USA.

Albert is a former Executive Director (Manufacturing) at Honeywell Flour Mills Plc, having joined the Company in 1998 from the Federal University of Technology, Owerri where he was a lecturer and Head of the Crop Production Department.

He retired from the Company in 2020 having attained the mandatory retirement age, and was subsequently re-appointed in a non-Executive capacity.

Directors' Profiles (Cont'd)

Mr. Obafemi Otudeko
Non-Executive Director

Mr. Obafemi Otudeko is a chartered accountant by training and is the Managing 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 previously served on the boards of First Bank of Nigeria Limited and Airtel Nigeria Limited as a Non-Executive Director. He was also the former Second Vice-President of the Nigerian Gas Association.

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

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

Mr. Oluranti Sokunbi
Independent Non-Executive 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 attended several other management courses both locally and internationally, which include 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 Non-Executive 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.

Mr. Alan Palmer
Non-Executive Director

Mr. Alan Palmer was Managing Director and CEO of Kraft West Africa and Cadbury Nigeria PLC. He was 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.

Mrs. Wonuola Adetayo
Independent Non-Executive Director

Mrs. Wonuola Adetayo has over 25 years of combined consulting and marketing experience. She is currently a partner, co-founder and chief executive of 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 include: 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 join Phillips Consulting as Associate Director. She later founded and was Managing Director of Soft Skills 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).

Mrs. Yewande Giwa
Company Secretary

Mrs. Yewande Giwa is Head, Governance and Compliance, Honeywell Group, where she is responsible for implementing and managing the governance framework for the Boards of the Group companies, ensuring compliance with internal and external rules, overseeing regulatory compliance, and managing relationships with key regulatory bodies. A chartered Company Secretary, she also heads the Company Secretarial function of all operating companies within the Group, where she coordinates Board activities and ensures adherence to corporate governance standards and international best practice.

Yewande has over 17 years' post-call experience in corporate and company secretarial legal practice. She began her legal career with Banwo & Ighodalo, one of the leading full-service law firms in Nigeria. She subsequently worked at Zenon Petroleum & Gas Limited (now Forte Oil Plc) where she was primarily responsible for the legal function of the real estate unit.

Yewande holds a Bachelor's degree in Law from Obafemi Awolowo University, Ife, a Master's degree in Commercial & Corporate Law from the University of London, United Kingdom as well as a Certificate and a Diploma in International Business Law from the University of London.

She is a member of the Institute of Chartered Secretaries & Administrators of Nigeria, the Nigerian Bar Association, the International Bar Association, and the Society for Corporate Governance Nigeria and has attended several trainings in the areas of finance, corporate governance, company secretarial practice and compliance.

Yewande likes to travel and read. She is married with children.

Corporate Governance Report

Honeywell Flour Mills Plc ('HFMP') 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 has 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 Codes of Corporate Governance issued by the Securities and Exchange Commission and the Financial Reporting Council of Nigeria.

1. Board Composition

The Board consists of a Non-Executive Chairman, four (4) Non-Executive Directors, three (3) Independent Non-Executive Directors and an Executive Director, who all possess high levels of competence and expertise. They are seasoned professionals and entrepreneurs with vast business management experience and credible track records.

2. Diversity on the Board

HFMP acknowledges the importance of diversity on its Board of Directors and seeks to maintain a Board which comprises a diverse mix of skills, race, gender, culture, age, experience and knowledge to serve the strategic needs of the business. HFMP also acknowledges the fact that appropriate diversity on its Board will substantially improve group decision making and consequently, improve performance. To this end, the Board has implemented a Board Diversity Policy. The Board currently has one (1) female Director and a female Company Secretary.

3. 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 for stakeholders.

4. Records of Directors' Attendance at meetings

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

Further to the provisions of Section 284(2) of the Companies and Allied Matters Act, 2020, the records of the Directors' attendance at Board meetings during the year under review are 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 members	No. of meetings held	No. of meetings attended
Dr. Oba Otudeko D.Sc (Hon) CFR	4	4
Mr. Olanrewaju Bamidele Jaiyeola	4	4
Mr. Obafemi Otudeko	4	4
Mr. Alan Palmer	4	4
Mr. Andrew Smith- Maxwell	4	4
Mr. Theophilus. O. Sokunbi	4	4
Mrs. Wonuola Adetayo	4	4
Dr. Raymond Zoukpo	4	4
Dr. Nino Albert Ozara	4	3

Board meetings were held on 8th July, 2020, 28th September, 2020, 8th December, 2020 and 16th March, 2021.

5. Board Changes

Dr. Nino Ozara retired from his position as Executive Director, Manufacturing on the 18th of May 2020 and was re-appointed to the Board in a Non-Executive capacity with effect from the 26th of June 2020. His appointment was approved by shareholders at the 2020 Annual General Meeting which held on 30th September, 2020.

In line with the Company's Articles of Association, the following Directors shall retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-election: Mr. Alan Palmer, Mrs. Wonuola Adetayo and Mr. Oluranti Sokunbi.

6. Committees

a. Statutory Audit Committee

In compliance with section 404(3) of the Companies and Allied Matters Act, 2020, members of the Audit Committee were elected at the Annual General Meeting held on 30th September, 2020. 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 Auditor and Independent Auditor. The statutory functions of the Committee are provided for in section 404(7) of the Companies and Allied Matters Act, 2020.

Members that served on the Committee during the year are:

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 Institute of Directors Nigeria, 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.

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.

Mrs. Morenike Omilabu:
Shareholder

Morenike Abiola Omilabu retired as the Chief Technologist, Teaching and Research Farm, University of Ibadan where she also worked in several other managerial capacities and Boards over a span of 35 years, including Farm Coordinator/ acting Farm Director, a position which she held for 4 years. She is a Fellow of the Institute of Company and Commercial Accountants of Nigeria (FCCA), a Fellow of the Nigeria Institute of Industrial Administration (FIIA) and a Fellow of the Royal Microscopical Society at Oxford (FRMS). She is also a Member of the Nigerian Institute of Management (NIM) and Nigerian Institute of Science Laboratory Technology. Mrs. Omilabu is an American Biographical Institute Nominee of Distinction for the International WHO'SWHO of Professional and Business Women of 2002 Award.

She holds an MBA from Ondo State University (now University of Ado Ekiti), a Postgraduate Diploma in Business Administration from University of Ibadan C.S.U, and Diplomas in Audio Visual, Science and Technology from institutions in the United Kingdom and Nigeria, amongst other certifications. She has been a member of Ibadan Zone Shareholders Association since 1992 where she held the position of Zonal Treasurer from 2008 – 2011 and from 2017 till date. She is married with children.

The details 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	3	3
Mr. Emmanuel Omole	3	3
Mrs. Morenike Omilabu	3	3
Mr. Andrew Smith- Maxwel	3	3
Mr. Theophilus. O. Sokunbi	3	3
Mrs. Wonuola Adetayo	3	3

Audit Committee meetings were held on 3rd July, 2020, 24th September, 2020 and 1st December, 2020.

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. In line with the provisions of the Codes of Corporate Governance, members of this Committee are Non-Executive Directors. 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)	4	4
Mr. Olanrewaju Jaiyeola	4	4
Dr. Nino Ozara	4	2
Mr. Theophilus O. Sokunbi	4	4
Mrs. Wonuola Adetayo	4	4

Business Development Committee meetings were held on 11th June, 2020, 15th September, 2020, 26th November, 2020 and 25th March, 2021.

c. Nominations, Governance & Remuneration Committee

The Nominations, Governance & Remuneration Committee is empowered to bring to the board recommendations regarding the appointment of Directors. It also has oversight of matters relating to governance and remuneration. In line with the provisions of the Codes of Corporate Governance, members of this Committee are Non-Executive Directors.

The members of the Committee are Mr. Obafemi Otudeko (Chairman), Mr. Oluranti Sokunbi and Dr. Raymond Zoukpo. The Committee met on the 24th of September, 2020.

Names of members	No. of meetings held	No. of meetings attended
Mr. Obafemi Otudeko (Chairman)	1	1
Mr. Oluranti Sokunbi	1	1
Dr. Raymond Zoukpo	1	1

Corporate Governance Report Cont'd

7. Executive Management Committee

The Executive Management comprises the Executive Directors and Heads of Department of the Core Business Units of the Company. It meets once a week and is responsible for setting corporate targets, reviewing the Company's performance and operational issues and overseeing the affairs of the Company on a day-to-day basis. The Company acknowledges the importance of diversity, and currently has two (2) women in senior Management positions. As at 31 March 2021, the Executive Management comprised the following members:

Mr. Olanrewaju Bamidele Jaiyeola	Managing Director
Mrs. Yewande Giwa	Company Secretary
Mr. Mobolaji Fakayode	Finance Director
Mr. Ifeanyichukwu Abadom	Manufacturing Director
Mr. Tayo Ilori	Supply Chain Director
Mr. Oluseye Ogunwole	Head, National Sales (Business to Business) B2B
Mr. Narendra Nagarkar	Head, National Sales (Business to Customers) B2C
Mr. Babatunde Adebayo	Head, Operations, Sagamu Factory
Mrs. Bisi Duduyemi	Head, Human Resources
Mr. Gbolaro Olulade	Head, Corporate Strategy

8. 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 performance evaluation for the financial year was conducted by Messrs. PwC Nigeria.

9. Policies

In line with its practice of adhering to best Corporate Governance standards, Honeywell Flour Mills Plc has put in place several policies which protect the interests of its stakeholders. These include:

a. Security Trading Policy

In accordance with Section 14 of the amended 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 provisions of the Company's policy on insider trading.

Corporate Governance Report Cont'd

b. Shareholders Enquiries and 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's Rules relating to the Complaints Management Framework of the Nigerian Capital Market.

Enquiries and complaints may be submitted through the following channels:

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

Company Secretary
6b, Mekunwen Road,
Ikoyi,
Lagos
Email: hfmp@honeywellflour.com
Tel: +234 1 2900525

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. Reports may be made via telephone or online without fear of reprisal or recrimination and may be made anonymously.

The Company guarantees that the identity of the reporting individual(s) or organisation(s) shall be accorded utmost protection and the report investigated and treated in a timely manner. Whistle-blowers may report misconduct, irregularities or malpractice via the following channels:

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

d. 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 which are set out in writing for adherence by all staff at all times.

Honeywell Flour Mills Plc 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 to ensure the continuous production of 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. Anti-bribery and Corruption Policy

Honeywell Flour Mills Plc is committed to upholding the highest level of ethical standards and integrity in doing business and has zero tolerance for fraud, bribery and corruption of any nature.

The Company acknowledges the importance of fairness in business and kicks against all acts which threaten to undermine the integrity of its business operations. The adverse effects of fraud, bribery and corruption are recognized through its core values which include 'integrity' - symbolizing our commitment to tenaciously maintain the highest ethical standards, and 'responsibility beyond ourselves' which denotes our intent to act as catalysts for positive change and development in our society. This acts as the foundation of our dealings at Honeywell and will continue to underpin our business operations.

The Company actively maintains an Anti-Bribery & Corruption Policy to: reiterate its zero tolerance stance on fraud, bribery and corruption and such other unethical acts, provide a framework to promote its stance on these, promote transparency in its dealings and to ensure its reputation and stakeholders are adequately protected.

10. Board Appointments & Training

Board appointments are made in accordance with the provisions of the Board Appointment Policy. Proposed candidates are thoroughly vetted by the Nominations, Governance & Remuneration Committee to assess whether they meet the applicable criteria for appointment to the Board and for their specific roles. The Committee's candidate search protocols include, in addition to the required expertise and experience, diversity in all attributes. Upon appointment, new Directors undergo an induction programme to familiarise them with matters relating to the Company's business operations and strategy. This programme includes meetings with other Directors and key personnel, tours of the Company's factories, and the provision of documents on the Company's operations and performance. Directors are also provided with copies of the Board Code of Conduct & Ethics, the Board charter and other relevant governance documents.

Corporate Governance Report Cont'd

The Board is fully committed to the structured training and continuous development of its Directors and has implemented a Directors' Development Policy for this purpose. Every Board member attends a minimum of one (1) training programme each year, and this year's programme was facilitated by the Lagos Business School. In addition, Board members attend mandatory training programmes as may be directed from time to time by regulatory authorities.

11. Board Remuneration

The Board Remuneration policy of Honeywell Flour Mills provides a framework for the remuneration of Executive and Non-Executive Directors, which enables the Company offer competitive and fair rates of pay and benefits to attract and retain people of proven ability, experience and skills whilst ensuring that there is no discrimination based on gender, race, ethnicity, religion or sexual orientation. It also enables the alignment of strategic objectives and the delivery of shareholder value.

The Nominations, Governance & Remuneration Committee ('NGRC'), composed solely of Non-Executive Directors, recommends the remuneration packages of Executive Directors. The Committee sets Key Performance Indicators covering both financial and non-financial measures for the executives at the beginning of each year. Executive Directors are subject to the Company's clawback policy for the recovery of excess or undeserved reward. The remuneration of the Executive Directors, which includes both fixed and variable components, consists of base/guaranteed pay, performance incentives, benefits & allowances, and terminal benefits.

The remuneration of the Non-Executive Directors consists of Directors' fees, sitting allowances and reimbursable expenses. They do not receive performance-based compensation.

12. Risk Management

The Company has in place an enterprise risk management framework that defines its risk policy, risk appetite and risk limits, and identifies, assesses, monitors, and manages key business risks to safeguard shareholders' investments and the Company's assets. Business risks are promptly identified, effectively mitigated and continuously monitored. As part of its robust corporate governance strategy, the Company has in place a very strong Internal Audit function which is risk focused. The Business Risk profile is presented through the Internal Audit function to the statutory Audit Committee for consideration and to make appropriate recommendations to the Board for approval. The Internal Audit function reports directly to the statutory Audit Committee on a quarterly basis in order to ensure a high level of independence.

13. Statement on Sustainability

Honeywell Flour Mills Plc is passionate about creating and enabling the growth of sustainable value for all its stakeholders. The Company constantly assesses how its operations affect its immediate stakeholders and the broader environment and implements action plans which promote more sustainable business practices.

As detailed in its Sustainability Policy, Honeywell Flour Mills Plc's sustainability agenda has 2 broad objectives – creating a positive impact as a responsible corporate citizen, while minimizing the adverse effects of business operations on the environment. This agenda thus encompasses both Sustainability and Corporate Social Responsibility initiatives, and is anchored on 4 pillars known as "HEED":

- Health & Safety
- Education
- The Environment; and
- Driving economic growth

The Company's sustainability agenda aligns with the United Nations' Sustainable Development Goals, particularly:

- Goal 3: Good health and well-being
- Goal 4: Quality education
- Goal 8: Decent work and economic growth

Honeywell Flour Mills Plc recognizes that strong leadership and governance structures are critical to the success of its sustainability agenda, and to the growth and sustenance of its business as a whole. The Board of Directors, working with the Management Team, is responsible for promoting adherence to corporate governance principles and global best practice in business operations, and shall ensure that its business operations are conducted in a manner which aligns with the Company's sustainability agenda.

14. Others

In addition to the highlighted policies and processes, Honeywell Flour Mills Plc has also implemented other policies, processes and governance documents which further strengthen its Corporate Governance structure. They include:

- Conflict of Interest & Related Party Transactions policy
- Code of Ethics for employees and the Board of Directors
- Stakeholder Management, Engagement & Communication policy
- Internal Control policy
- Claw back policy
- Robust charters forthe Board and Committees

15. Statement of Compliance with the Nigerian Code of Corporate Governance

In line with regulatory directives, Honeywell Flour Mills has submitted a report to the Financial Reporting Council, the Nigerian Stock Exchange and The Securities & Exchange Commission on the extent of its compliance with the Nigerian Code of Corporate Governance. The report has also been uploaded to its website: www.honeywellflour.com.

A summary of its level of compliance is detailed below:

Part A: Board of Directors & Officers of the Board	The Board consists of a Non-Executive Chairman, 3 Independent Directors, 4 Non-Executive Directors and an Executive Director, supported by an experienced and competent Company Secretary.
	A Board Diversity Policy has been developed to ensure that the Board remains sensitive to the need for diversity in all forms including gender, age and experience.
	In addition to the statutory Audit Committee, the Board has established a Nominations, Governance & Remuneration Committee and a Business Development Committee all of which are governed by robust charters.
	Training and induction of Directors is governed by the Board's Director Development Policy. During the year under review, Board members' training was facilitated by the Lagos Business School.
	The Board is guided by its Appointment Policy in making appointments to the Board. The policy sets out the criteria for Board appointments and provides for the extensive screening and vetting of potential Directors. Upon appointment, new Directors are mandated to undergo an induction programme.
	The robust Board Remuneration Policy provides a framework for the remuneration of Executive and Non-Executive Directors, to enable the Company remunerate fairly, responsibly and transparently.
Part B: Assurance	A robust Enterprise Risk Management framework is utilized in monitoring business risks.
	A whistle-blowing framework has long been established and is continuously communicated to stakeholders
	The Company has an effective Internal Audit function which provides assurance to the Board on the effectiveness of the Company's governance, internal control & governance systems.

Part C: Relationships with Shareholders	A Stakeholder Management, Engagement & Communication Policy has been developed to enable and encourage stakeholders to engage with the Company.
Part D: Business Conduct with Ethics	Several policies have been developed to demonstrate the Company's commitment to ethical business conduct. They include: ● Insider Trading policy ● Conflict of interest & related party transactions policy

CGRS
Better For Business
RATED

16 September 2021

The Chairman
Honeywell Flour Mills Plc
6B Mekunwen Road
Off Oyinkan Abayomi Drive
Ikoyi
Lagos

Dear Sir,

REPORT ON THE OUTCOME OF THE BOARD EVALUATION FOR THE PERIOD ENDED 31 MARCH 2021

PricewaterhouseCoopers ("PwC") was engaged to carry out an evaluation of the Board of Directors of Honeywell Flour Mills Plc ("Honeywell FMP") or ("the Company") as required by Principle 14 of the Nigerian Code of Corporate Governance (NCCG), and Securities & Exchange Commission Corporate Governance Guidelines (SCGG), 2020 ("the Guidelines" or "SEC Guidelines"). The evaluation covers the Board's structure, composition, responsibilities, processes, relationships, and performance of the Committees for the period ended 31 March 2021.

Our responsibility was to reach a conclusion on the Board performance based on work carried out within the scope of our engagement as contained in our Letter of Engagement dated 16 June 2021. In carrying out the evaluation, we relied on representations made by members of the Board and Management and on the documents provided for our review.

The Board has complied significantly with the provisions of the NCCG and the SEC Guidelines. Areas of strength include: Strategic direction and strong oversight of key areas such as financial performance, strategy execution, succession planning for key executive and management roles, and effective response to crisis and business continuity risks due to the pandemic.

We also facilitated a Self and Peer Assessment of each Director's performance in the year under review. This assessment covered the Directors' time commitment to the business of the Company, commitment to continuous learning and development and a self & peer assessment. Each individual Director's assessment report was prepared and made available to them while a consolidated report of the performance of all Directors was submitted to the Board Chairman.

Details of our other findings and recommendations are contained in our Report.

Yours faithfully
for: PricewaterhouseCoopers

Femi Osinubi
Partner
FRC/2017/ICAN/00000016659

PricewaterhouseCoopers Chartered Accountants
Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria
T: +234 1 271 1700, www.pwc.com/ng *TIN: 01556757-0001*

Events and Donations

In line with our corporate culture, on an annual basis we carry out a number of key CSR projects. This Financial Year, the Company implemented projects internally and also supported government and private organizations to execute various initiatives to help us continue to live out our mission of using enterprise to make our world better.

Baking School

Honeywell Flour Mills Baking School is a value-adding initiative that commenced in 2006 with the aim of empowering bakers with contemporary baking skills that will help improve their baking processes which will result in better yield and increased turnover. The school is a periodic 3-week vocational training program in baking technology where participants receive free formal and informal training to enhance both their technical and customer relationship skills. About 600 bakers have been trained in its 15 years of existence. This year's baking school activity was done on a smaller scale with classes in smaller groups to ensure adherence to Covid-19 protocols.

Ember Month Rally

It has become a tradition, in the last eight years; for our business to partner with Federal Road Safety Corps (FRSC) to create awareness amongst road users on the need for safety on our roads during the Ember months. This is in fulfilment of one of our strategic pillars "Safety". Nigerian roads are usually busy during Ember months because of the festivities; therefore, many drivers become reckless thereby resulting in higher rates of accidents." The awareness programs are usually held at key motor parks like Ojota and Mile 2 and has helped in restraining road users thereby, reducing the number of accidents on our roads.

Events and Donations cont'd

Akofa Ivy Basketball Event

Honeywell Flour Mills partnered with Akofa Ivy League Basketball event for private secondary schools in Lagos and its environs. Participants had an opportunity to experience the Honeywell Noodles brand and were all rewarded with Honeywell products.

Peculiar Saints Orphanage and Goshen Homes Donation

As part of Honeywell Flour Mills Feeding Ambitions initiative, two orphanages were visited during the financial year. Donations in form of products and cash were made to these orphanages to ensure the children are properly cared for.

Stakeholder Engagement

Annual General Meeting 2020

On Wednesday 30th September 2020, the Company held its 11th Annual General Meeting (AGM) in Lagos. Due to Covid-19 restrictions, the AGM was held by Proxy and physical attendance was restricted by State and Federal Government regulations. The meeting was livestreamed on the Company's online platform to enable shareholders participate in the proceedings. This provided an opportunity for the business to engage with shareholders both physically and online and share plans for the new financial year.

Financial Statements

Financial Highlights
For the Year Ended 31 March, 2021

	2021 ₦'000	2020 ₦'000	% Increase/ (decrease)
Major profit or loss items			
Revenue	109,594,730	80,450,397	36
Profit before taxation	1,576,746	1,270,237	24
Profit after taxation	1,125,864	650,492	73
At year end			
Major statement of financial position items			
Shareholders' fund	57,968,678	57,285,793	1
Total assets	147,394,656	142,261,292	4
Total liabilities	89,425,978	84,975,499	5
Issued and fully paid share capital	3,965,099	3,965,099	-

Per 50k share data

	Kobo	Kobo
Earnings	14.20	8.18
Dividend proposed	7.00	4.00
Dividend paid	4.00	4.00
Net Assets	730.99	722.35
Stock Exchange quotation as at 31 March (₦)	1.18	0.98

Statement of Directors' Responsibilities

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, 2020 and Financial Reporting Council of Nigeria Act, No. 6, 2011.

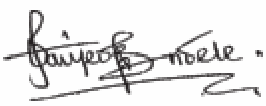
The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of the financial performance during the year.

The Directors further acknowledge that they are ultimately responsible for the system of internal financial controls established by the Company and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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 this financial statements.

Signed on behalf of the Board of Directors By:

Dr. Oba Otudeko B.Sc (Hon.) CFR
Chairman
FRC/2013/ICAN/0000002365
25th May, 2021



Olanrewaju Bamidele Jaiyeola
Managing Director/CEO
FRC/2014/ICAN/00000008542
25th May, 2021

Report of the Directors

The directors have pleasure in submitting their report on the financial statements of Honeywell Flour Mills Plc for the year ended 31 March, 2021.

1. Incorporation

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.

2. Principal Activities

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

3. Result for the Year

The following is the summary of the company's operating results for the year:

	₦'000
Revenue	**109,594,730**
Profit before taxation	1,576,746
Taxation and levy	(450,882)
	1,125,864

There were no material changes to the nature of the company's business from the prior year.

4. Dividend

The directors have proposed a dividend of ₦ 555,113,836 which translates to 7 kobo per ordinary share of 50 kobo (2020: ₦ 317,207,906, @4k per share). This is subject to the approval of the shareholders at the Annual General Meeting and will be subjected to the deduction of appropriate withholding tax at the time of payment.

5. Products Distribution

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

6. Directors' Shareholding

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 301 and 302 of the Companies and Allied Matters Act 2020 and the listing requirements of Nigerian Stock Exchange is as stated hereunder.

	2021 Direct	2020 Direct	2021 Indirect	2020 Indirect
Dr. Oba Otudeko D.Sc (Hon) CFR	-	-	5,294,363,565	5,294,363,565
Mr. Olanrewaju Bamidele Jaiyeola	370,000	370,000	-	-
Mr. Nino Albert Ozara	250,000	250,000	-	-
Mr. Obafemi Otudeko	-	-	618,000,000	618,000,000
Mr. Alan Palmer	75,783	75,783	-	-
Mr. Andrew Smith-Maxwell	-	-	-	-
Mr. Theophilus Oluranti Sokunbi	208,000	208,000	-	-
Mrs. Wonuola Adetayo	50,000	50,000	-	-
Dr. Raymond Zoukpo	204,541	-	-	-
	1,158,324	**953,783**	**5,912,363,565**	**5,912,363,565**

** 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 which is a 75% equity holder in the Company.

7. Directors' Interest in Contracts

None of the Directors have notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act 2020 of any disclosable interest in contracts with which the Company was involved during the year **ended 31 March, 2021.**

8. Employment and Employees

I. 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.

ii. 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 employees as a major part of its strategic development and have maintained a consistent policy of training its staff, both locally and internationally to enhance their skills and competence.

iii. Health and Welfare of Employees

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 provides Personal Protective Equipment to employees as required by the nature of their jobs and safety officers perform regular monitoring to ensure usage compliance. There are fully equipped clinics at its various sites of operation 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 operation 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.

The employee canteens at Apapa, Ikeja and Sagamu continue to provide nutritionally balanced healthy meals in a conducive environment, free for the Junior Staff and at highly subsidized rate for the Senior Staff.

Employees and stakeholders will 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.

Subject to applicable laws we recruit, hire, train, promote, discipline, and provide other conditions of employment without regard to a person's race, colour, religion, sex, national origin, disability or other classifications protected under law.

9. Shareholding Analysis

The shareholding structure of the Company as at 31 March, 2021 is as stated below:

Share Range			No. of Holders	% of Holders	No of Holdings	% of Holdings
1	-	1,000	12,119	36.42	10,330,423	0.13
1,001	-	5,000	13,679	41.11	36,095,893	0.46
5,001	-	10,000	2,918	8.76	23,989,288	0.30
10,001	-	50,000	2,890	8.69	68,666,470	0.87
50,001	-	100,000	654	1.97	51,154,899	0.65
100,001	-	500,000	764	2.30	164,262,877	2.07
500,001	-	1,000,000	116	0.35	85,636,921	1.08
1,000,001	-	5,000,000	106	0.32	223,913,191	2.82
5,000,001 and above			27	0.08	7,266,147,696	91.62
			33,273	**100**	**7,930,197,658**	**100**

10. Substantial Interest in Shares

According to the register of members, the following shareholders of the Company held at least 5 per cent of the Issued Share Capital of the Company as at 31 March, 2021:

	2021 Number	%	2020 Number	%
Siloam Global Services Limited	5,912,363,565	75	5,912,363,565	75
First Bank of Nigeria Limited	400,967,024	5	400,967,024	5

No other entity or individual (s) aside from the two (2) substantial shareholders holds 5% and above of the issued and fully paid share of the Company.

11. Donations, Sponsorship and Corporate Social Responsibility

The value of gifts and donations made by the Company during the year amounted to ₦53,309,175.88(2020: ₦9,531,869.00) and analysed as follows:

	₦
NFRSC Road Safety Campaign and Other Events	1,420,450
Youth Sport Development	2,111,150
Women Empowerment Programme	394,000
Children Sponsorship Events	1,786,057
Goshen Homes	171,750
Peculiar Orphanage Home	269,280
Heartbeat Charity Foundation	93,000
Byinks Foundation	56,000
COVID-19 relief package	47,007,489
	53,309,176

12. Property, Plant and Equipment

Information relating to the changes in the items of Property, Plant and Equipment is disclosed in Note 5, page 80. In the opinion of the Directors, the market value of the Company's properties is not lower than the value shown in the financial statements.

13. Independent Auditors

Messrs. Bakertilly Nigeria (Chartered Accountants), have indicated their willingness to continue as auditors in accordance with Section 401(2) of the Companies and Allied Matters Act 2020. A resolution will be proposed to authorise the directors to fix their remuneration.

By Order of the Board

Yewande Giwa.

Yewande Giwa
FRC/2014/NBA/00000009078
Company Secretary

Lagos, Nigeria

25 May, 2021

Audit Committee Report

In compliance with the provisions of Section 404(7) of the Companies and Allied Matters Act 2020, we the members of the Audit Committee of Honeywell Flour Mills Plc received the Audited Financial Statements for the year ended 31 March 2021 together with Management Control Report from the external auditors and management responses thereto at a 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 that the accounting and reporting policies of the company for the year ended 31 March, 2021 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the scope and planning of the audit for the year ended 31 March, 2021 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 recommends that the Audited Financial Statements for the year ended 31 March, 2021 and the External Auditors' Report thereon be presented for adoption at the Annual General Meeting.

Dated: 25 May, 2021

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

Members of the Audit Committee

Mr. Adebayo Adeleke	Shareholder/Chairman
Mr. Emmanuel Omole	Shareholder
Mrs. Morenike Omilabu	Shareholder
Mr. Theophilus .O. Sokunbi	Director
Mr. Andrew Smith- Maxwell	Director
Mrs Wonuola Adetayo	Director

Report of the Independent Auditors

To the Members of Honeywell Flour Mills Plc

Report on the Audit of the Financial Statements

We have audited the financial statements of Honeywell Flour Mills Plc (the company) set out from page 59 -100, which comprise the statement of financial position as at March 31, 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Honeywell Flour Mills Plc as at March 31, 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act 2020.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Report of the Independent Auditors

To the Members of Honeywell Flour Mills Plc *cont'd*

Key Audit Matter

Key Audit Matter	How our audit addressed the key audit matter
Borrowings As at 31 March, 2021 the company's total bank loans facility stood at N60.48 billion. We considered borrowing a key audit matter because of its materiality on the company's Financial position as at 31 March, 2021.	We adopted a substantive test approach to check the correctness, completeness and the figures of borrowings included in the financial statements. Specifically, we: • Obtained and reviewed all existing loan covenant establishing the facilities; • Reviewed all loans amortisation schedule to ensure they are in agreement with the respective loan covenants; • Reviewed all correspondences with the banks to establish communication around loan performances during the year; • Reviewed loan repayment during the year to confirm that they agree with the loan covenants and the relevant amortisation schedule; • Reviewed the appropriateness of the foreign exchange rate used in converting the foreign currency denominated facilities; • Obtained an independent confirmation from the banks stating the balances and the status of the facilities at the year-end; and • Reviewed the disclosures on borrowings for reasonableness. Our audit test did not reveal any material misstatement.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Honeywell Flour Mills Plc. financial statements for the year ended March 31, 2021", which includes the Directors' Report and the Audit Committee's Report as required by the Companies and Allied Matters Act 2020 and the Detailed Income Statement, which we obtained prior to the date of this 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 an audit opinion or any form of assurance 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. If, based on the work we have performed, 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.

Going Concern

The Company's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty.

Report of the Independent Auditors

To the Members of Honeywell Flour Mills Plc *cont'd*

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act 2020 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Responsibilities 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 misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 International Standards on Auditing, 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 over ride 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 related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors 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.

Report of the Independent Auditors

To the Members of Honeywell Flour Mills Plc *cont'd*

From the matters communicated with the directors, 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 public interest benefits of such communication.

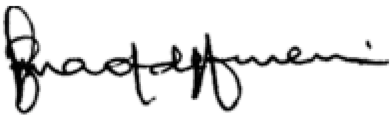
Report on Other Legal and Regulatory Requirements

In accordance with Schedule 5 of the Companies and Allied Matters Act 2020, 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.



Mark E. Ariemuduigho
FRC/2013/ICAN/00000002724
For: Bakertilly
(Chartered Accountants)
Lagos, Nigeria
26th May 2021

Statement of Financial Position

As at 31 March, 2021

Assets	Notes	2021 ₦'000	2020 ₦'000
Non-Current Assets			
Property, plant and equipment	5	101,321,149	105,326,911
Intangible assets	6	136,830	43,017
		101,457,979	**105,369,928**
Current Assets			
Inventories	7	19,780,169	17,525,888
Trade and other receivables	8	3,245,255	5,008,244
Prepayments	9	2,655,860	2,044,827
Cash and cash equivalents	10	20,255,393	12,312,405
		45,936,677	**36,891,364**
Total Assets		**147,394,656**	**142,261,292**
Equity and Liabilities			
Liabilities			
Non-Current Liabilities			
Borrowings	11	22,544,629	26,770,433
Deferred tax	12	4,940,786	4,690,918
		27,485,415	**31,461,351**
Current Liabilities			
Borrowings	11	37,940,164	31,523,541
Trade and other payables	13	23,799,441	21,487,123
Current tax payable	14	200,958	629,255
		61,940,563	**53, 639,919**
Total Liabilities		**89,425,978**	**85,101,270**
Equity			
Share capital	15	3,965,099	3,965,099
Share premium	15a	6,462,041	6,462,041
Reserves		32,115,596	32,905,177
Retained earnings		15,425,942	13,827,705
		57,968,678	**57,160,022**
Total Equity and Liabilities		**147,394,656**	**142,261,292**

The financial statements were approved by the Board of Directors on 25 May, 2021 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
Finance Director
FRC/2017/ICAN/00000016847

The accounting policies and the notes on pages 63 to 100 form an integral part of these financial statements

Statement of Profit or Loss and Other Comprehensive Income

for the Year Ended 31 March, 2021

	Notes	2021 ₦'000	2020 ₦'000
Revenue	16	109,594,730	80,450,397
Cost of sales	17	(93,973,456)	(66,588,559)
Gross profit		**15,621,274**	**13,861,838**
Other operating income	18	140,712	116,209
Selling and distribution expenses	20	(5,543,372)	(6,035,551)
General and administrative expenses	20	(2,572,565)	(2,444,863)
Operating profit	19	**7,646,049**	**5,497,633**
Finance costs	21	(6,069,303)	(4,227,396)
Profit before taxation		**1,576,746**	**1,270,237**
Taxation	14.1	(450,826)	(619,712)
Police Trust Fund Levy		(56)	(33)
Profit for the year after taxation		**1,125,864**	**650,492**
Other comprehensive income:			
Total comprehensive income for the year		**1,125,864**	**650,492**

The accounting policies and the notes on pages 63 to 100 form an integral part of these financial statements

Statement Of Changes in Equity

for the Year Ended 31 March, 2021

	Share Capital	Share premium	Total share capital	Revaluation reserve	Reserve for value of Liabilities	Total reserve	Retained income	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 April, 2019 as previously stated	**3,965,099**	**6,462,041**	**10,427,140**	**32,115,596**	**789,581**	**32,905,177**	**13,302,984**	**56,635,301**
Prior year tax under provision	-	-	-	-	-	-	(125,771)	(125,771)
Balance at 1 April, 2019 as restated	**3,965,099**	**6,462,041**	**10,427,140**	**32,115,596**	**789,581**	**32,905,177**	**13,177,213**	**56,509,530**
Profit for the year	-	-	-	-	-	-	650,492	650,492
Balance at March 31, 2020	**3,965,099**	**6,462,041**	**10,427,140**	**32,115,596**	**789,581**	**32,905,177**	**13,827,705**	**57,160,022**
Restated balance at April 1, 2020	**3,965,099**	**6,462,041**	**10,427,140**	**32,115,596**	**789,581**	**32,905,177**	**13,827,705**	**57,160,022**
Profit for the year	-	-	-	-	-	-	1,125,864	1,125,864
Transfer between reserve	-	-	-	-	(789,581)	(789,581)	789,581	-
Dividend	-	-	-	-	-	-	(317,208)	(317,208)
Balance at 31 March 1, 2021	**3,965,099**	**6,462,041**	**10,427,140**	**32,115,596**	**-**	**32,115,596**	**15,425,942**	**57,968,678**

The accounting policies and the notes on pages 63 to 100 form an integral part of these financial statements

Statement Of Cash Flows

For the Year Ended 31 March, 2021

Cash flows from operating activities	Notes	2021 ₦'000	2020 ₦'000
Profit before taxation		1,576,746	1,270,237
Adjustments for:			
Depreciation and amortisation	24	4,663,976	3,884,048
Inventories write down	7	42,012	-
Movement in expected credit loss	8	(24,587)	-
Profit on assets disposal	18	(10,268)	-
Finance costs	21	6,069,303	4,227,396
Police Trust Fund Development levy	22	(56)	(33)
Movements in retirement benefit assets and liabilities		-	(234,273)
Changes in working capital:			
Inventories	7	(2,296,293)	(3,422,603)
Trade and other receivables	8	1,787,576	(1,025,561)
Prepayments	9	(611,033)	19,850
Trade and other payables	13	2,312,318	1,043,321
Cash generated from operations		**13,509,694**	**5,762,382**
Under provision for tax in prior year			
Tax paid	14.2	(629,255)	(345,084)
Net cash from operating activities		**12,880,439**	**5,417,298**
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(641,523)	(2,574,004)
Sale of property, plant and equipment	5	11,845	-
Purchase of other intangible assets	6	(112,081)	(21,243)
Net cash from investing activities		**(741,759)**	**(2,595,247)**
Cash flow from financing activities			
Finance costs	21	(6,069,303)	(4,227,396)
Dividend paid		(317,208)	-
Increase in borrowings	11	5,147,805	2,910,054
Net cash from financing activities		**(1,238,706)**	**(1,317,342)**
Total cash movement for the year		10,899,974	1,504,709
Cash at the beginning of the year		9,355,419	7,850,710
Total cash at end of the year	**10**	**20,255,393**	**9,355,419**

The accounting policies and the notes on pages 63 to 100 form an integral part of these financial statements.

Notes to the Financial Statements
For the Year Ended 31 March, 2021

1. Corporate Information

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 manufacturing and marketing of wheat-based products including Flour, Semolina, Whole Wheat Meal, Noodles and Pasta

2. Basis of Preparation

I. Statement of Compliance

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Companies Act 71 of 2008, and in the manner required by the Companies and Allied Matters Act 2020 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

ii. Basis of Measurement

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below.

iii. Functional and Presentation Currency

They are presented in Naira, which is the company's functional currency.

iv. 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 in an on-going basis. Revision to accounting estimates is 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;
- provisions and contingencies; and
- measurement of Expected Credit Loss (ECL) allowances for the trade and other receivables and key assumptions in determining the weighted-average loss rate.

Refer to note 30 for details of use of estimates and judgments

3. Significant Accounting Policies

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

3.1 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.

3.2 Segmental 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, making strategic decisions and assessing performance of the operating segments, has been identified as the Board of Directors.

The Company's business operating segments are identified by three factories located at Apapa, Ikeja and Sagamu.

The basis of segmental reporting is disclosed in the note 16.

3.3 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 acquirer 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; 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.

3.4 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'.

3.5 Changes in Significant Accounting Policies

There are no new or amended applicable standards that became effective or adopted by the company during the year, hence, there are no changes in the accounting policies applied during the year.

3.6 Property, Plant and Equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Major spare parts and stand by equipment which are expected to be used for more than one year are included in property, plant and equipment.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Property, plant and equipment is subsequently stated at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made within 3 to 5 years such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting year.

The fair value represents 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:

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

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current year. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation reserve in equity.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged on an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or de-recognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation Method	Average useful life
Buildings	Straight line	20 – 60 years
Office Furniture and Equipment	Straight line	2 - 10 years
Plant and Machinery	Straight line	2 -25 years
Motor vehicles	Straight line	4 years
Land	Not Depreciated	

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the de-recognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is de-recognised.

3.7 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.

ii. 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 is between 2 to 10 years. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted for where appropriate.

Impairment tests are performed on intangible assets when there is an indicator that they may be impaired. When the carrying amount of an item of intangible assets is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of intangible assets is de-recognised upon disposal or when no future economic benefits are expected from its continued use.

3.8 Financial Instruments

I. Recognition and Initial Measurement

The Company initially recognizes trade and other receivables on the date that they are originated. All other financial assets and financial liabilities are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

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

ii. Classification and Subsequent Measurement

Financial assets—Policy applicable from 1 April 2019.

On initial recognition, a financial asset is classified as measured at:

- Amortized cost; fair value through other comprehensive income (FVOCI)
- Debt investment; FVOCI
- Equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL):

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

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

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

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

Business Model Assessment:

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

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

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

Assessments whether contractual cash flows are solely payments of principal and interest:

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

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

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

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

Subsequent measurement and gains and losses:

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

Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial Liabilities

Classification, subsequent measurement and gains and losses

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

iii. De-recognition

Financial Assets

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

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

Financial Liabilities

The Company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also de-recognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously. Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Trade and Other 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.

Trade and Other 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 are 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.

Cash and Cash Equivalents

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.

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Borrowings

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.

3.9 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'.

3.10 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 Expense

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 2020 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, etc.) Act, 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 Exposure

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 that causes 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.

3.11 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Company as Lessor

Leases for which the company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15

3.12 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 First in First out (FIFO) 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. Goods in transit are stated at purchase cost incurred to date.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Strategic Spare Parts and Servicing Equipment

Strategic spare parts and servicing equipment are usually carried as inventory and recognized in profit or loss using the weighted average cost method 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.

3.13 Impairment of Assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- Tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- Test good will acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those asset sare estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a re-valued asset is treated as a revaluation increase.

3.14 Share Capital and Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amount received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability to the company in the financial statements in the period in which they are declared.

3.15 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 plan 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 other comprehensive income in the period in which they arise. Past service costs are recognized immediately in income statement.

The company's defined benefit plan was discontinued and the balance was fully paid out during the year. See note 13.

ii. Defined Contribution Plans

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 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.

3.16 Provisions and Contingencies

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.

3.17 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.

3.18 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.

3.19 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.

3.20 Cost of Sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

3.21 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 Measure

- 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 time basis in accordance with credit terms.
- Credit utilization reports 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 aced 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 take 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 riseIn wheat price.

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.
- 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.
- 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.

Notes to the Financial Statements

For the Year Ended 31 March, 2021 *cont'd*

4. Standards and Interpretations issued/amended but not yet effective

Amendment to IFRS 16, 'Leases' – COVID-19 related rent concessions	As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May, 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.
Published	May 2020
Effective date	Annual periods beginning on or after 1 June, 2020.
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2	The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. This amendment, also, does not have any effect on the financial statements of the Company.
Published	August 2020
Effective date	Annual periods beginning on or after 1 January, 2021
Amendments to IAS 1, Presentation of financial statements' on classification of liabilities	These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.
Published	January 2020
Effective date	Annual periods beginning on or after 1 January, 2022.

A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16	Amendments to IFRS 3,' Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16,' Leases'. The Company is not early adopting these amendments and this amendment does not have any effect on the financial statements of the Company in 2020.
Published	May 2020
Effective date	Annual periods beginning on or after 1 January 2022.
IFRS 17, 'Insurance contracts'	This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. This amendment does not have any effect on the financial statements of the Company.
Published	May 2017

Notes to the Financial Statements

For the Year Ended 31 March, 2021*cont'd*

5. Property, Plant and Equipment

	Cost or Revaluation ₦'000	Accumulated Depreciation ₦'000	2021 Carrying Value ₦'000	Cost or Revaluation ₦'000	Accumulated Depreciation ₦'000	2020 Carrying Value ₦'000
Land	11,026,350	-	11,026,350	11,026,350	-	11,026,350
Buildings	41,937,878	(4,722,510)	37,215,368	41,568,173	(3,698,805)	37,869,368
Plant and machinery	62,953,936	(17,154,055)	45,799,881	47,721,062	(13,781,421)	33,939,641
Office Furniture and Equipment	594,677	(473,905)	120,772	536,081	(418,196)	117,885
Motor vehicle	2,086,813	(1,526,890)	559,923	1,838,633	(1,360,255)	478,379
Capital work-in-progress	6,598,855	-	6,598,855	21,895,289	-	21,895,289
Total	**125,198,509**	**(23,877,360)**	**101,321,149**	**124,585,588**	**(19,258,677)**	**105,326,911**

Cost	Land ₦'000	Buildings ₦'000	Plant and Machinery ₦'000	Office Furniture& Equipment ₦'000	Motor Vehicles ₦'000	Capital WIP ₦000	Total ₦'000
At April 1, 2019	**11,026,350**	**41,568,174**	**47,283,840**	**501,993**	**1,690,409**	**19,940,819**	**122,011,585**
Additions	-	-	431,822	39,488	148,224	1,954,470	2,574,004
Reclassification	-	-	5,400	(5,400)	-	-	-
At March 31, 2020	**11,026,350**	**41,568,174**	**47,721,062**	**536,081**	**1,838,633**	**21,895,289**	**124,585,589**
At April 1, 2020	**11,026,350**	**41,568,174**	**47,721,062**	**536,081**	**1,838,633**	**21,895,289**	**124,585,589**
Additions	-	121,426	99,647	34,350	270,010	116,090	641,523
Disposals and scrapping	-	-	-	(246)	(21,830)	-	(22,076)
Reclassifications	-	248,278	15,133,227	24,492	-	(15,412,524)	(6,527)
At March 31, 2021	**11,026,350**	**41,937,878**	**62,953,936**	**594,677**	**2,086,813**	**6,598,855**	**125,198,509**

Depreciation and impairment:	Land ₦'000	Buildings ₦'000	Office Plant and Machinery ₦'000	Furniture& Equipment ₦'000	Motor Vehicles ₦'000	Capital WIP ₦'000	Total ₦'000
At April 1, 2019	**-**	**2,638,429**	**11,225,305**	**363,623**	**1,161,800**	**-**	**15,389,157**
Charged for the year	-	1,060,377	2,556,110	54,579	198,455	-	3,869,521
Reclassification	-	-	(6)	6	-	-	-
At March 31, 2020	**-**	**3,698,806**	**13,781,421**	**418,196**	**1,360,255**	**-**	**19,258,678**
At April 1, 2020	**-**	**3,698,806**	**13,781,421**	**418,196**	**1,360,255**	**-**	**19,258,678**
Disposals	-	-	-	(45)	(20,455)	-	(20,500)
Charged for the year	-	1,023,705	3,372,634	55,752	187,090	-	4,639,181
	-	**4,722,511**	**17,154,055**	**473,903**	**1,526,890**	**-**	**23,877,359**
Carrying Amount							
At March 31, 2020	11,026,350	37,869,368	33,939,641	117,885	478,378	21,895,289	105,326,911
At March 31, 2021	11,026,350	37,215,368	45,799,881	120,772	559,923	6,598,855	101,321,150

Depreciation expenses of ₦4,280 billion (2020: ₦3.507 billion) has been charged in 'cost of goods sold', ₦56.050 million (2020: N85.604 million) in 'selling and distribution costs' and ₦303.504 million (2020: ₦276.908 million) in administrative expenses'.

Property, plant and equipment were professionally revalued on 1 April, 2016 by Ubosi Eleh & Co (Estate Surveyors and Valuers) FRC/2015/NIESV/00000013406 on the Open Market Valuation basis and are used as reference to determine their fair value in the financial year.

6. Intangible Assets

	Cost Valuation ₦'000	Accum'd Amortisation ₦'000	2021 Carrying Value ₦'000	Cost Valuation ₦'000	Accum'd Amortisation ₦'000	2020 Carrying Value ₦'000
Computer software	220,596	(83,766)	136,830	101,988	(58,971)	43,017

Reconciliation of Intangible Assets:

	Opening Balance N'000	Reclassi fication N'000	Additions N'000	Amortisation N'000	Total N'000
Computer software -2021	43,017	6,527	112,081	(24,795)	136,830
Computer software -2020	36,301	-	21,243	(14,527)	43,017

7. Inventories

	2021 ₦'000	2020 ₦'000
Raw and packaging materials	6,568,926	4,627,292
Working in progress	237,372	66,625
Finished goods	1,577,845	771,904
Consumables and Maintenance spares	1,886,867	1,727,895
Goods in transit	9,678,275	10,459,276
	19,949,285	**17,652,992**
Inventories (write-down) *	(169,116)	(127,104)
	19,780,169	**17,525,888**

* The amount of write down of inventories is recognised as an expense in cost of sale

8. Trade and Other Receivables

Financial instrument:		
Trade receivables	806,171	1,308,536
Loss allowance	(470,846)	(495,433)
Trade receivables at amortised cost	**335,325**	**813,103**
Trade receivables – related parties *	2,786,550	4,006,474
Other receivables **	123,380	188,667
Total trade and other receivables	**3,245,255**	**5,008,244**

Split between non-current and current portions

Non-current assets	-	-
Current assets	3,245,255	5,008,244
	3,245,255	**5,008,244**

*** Trade receivables- related parties represent balances due from Uraga Power Solutions Limited as at 31 March, 2021.*

***Other receivables represent receivables due from customers on services rendered which are outside the primary activities of the Company.*

Financial instruments and non-financial instruments components of trade and other receivables

At amortised cost	3,245,255	5,008,244

Exposure to Credit Risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

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. The Company's Credit Sales Insurance covered a total credit customer amounting to ₦468,768,308 (2020: ₦461,021,630) as at 31 March, 2021.

A total number of 28 Credit customers were insured against default as at 31 March, 2021 (2020: 35 Credit customers).

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for credit-worthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the credit-worthiness of customers is continuously monitored.

Trade receivables arise from both wholesale and retail sales. The customer base for retail trade is large and widespread, with a result that there is no specific significant concentration of credit risk from these trade receivables. Wholesale trade, while also large and widespread is geographically spread within the country. Management therefore assesses and monitors credit risk internally along these risk concentrations (Retail, wholesale country wide).

As at 31 March, 2021, trade receivables of ₦330 million (2020: ₦802 billion) were neither past due nor impaired. These relate to a number of independent customers for whom there is no recent history of default. Analyses of customer credit risk were performed on the customers.

The average credit period on trade receivables is 15 days (2020: 15 days). No interest is charged on outstanding trade receivables.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetimes expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

The estimation techniques explained have been applied for the first time in the current financial period, as a result of the adoption of IFRS 9. Trade receivables were previously impaired only when there was objective evidence that the asset was impaired. The impairment was calculated as the difference between the carrying amount and the present value of the expected future cash flows.

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	2021 Gross carrying Amount At default ₦'000	2021 Loss Allowance (lifetime) ₦'000	2020 Gross Amount (credit loss) ₦'000	2020 Loss Allowance (lifetime) ₦'000
Expected Credit Loss Rate:				
Less than 30 days	330,198	1,510	802,472	24,374
31-90 days past due	15.762	10,088	26,774	2,718
91-180 days past due	33	8	7,932	2,012
181-365 days past due	1,385	357	6,739	1,710
More than 365 days past due	458,883	458,883	464,619	464,619
	806,171	**470,846**	**1,308,536**	**495,433**

Reconciliation of Loss Allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for Trade receivables:

	2021 ₦'000	2020 ₦'000
Opening balance	(495,433)	(519,634)
Amount recovered	31,431	13,756
Provisions charged/reversed on trade receivables	(6,844)	10,445
	(470,846)	**(495,433)**

Exposure to currency risk

The net carrying amounts, in Naira, of trade and other receivables, excluding non-financial instruments, are denominated in Naira. The amounts have been presented in Naira by converting the foreign currency amount at the closing rate at the reporting date.

Naira amount

Naira	3,245,255	5,008,24

9. Prepayments

Prepaid Import Duty	23,833	1,043,035
Advance Payment to Vendors	2,418,129	821,758
Others	213,898	180,034
	2,655,860	**2,044,827**

Notes to the Financial Statements

For the Year Ended 31 March, 2021 *cont'd*

10. Cash and Cash Equivalents

	2021 ₦'000	2020 ₦'000
Cash and cash equivalent consist of:		
Cash on hand	5,708	4,660
Bank balances *	20,009,479	9,621,425
Short-term deposit **	243,247	2,688,583
Expected credit loss	(3,041)	(2,263)
	20,255,393	**12,312,405**
Cash and cash equivalent is reconciled to the cash flow statement as follows:		
Cash and cash equivalent	20,255,393	12,312,405
Bank overdraft	-	(2 956,986)
	20,255,393	**9,355,419**

* *Bank balance as at 31 March, 2021 includes an amount of ₦ 1.493 billion (2020: N7.324 billion) representing the CBN mandatory deposit for foreign exchange bidding to be held by CBN for a maximum of 14 days. These deposits bear no interest.*

** *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 the Securities and Exchange Commission directive.*

There are no material difference between the fair value and the carrying amount of cash and cash equivalent.

11. Borrowings

	2021 ₦'000	2020 ₦'000
Held at amortised cost		
secure		
Bank loan *	60,484,793	55,336,988
Overdraft **	-	2,956,986
	60,484,793	**58,293,974**
Split between non-current and current portions		
Non-current liabilities	22,544,629	26,770,433
Current liabilities	37,940,164	31,523,541
	60,484,793	**58,293,974**

** *Bank loans and overdraft are secured by legal mortgage over company's property, plant and equipment, all assets' debenture, and corporate guarantee of Pivot Engineering Limited. The import finance facilities are secured by consignment of shipping documents for the raw material and corporate guarantee of Pivot Engineering Limited.*

** *Bank overdraft represents the First Bank of Nigeria Limited advised overdraft line obtained to support working capital with an agreed interest rate of 9% per annum.*

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

The carrying amounts and fair value of the non-current borrowings are as follow:

	Carrying amount 2021 ₦'000	Carrying amount 2020 ₦'000	Fair value 2021 ₦'000	Fair value 2020 ₦'000
First Bank of Nigeria Limited - Term Loan (i)	10,366,432	10,665,986	10,366,432	10,665,986
First Bank of Nigeria Limited				
(CBN intervention Fund) (ii)	125,000	166,666	125,000	166,666
Bank of Industry Limited (iii)	2,303,197	3,187,781	2,303,197	3,187,781
Fidelity Bank Plc RSSF (iv)	6,250,000	8,250,000	6,250,000	8,250,000
Polaris Bank Limited RSSF (v)	3,500,000	4,500,000	3,500,000	4,500,000
	22,544,629	**26,770,433**	**22,544,629**	**26,770,433**

i. First Bank of Nigeria Limited Term loan was obtained in January 2017 to ease the Company's cash flow. The facility has a restructured tenor of 6 years (72 months), quarterly repayment of principal and interest, and interest rate of 9% per annum.

ii. This represents First Bank of Nigeria Limited's Central Bank of Nigeria/Bank of Industry Intervention Fund (term loan) of ₦666,666,666. The loan has a tenor of seven (7) years, and interest rate of 7% interest per annum with effect from January 2017. This is currently being covered in the same offer letter with (i) above.

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 restructured tenor extended to February 2023, with 12 months moratorium on principal repayment between January and December 2018. This facility is domiciled with Polaris Bank Limited.

iv. The Company obtained a loan of ₦10 billion from Fidelity Bank Plc, under the Central Bank of Nigeria (CBN) Real Sector Support Fund (RSSF) Programme to finance the Sagamu expansion project. The loan was released in two tranches. The first tranche was granted in April, 2017 with original expected payment date of 11th January, 2024 while the second tranche 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 beginning repayment from the date of first disbursement. Interest rate on the loan is 9%.

v. A loan of N5 billion was obtained from Skye Bank Plc, under the Central Bank of Nigeria (CBN) Real Sector Support Fund (RSSF) Programme to finance the Sagamu expansion project. The loan was granted in October, 2017 with expected repayment date of 10th October, 2024. The loans have 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%.

vi. The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant and all the bank loans are performing.

Exposure to currency risk

The carrying amounts of borrowings is denominated in Naira. However, refer to note 31 for financial instruments and financial risk management

Naira amount		
Naira	60,484,793	55,336,989
Foreign currency per Naira		
USD	$495	-

Exposure to interest rate risk

Refer to note 31 for details of interest rate risk management for investments in financial instruments and financial risk management.

12. Deferred tax

Deferred tax liability	2021 ₦'000	2020 N'000
Property, plant and equipment	(4,940,786)	(4,690,918)

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Reconciliation of deferred tax asset/(liability

	2021 ₦'000	2020 N'000
At the beginning of the year	(4,690,918)	(4,574,689)
Taxable/ (deductible) temporary difference	(249,868)	(116,231)
	(4,940,786)	**(4,690,918)**

13. Trade and Other Payables

Finance instruments:		
Trade payables	1,651,147	2,338,789
Unclaimed dividend (13.1)	243,247	222,583
Accrued liabilities (13.2)	15,118,307	15,893,365
Deposit by customers	6,774,580	3,017,733
Pension and sundry taxes	12,160	14,653
	23,799,441	**21,487,123**

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.

13.1. The unclaimed dividend represents amount returned by the Company's Registrar in line with the 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.

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

Notes to the Financial Statements

For the Year Ended 31 March, 2021 *cont'd*

Exposure to Currency Risk

The net carrying amounts, in Naira, of trade and other payables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Naira by converting the foreign currency amount at the closing rate at the reporting date. Reconciliation of deferred tax asset/(liability)

Naira amount	**2021 ₦'000**	**2020 ₦'000**
Naira	**23,799,441**	**21,487,123**

14. Taxation

14.1. Income Tax Expense

	₦'000	**₦'000**
Current		
Corporate income tax	72,922	402,833
Education tax	128,036	100,652
	200,958	**503,485**
Deferred		
Originating and reversing temporary differences	249,868	116,227
	450,826	**619,712**

14.2. Current Tax Payables

At 1 April	629,255	345,083
Under provision in prior year	-	125,771
Charges for the year	200,958	503,485
	830,213	**974,339**
Payment during the year	(629,255)	(345,084)
	200,958	629,255

14.3 Reconciliation of the Tax Expenses - Effective Tax Rate

Reconciliation between accounting profit and tax expense		
Accounting profit	1,576,746	1,270,234
Tax at the applicable tax rate of 32% (2020:32%)	504,559	406,475
Tax effect of adjustments on taxable income;		
Allowed income	(10,058)	-
Disallowed expenses	1,550,327	1,278,921
Retirement benefit paid	-	(74,967)
Minimum tax	72,922	402,833
Balancing charge	3,740	-
Capital allowances	(1,920,532)	(1,509,777)
	200,958	**503,485**
Effective Tax Rate	**13%**	**40%**

Notes to the Financial Statements

For the Year Ended 31 March, 2021 *cont'd*

15. Share Capital

	2021	2020
Authorised	**₦'000**	**₦'000**
8,000,000,000 ordinary shares of 50k each	4,000,000	4,000,000
Issued		
7,930,197,658 ordinary shares of 50k each	3,965,099	3,965,099

15a.

Share premium	6,462,041	6,462,041

16. Revenue

Revenue from contracts with customers

Sale of goods	109,594,730	80,450,397

Revenue by geographical location of customers:

The company disaggregates revenue from customers as follows:

Domestic (within Nigeria)	109,594,730	80,450,397
Export (outside Nigeria)	-	-
	109,594,730	80,450,397

Segment Reporting

The Company's business operating segments are identified by three factories located at Ikeja, Sagamu and Apapa. The Ikeja segment manufactures Noodles; Sagamu segment manufactures Pasta while Apapa segment manufactures Flour, Semolina, Wheat meal, Brown flour and Baker's delight flour.

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 three segments of the Company:

31 March, 2021	**Apapa ₦'000**	**Ikeja ₦'000**	**Sagamu ₦'000**	**Total ₦'000**
Revenue	85,018,586	5,492,485	19,083,659	109,594,730
Cost of sales	(73,299,296)	(4,698,673)	(15,975,487)	(93,973,456)
Gross profit	**11,719,290**	**793,812**	**3,108,172**	**15,621,274**
Other trading and operating income	121,831	15,661	3,220	140,712
Selling and distribution expenses	(4,312,518)	(271,199)	(959,655)	(5,543,372)
Administrative expenses	(2,027,370)	(121,845)	(423,350)	(2,572,565)
Operating profit	**5,501,233**	**416,429**	**1,728,387**	**7,646,049**

Notes to the Financial Statements
For the Year Ended 31 March, 2021 *cont'd*

31 March, 2020	Apapa	Ikeja	Sagamu	Total
	₦'000	₦'000	₦'000	₦'000
Revenue	64,783,514	6,374,180	9,292,703	80,450,397
Cost of sales	(56,297,558)	(4,186,965)	(6,104,036)	(66,588,559)
Gross profit	**8,485,956**	**2,187,215**	**3,188,667**	**13,861,838**
Other trading and operating income	70,366	34,382	11,461	116,209
Selling and distribution expenses	(3,319,553)	(1,207,110)	(1,508,888)	(6,035,551)
Administrative expenses	(1,330,915)	(498,802)	(615,146)	(2,444,863)
Operating profit	**3,905,854**	**515,685**	**1,076,094**	**5,497,633**

17. Cost of Sales

	2021 ₦'000	2020 ₦'000
Cost of sales is analysed by nature as follows:		
Raw and packaging materials consumed	82,662,001	57,236,117
Employee costs	2,681,854	2,362,844
Depreciation	4,279,627	3,507,009
Plant maintenance and power cost	3,696,667	2,956,876
Factory rent and rates	155,197	139,513
Insurance	76,157	80,653
Other manufacturing expenses	421,953	305,547
	93,973,456	**66,588,559**

18. Other Operating Income

Sale of by-product	83,969	30,160
Bad debts recovered	31,431	-
Net gain on sale of property	10,268	-
Sundry income	15,044	86,049
	140,712	**116,209**

19. Operating Profit Before Tax

Operating profit for the year is stated after charging (crediting) the following, amongst others:

Audit fees*	20,000	20,000
Consulting and professional services	45,279	75,377
Directors' emolument	55,349	53,186
Employee costs	4,594,596	4,103,269
Lease expense	81,613	68,365
Finance cost	6,069,303	4,227,396
Depreciation and amortization	4,663,976	3,884,048

*No Non-audit service were provided by the auditors during the year

Notes to the Financial Statements

For the Year Ended 31 March, 2021 *cont'd*

20. Operating Expenses by Nature

The total of selling and distribution expenses, and administrative expenses, are analysed by nature as follows:

	2021 ₦'000	2020 ₦'000
Directors' fees and other emolument	55,349	53,186
Employees cost	1,857,393	1,687,240
Delivery expenses	2,628,553	1,954,878
Insurance	94,052	94,147
Audit fees	20,000	20,000
Consulting and other professionals fee	141,676	244,374
Subscriptions	119,241	127,355
Travelling and accommodation expenses	373,991	377,054
Entertainment	111,238	103,420
Lease expenses	81,613	68,365
Bank charges	141,329	87,590
Uniform expenses	132,888	116,646
Drivers' expenses	52,543	48,676
Motor vehicle maintenance and running expenses	87,495	94,677
Depreciation and amortization	385,407	377,039
Other expenses	1,833,169	3,025,769
	8,115,937	**8,480,416**
Selling and distribution expenses	5,543,372	6,035,317
Administrative expenses	2,572,565	2,445,099
	8,115,937	**8,480,416**

21. Finance cost

Interest on borrowings and overdraft	6,069,303	4,227,396

22. Police Trust Fund Levy

Profit for the year after taxation before levy	1,125,920	650,525
0.005% thereof	56	33

The Police Trust Fund Development levy represents the contribution of the company to the development of the Police Force. This is in compliance with the Nigeria Police Trust Fund Act passed by National Assembly in April 2019 and signed into law by the President on 24 June, 2019. The levy represents 0.005% of the net profit after company income tax of the companies operating business in Nigeria.

23. Emoluments of Chairman, Directors and Employees

23.1 Chairman and Directors

	2021 ₦'000	2020 ₦'000
Fees:		
Chairman	2,680	1,600
Other directors	10,400	11,651
	13,080	**13,251**
Other Emoluments:		
Chairman	-	-
Other directors	42,269	39,935
Total emoluments	**55,349**	**53,186**

Number of directors (excluding the Chairman) whose emoluments were within certain ranges were:

	Number	Number
below ₦5,000000	7	7
₦5,000,000 - ₦10,000,000	-	-
₦10,000,001 and above	2	2

No director waived his/her right to receive emoluments.

No pension was paid to the existing and past directors

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

23.2 Employees

As at 31 March, 2021 the company had 832 permanent employees (2020: 819). Employee benefits expense is made up of the following for all employees, excluding executive directors:

	2021 ₦'000	2020 ₦'000
Basic and other payroll costs	2,870,307	2,574,880
Pension contribution - employer	278,599	242,361
Bonus	83,118	80,049
Medical aid - company contributions	152,695	127,082
Furniture	240,455	209,847
Leave allowance	140,286	121,458
Other short-term benefit	829,136	747,592
	4,594,596	**4,103,269**
Total employees' costs charged as follows:		
Direct employee costs	2,681,854	2,362,844
Indirect employee cost	1,912,742	1,740,425
	4,594,596	**4,103,269**

Notes to the Financial Statements

For the Year Ended 31 March, 2021 *cont'd*

Average number of persons employed during the year:

	Number	Number
Administration	272	264
Factory	436	430
Management	8	7
Sales and marketing	116	118
	832	**819**

The table shows the number of employees (excluding directors) whose earnings during the year fell within the ranges shown below:

	Number	Number
Below 1,000,000	494	492
1,000,001 - 2,000,000	113	109
2,000,001 - 3,000,000	85	84
3,000,001 - 4,000,000	38	36
4,000,001 - 5,000,000	24	20
5,000,001 - 6,000,000	29	29
6,000,001 and above	49	49
	832	**819**

24. Depreciation and amortisation

	2021	**2020**
Depreciation:	**₦'000**	**₦'000**
Operating expenses	359,554	362,512
Cost of sales	4,279,627	3,507,009
	4,639,181	**3,869,521**
Amortisation:		
Intangible assets	24,795	14,527
	4,663,976	**3,884,048**

25. Cash flow reconciliation of tax paid

Balance at beginning of the year	(629,255)	(345,085)
Current tax for the year recognised in profit/loss	(430,618)	(503,483)
Prior year under provision	-	(125,771)
Balance at end of the year	430,618	629,255
	(629,255)	**(345,083)**

26. Dividends paid

Dividends	(317,208)	-

27. 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, 2021.

28. Contingencies

There are litigations against the Company as at 31 March, 2021 the outcome of which had not been determined.

However, the directors, having sought legal advice from 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 in that respect.

29. Related Parties

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

a. Related Parties Transactions

The company enters into transactions with some companies in which the chairman, Dr. Oba Otudeko, has significant interest (related parties) in the normal course of business and at normal market prices.

The details of transactions and balances outstanding at the end of year are as follows:

Due from related parties

	Nature of Relationship	Nature of Transaction	Opening balances ₦'000	Transactions during the Year ₦'000	Total ₦'000
Due from related parties					
Uraga Real Estates Ltd	Common Director	Borrowings	150,000	(150,000)	-
Anchorage Leisure Ltd	Common Director	Borrowings	574,557	(574,557)	-
Honeywell Oil & Gas Ltd	Common Director	Borrowings	296,058	(296,058)	-
Uraga Power Solution Ltd	Common Director	Borrowings	449,664	(21,271)	428,393
Uraga Power Solution Ltd	Common Director	Lease	2,536,195	(178,038)	2,358,157
			4,006,474	**(1,219,924)**	**2,786,550**

b. Transactions with Key Management Personnel

The Company's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes.

No key management personnel or their immediate relatives engaged in transactions with the Company during the year (2020: Nil).

30. Significant Judgment and Key Sources of Estimation

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 values represent 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.

31. Financial instruments and risk management

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividend paid to the shareholders, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The company monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

The capital structure and gearing ratio of the company at the reporting date was as follows:

		2021 ₦'000	2020 ₦'000
Borrowings	11	60,484,793	55,336,989
Trade and other payables	13	23,799,441	21,487,121
Total borrowings		**84,284,234**	**76,824,110**
Cash and cash equivalents	10	(20,255,393)	(9,355,419)
Net borrowings		**64,028,841**	**67,468,691**
Equity		57,968,678	57,160,022
Gearing ratio		**110%**	**118%**

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports quarterly to the board of directors on its activities.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The company audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the risk committee.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The company is exposed to credit risk on trade and other receivables, cash and cash equivalents, loan commitments and financial guarantees.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counter party is analysed individually for credit-worthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties. Counter party credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the credit-worthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the company through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

The maximum exposure to credit risk is presented in the table below:

	Gross Carrying amount ₦'000	Credit lost allowance ₦'000	2021 Amortised cost/fair value ₦'000	Gross Carrying amount ₦'000	Credit loss allowance ₦'000	2020 amortised cost/fair value ₦'000
Trade & other receivable (Note8)	3,716,101	(470,846)	3,245,255	5,503,677	(495,433)	5,008,244
Cash & cash equivalents (Note10)	20,256,171	-	20,256,171	12,314,668	-	12,314,668
	23972,272	**(470,846)**	**23,501,426**	**17,818,345**	**(495,433)**	**17,322,912**

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented. The gross carrying amount for debt instruments at fair value through other comprehensive income is equal to the fair value because the credit loss allowance does not reduce the carrying amount. The credit loss allowance is only shown for disclosure purposes. Debt instruments at fair value through profit or loss do not include a loss allowance. The fair value is therefore equal to the gross carrying amount.

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2021

		Carrying Amount ₦'000
Non-current liabilities		
Borrowings	11	22,544,629
Current liabilities		
Trade and other payables		23,799,441
Borrowings	11	37,940,164
		(84,284,234)

2020

Non-current liabilities		
Borrowings	11	26,770,433
Current liabilities		
Trade and other payables	13	21,487,123
Borrowings	11	28,566,555
Bank overdraft	10	2,956,986
		(79,781,097)

Foreign currency risk

Foreign currency sensitivity analysis

The following information presents the sensitivity of the company to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

At March 31, 2021, if the dollar exchange rate had been 5.000% (2020: 5.000%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been ₦1,892,082,000 (2020: ₦1,592,098,000) higher and ₦1,892,082,000 (2020: ₦1,592,098,000) lower.

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk. The debt of the company is comprised of different instruments, which bear interest at either fixed or floating interest rates. The ratio of fixed and floating rate instruments in the loan portfolio is monitored and managed, by incurring either variable rate bank loans or fixed rate bonds as necessary. Interest rate swaps are also used where appropriate, in order to convert borrowings into either variable or fixed, in order to manage the composition of the ratio. Interest rates on all borrowings compare favourably with those rates available in the market.

The company policy with regards to financial assets is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Interest rate profile

The interest rate profile of interest-bearing financial instruments at the end of the reporting period was as follows:

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

At March 31, 2021, if the interest rate had been 5.000% per annum (2020: 5.000%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been ₦531,560,000 (2020: ₦199,563,120) lower and ₦531,560,000 (2020: ₦199,563,120) higher.

32. Operating Leases

The Company leases offices and warehouse facilities under operating leases. The leases typically run for a period of one to three years, with an option to renew the lease at the end of the lease period. Lease rentals are paid upfront and included in prepayments, which are amortised to the profit or loss over the life of the lease on a straight-line basis. Lease rental charge in current year amounted to ₦81.613million (2020: ₦68.365 million).

There were no lease commitments at the end of the year (2020: Nil).

33. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

34. Events after the Reporting Period

No material transactions have occurred after the reporting period requiring disclosure in or adjustment to the financial statements for the year ended 31 March, 2021.

35. Comparative figures

Certain prior year balances have been reclassified to conform to current year presentati on format.

36. Approval of the Financial Statements

These financial statements were approved by the Board of Directors of the company on 25 May, 2021

Other National Disclosures

STATEMENT OF VALUE ADDED

For the Year Ended 31 March, 2021

"Value added" is the measure of wealth the group has created in its operations by "adding value" to the cost of products and services. The statement below summarises the total wealth created and shows how it was shared by employees and other parties who contributed to its creation. Also set out below is the amount retained and re-invested in the company for the replacement of assets and the further development of operations.

	2021 ₦'000	%	2020 ₦'000	%
Turnover	109,594,730		80,450,397	
Other operating income	140,712		116,209	
Bought - in materials and services;				
-Foreign	(87,283,630)		(41,790,417)	
-Local	(5,547,191)		(25,291,239)	
Total Value Added	**16,904,621**	**100**	**13,484,950**	**100**

Value Distributed				
To Pay Employees				
Employees cost	4,594,596	27	4,103,269	30
To Pay Providers of Fund				
Finance costs	6,069,303	36	4,227,396	31
To Pay Government				
Income tax	200,958	2	503,485	4
Police Trust Fund Development levy	56	-	33	-
Retained for future expansion and wealth creation:				
Depreciation, amortization and impairments	4,663,976	28	3,884,048	30
Deferred tax	249,868	-	116,227	-
Retained earnings	1,125,864	7	650,492	5
Total Value Distributed	**16,904,621**	**100**	**13,484,950**	**100**

Value added represents the additional wealth which the company has been able to create by its own and employees efforts.

FIVE YEARS FINANCIAL SUMMARY

For the Year Ended 31 March, 2021

Statement of Financial Position

Assets	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000	2017 ₦'000
Non-current assets	101,457,979	105,369,928	106,658,729	103,210,062	100,118,393
Current assets	45,936,677	36,891,364	30,813,715	21,624,951	13,033,321
Total assets	**147,394,656**	**142,261,292**	**137,472,444**	**124,835,013**	**113,151,714**
Liabilities					
Non-current liabilities	27,485,415	31,461,351	38,535,524	40,236,091	34,498,351
Current liabilities	61,940,563	53,639,919	42,301,619	28,207,258	26,318,698
Total liabilities	**89,425,978**	**85,101,270**	**80,837,143**	**68,443,349**	**60,817,049**
Equity					
Share capital	10,427,140	10,427,140	10,427,140	10,427,140	10,427,140
Reserves	32,115,596	32,905,177	32,905,177	32,221,429	32,115,596
Retained earnings	15,425,942	13,827,705	13,302,984	13,743,095	9,791,929
Total equity	**57,968,678**	**57,160,022**	**56,635,301**	**56,391,664**	**52,334,665**
Total equity & liabilities	**147,394,656**	**142,261,292**	**137,472,444**	**124,835,013**	**113,151,714**

Statement of Profit or Loss and Other Comprehensive Income

Revenue	109,594,730	80,450,397	74,409,113	71,476,319	53,227,891
Profit before taxation	**1,576,746**	**1,270,237**	**575,123**	**4,872,292**	**5,469,833**
Taxation	(450,826)	(629,712)	(539,423)	(445,314)	(1,164,878)
Police trust fund dev. levy	(56)	(33)	-	-	-
Retained earnings/(loss)	**1,125,864**	**650,492**	**35,700**	**4,426,978**	**4,304,955**
Per share data (kobo)					
Earnings per share (Basic)	14.20	8.18	0.45	56	54
Net assets per share	730.99	722.35	714	711	660
Dividend proposed per share	7	4	-	6	6
Dividend paid per share	-	4	6	6	-

Per share data are based on the number of issued and fully paid ordinary shares of 7,930,197,658 at the end of each financial year, (2020: 7,930,197,658).

Share Capital History

Share Capital History

Year	Authorised Increase	(₦'000) Cumulative	Increase	Issued and fully paid up (₦'000) Cumulative	Consideration
1990	-	10,000	-	2	cash@ ₦1 each
1991	-	10,000	-	2	cash@ ₦1 each
1992	-	10,000	-	2	cash@ ₦1 each
1993	-	10,000	-	2	cash@ ₦1 each
1994	-	10,000	-	2	cash@ ₦1 each
1995	40,000	50,000	49,998	50,000	cash@ ₦1 each
2001	160,000	210,000	160,000	210,000	cash@ ₦1 each
2003	790,000	1,000,000	790,000	1,000,000	cash@ ₦1 each
2008	1,000,000	2,000,000	999,999	1,999,999	Acquisition of Honey well Superfine Foods Limited
2008	-	2,000,000	-	1.999.999	Share split of ₦1to 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 @ ₦8.50 each

Investor & Other Information

Notice Of 12th Annual General Meeting

Notice is hereby given that the 12th Annual General Meeting (AGM) of Honeywell Flour Mills Plc will hold on Thursday, 14th October, 2021 at the Civic Centre, Ozumba Mbadiwe Street, Victoria Island, Lagos at 11a.m. to transact the following business:

Ordinary Business

1. To receive the Audited Financial Statements for the year ended 31st March 2021 together with the reports of the Directors, Auditors and Audit Committee thereon
2. To declare a dividend
3. To re-elect Directors
4. To authorise the Directors to fix the remuneration of the Auditors
5. To disclose the remuneration of Managers of the Company
6. To elect members of the Audit Committee

Special Business

7. To renew the General Mandate from shareholders to allow the Company to enter into transactions with Related Parties.

Notes:

(I) Compliance with Covid-19 Directives and Guidelines

In view of the COVID-19 pandemic and the consequential restriction on mass gatherings by the authorities, and in line with the CAC guidelines on holding AGMs by proxy, shareholders' attendance at the AGM shall only be by proxy.

(II) Proxies

A member of the Company entitled to attend and vote at the meeting is advised to select from the following individuals, a proxy to attend and vote in his/her stead:

- Mr. Olanrewaju Jaiyeola – Managing Director
- Sir Sunny Nwosu – Minority Shareholder
- Chief Timothy Adesiyan – Minority Shareholder
- Mrs. Bisi Bakare – Minority Shareholder

A Proxy Form is attached to the Annual Report and Accounts. It may also be downloaded on the Company's website – www.honeywellflour.com

All instruments of proxy should be completed and deposited at the office of the Company's Registrars, First Registrars & Investor Services Limited, 2 Abebe Village Road, Iganmu, Lagos or via email to info@firstregistrarsnigeria.com not later than 48 hours before the time fixed for the meeting. The Company shall bear the cost for the stamping of the duly completed and signed proxy forms submitted to the Registrars within the stipulated time.

(II) Live Streaming of Meeting

The AGM will be streamed live on our corporate Youtube channel. The link to the channel will also be available on our website: www.honeywellflour.com

(III) Closure of Register of Members and Transfer Books

The Register of Members and Transfer Books of the Company will be closed from 6th September to 10th September 2021 (both days inclusive) for the purpose of updating the Register of Members.

Notice Of 12th Annual General Meeting cont'd

(IV) Proposed Dividend/Payment Date

The Board of Directors of the Company has recommended a dividend of 7 kobo per share, payable less withholding tax. If approved at the meeting, the dividend will be paid on 14th October 2021 to shareholders whose names appear in the Register of Members as at 3rd September 2021.

(V) Unclaimed Share Certificates and Dividend Warrants

Shareholders are hereby informed that some share certificates and dividend warrants have been returned to the Registrars as 'unclaimed'. Any shareholder affected by this notice is advised to contact the Company's Registrars, First Registrars & Investor Services Limited, 2 Abebe Village Road, Iganmu, Lagos or via email at info@firstregistrarsnigeria.com.

(VI) E-Dividend Registration

Pursuant to the directive of the Securities and Exchange Commission, shareholders are advised to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of receiving dividend payments electronically. A detachable E-mandate Activation Form is included in the Annual Report and is also available on the Company's and Registrar's websites. The completed forms should be deposited at the Registrar's office at 2 Abebe Village Road, Iganmu, Lagos or via email at info@firstregistrarsnigeria.com

(VII) Nominations to the Audit Committee

In accordance with Section 404 (6) of the Companies and Allied Matters Act 2020, a shareholder may nominate another shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. Section 404 (5) of the Companies and Allied Matters Act 2020 stipulates that members of the Audit Committee should be financially literate. Consequently, a detailed curriculum vitae confirming the nominee's qualification should be submitted with each nomination.

(VIII) Electronic Annual Report

The electronic version of the Annual Report will be available on our website and will be sent to shareholders who have provided their email addresses to the Registrars. Shareholders who are interested in receiving the electronic version of the Annual Report should send a request to info@firstregistrarsnigeria.com

(IX) Rights of Shareholders to Ask Questions

Shareholders have a right to ask questions not only at the meeting, but also in writing prior to the meeting. Such written questions should be addressed to the Company Secretary and submitted to the Company's premises or via email at hfmp@honeywellflour.com not later than 12th October 2021.

Dated the 22nd day of September 2021.

By Order of the Board

Yewande Giwa.

Mrs. Yewande Giwa, ACIS
Company Secretary
FRC/2014/NBA/00000009078
NPA Premises, 2nd Gate bye-pass, Tin Can Island, Apapa, Lagos

Proxy Form

	RESOLUTION	FOR	AGAINST
1	To Receive the Audited Financial Statements and Accompanying Reports		
2	To declare a Dividend		
3	To re-elect the following Directors:		
	Mr. Alan Palmer		
	Mrs. Wonuola Adetayo		
	Mr. Oluranti Sokunbi		
4	To authorize Directors to fix the remuneration of the Company's auditor		
5	To disclose the remuneration of Managers of the Company		
6	To elect members of the Audit Committee		
7	To renew the general mandate for related party transactions		

Please indicate with "X" in the appropriate box how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her discretion.

12th Annual General Meeting to be held on Thursday 14th October 2021 at the Civic Centre, Ozumba Mbadiwe Street, Victoria Island, Lagos State at 11am.

I/We ....

(Name of Shareholder in block letters)

The undersigned, being a member of the above-named Company hereby appoints the following person:

S/N	Name	Designation	Proxy Choice
1.	Mr. Olanrewaju Jaiyeola	Managing Director	
2.	Sir Sunny Nwosu	Minority Shareholder	
3.	Chief Timothy Adesiyan	Minority Shareholder	
4.	Mrs. Bisi Bakare	Minority Shareholder	

as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday 14th October 2021 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 ...., 2021

Signature ....

NOTES

1. In view of the health and safety measures put in place by the Government including restrictions on mass gatherings, this proxy form has been prepared to enable shareholders exercise their right to vote despite not being physically present at the meeting.
2. Please sign and deliver this form to the Company's Registrars, First Registrars & Investor Services Limited, 2 Abebe Village Road, Iganmu, Lagos or send by email to info@firstregistrarsnigeria.com not later than 48 hours before the time fixed for the meeting.
3. If executed by a Corporation, the form must be sealed with the Common Seal or under the hand of an officer or attorney duly authorized.
4. The proxy must produce the admission card issued by the Registrar to obtain entry to the meeting.
5. The Company shall bear the cost of the stamp duty payable on this proxy form.

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:

Email address:

Signature:

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

Mandate Form E-Dividend Payment

HONEYWELL
FLOUR MILLS PLC

A x A
Recent passport
photograph
(Individual)

Date (DD/MM/YY)

Please note that Only Clearing Banks are acceptable

The Registrar,
First Registrars & Investor Services Limited
2, Abebe Village Road, Iganmu,
P.M.B. 12692
P. M. B. 1269
2 Lagos, Nigeria.

Honeywell Flour Mills Plc

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:

Shareholder's Account Number										
Bank Account Number (10 Digit NUBAN Number)										
Bank Name										
Bank Sort Code										

Shareholder's Account Information

Surname/Company's Name	First Name	Other Names
Address		
City	State	
Email Address		
Mobile Number		

Shareholder's
Signature/Thumb Print

Joint/Corporate Shareholder(s)/
Company Signatures

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) 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.

Schedule of Unclaimed Dividend

Analysis of Unclaimed Dividend as August 18th ,2021

Year	No of S/H	Amount Of Declared N'000	Amount Unclaimed N'000	Ratio of Unclaimed Dividend %
2010	13,159	872,332	4,932	0.57%
2011	14,367	1,031,000	6,527	0.63%
2012	15,559	1,189,530	9,974	0.84%
2013	16,325	1,268,831	13,430	1.06%
2104	17,079	1,348,134	17,135	1.27%
2015	19,259	396,510	40,914	10.32%
2017	19,935	475,812	52,465	11.03%
2018	23,595	475,812	50,042	10.52%
2020	23,224	317,208	30,326	9.56%

List Of Distributors

ASCOT FARMS
ABHAF FARM LIMITED
ABIOLA FARMS
ADAMU LAMAMA
ADCAT RESOURCES
AGRICOCAPITAL INVESTMENT LIMITED
AHABA MULTY SERVICE
AHADAM FARMS
AL- FIL INVESTMENT LTD
ALFHAMA NIG LIMITED
ALHAJI. A.O BUSARI
AMO BYNG LTD
ANIMAL CARE
ANUREM NIGERIA LIMITED BRAN)
ASSURED SPRING INVESTMENT LTD
AYOMIDE INTER-BIZ INVESTMENT LTD
B & B FARMS
BANKYNICE SERVICES
BASAD SPACE CONSULTANT
BAYUF FARMS
BENJOE FARMS LIMITED
BILAL GLOBAL LINK
CAPS FEEDS LTD
CEERAY FARMS
CHI AJANLA FARM
DAMOLA ONITIRI
DELALU AGRIC SERVICES
DIVINE GRACE VENTURES
DUCANE INTERNATIONAL
DUROL FARMS
EL - RASHEED FARMS LIMITED
EMMANUEL ALAGBE
FARM FRESH NIG LTD
FLG INTERNATIONAL LIMITED
FLOWALE FARMS LTD
FOL-HOPE LTD
FUNTOL FARM (BRAN)
GREAT FSI GLOBAL SERVICE
HAMISU ALHASSAN
HENBIO NIG LTD
IDEAL LIVESTOCK FEEDS
INTELOGK.D.O FARMS
KATUM NIG ENT
KOLADEX NIG ENTERPRISES
LANS AGRIC ENTERPRISES
LAYI OLUOKUN NIG ENTER
LEKAN FOLA ENT
LUVNESTER NIGERIA LIMITED
M A VENTURES
MALLAM DAUDA IBRAHIM
MALUFE ENTERPRISES NIGERIA
MANNA FARMS
MARI INVESTMENT LIMITED
MATWEALTH VENTURE
MERCHANT PARTNERS LTD
MICLAR NIGERIA ENTERPRISES
MODIBBO FARMS
MOGAJI MOHAMMED
MOHAMMED MAINA ZARE
MOHAMMED SANI MAIDAMMA NIG. LTD
MUSA DANKANO FARMS
NAF KAB INTERNATIONAL
OLSAM FARMS
OLU FARMS & INDUSTRIES NIG LTD
OLUWATOBILOBA FARMS NEED
PERONE FARMS
RABIU FARRMS
ROT-TUND FARMS
SANNIHAYUS INVESTMENT NIG. LTD
SAVANT AGRIBIZ
SODEL VENT.
DADA SOLOMON
STELLAN INDUSRIES LTD
TAJMAHA SERVICES COY
TAN-COLM NIG LTD
THE CROSS ENTERPRISES
THREE BBB'S RESOURCES LTD
TIJANI GOLDEN MUHAMMED BRAN
TIRENCE LTD ADEWALE IYANIWURA
TOLBID FARM
TOYE ADE ENT.MR ADEWARA)
UBA GAMBO
VICLAN FARM
WHITEWAYS LTD
YUS TARIWA GLOBAL INVESTMENT LTD
ZARM POULTRY FARMS & FEED MILLS IND. LTD
ZEEM FARMS

Notes

HONEYWELL
FLOUR MILLS PLC
RC55495

Apapa Office: 2nd Gate By-Pass, Tin Can Island, P.M.B. 1105, Apapa, Lagos, Nigeria
Ikeja Office: Plot YABB Mobolaji Johnson Avenue, Alausa, Ikeja, Lagos, Nigeria
Customer Care Hotline: 080 0945 364, 0809 530 1944, 0803 363 0790
Email: hfmp@honeywellflour.com / **WEBSITE:** www.honeywellflour.com