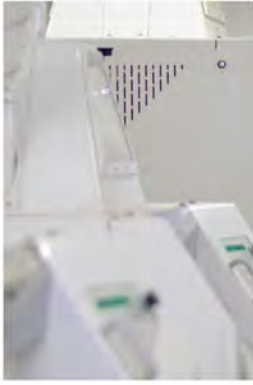


ENRICHING LIVES EMPOWERING COMMUNITIES

ANNUAL REPORT 2021



Enriching Lives
Empowering
Communities



As one of the largest and most diverse food and agro-allied groups in Nigeria, we understand that we can truly make a difference in the lives of individuals and the society. This way of thinking inspires everything we do, including how we source our raw materials, where we site our factories, our relationship with rural communities, and the impact our businesses have on the environment.

Ultimately, FMN is focused on promoting the economic wellbeing of the millions of Nigerians who interact with our businesses everyday, because we know that it is the only way we can truly secure the future of our business.

We are passionate about delivering a positive impact by enriching lives and empowering communities.



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OUR VISION

To be the leading food and agro-allied group in Africa.

OUR MISSION

To produce and supply products of superior quality and value to the market thereby enriching the lives of consumers, customers, communities, employees and all stakeholders

OUR GOALS

To be a customer- centric company
To be focused on both product and process innovation
Always seek to build value for all stakeholders

OUR PURPOSE

Feeding the Nation, Everyday



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the sixty - first (61st) ANNUAL GENERAL MEETING of Flour Mills of Nigeria Plc. will be held at GRAND BALL ROOM, EKO HOTEL & SUITES, ADETOKUNBO ADEMOLA STREET, VICTORIA ISLAND, LAGOS on Wednesday 8th September 2021 at 2 pm to transact the following business:

ORDINARY BUSINESS:

1. To lay the Audited Financial Statements for the year ended 31st March 2021 and the Reports of the Directors, Auditors and Audit Committee thereon.

2. Declare a dividend.

3. Elect/Re-elect Directors to wit:

3.1. To confirm the appointments of Mrs. Juliet Anammah and Mr. Muhammad Ahmad, appointed as Directors since the last Annual General Meeting.

3.2. To re-elect the following Directors retiring by rotation:

- Mr. John Coumantaros
- Prof. Jerry Gana, CON
- Mr. Alfonso Garate

3.3. To re-elect by special notice, Prof. Jerry Gana, CON who is over 70 years and eligible for re-election pursuant to Section 282 of CAMA, 2020.

4. Disclose the remuneration of Managers of Flour Mills of Nigeria Plc.

5. Authorize the Directors to fix the remuneration of the Auditors.

6. Elect members of the Audit Committee.

SPECIAL BUSINESS BY ORDINARY RESOLUTION:

7. Fix the remuneration of the Directors.

8. To consider and if thought fit, pass the following resolution on renewal of General Mandate for Related Party Transactions as an ordinary resolution of the Company:

"That, pursuant to Rule 20.8 of the Rulebook of the Nigerian Exchange Limited (the Exchange), 2015: Issuers Rule, a general mandate be and is hereby given authorizing the Company to continue to procure goods and services and engage in other transactions that are necessary for its day to day operations from its related parties on normal commercial terms consistent with the Company's Transfer Pricing Policy. All transactions

falling under this category which were earlier entered into in 2021 prior to the date of this meeting are hereby ratified."

NOTES:

1. PROXY

In view of the COVID-19 pandemic, the restriction on mass gatherings and in line with the Guidelines issued by the Corporate Affairs Commission on holding AGMs using proxies, attendance at the AGM shall only be by proxy. Consequently, a member entitled to attend and vote at the AGM is advised to select from the underlisted proposed proxies to attend and vote in his stead:

Directors representatives:

- Mr. John Coumantaros
- Mr. Paul Gbededo
- Mr. Omoboyede Olusanya
- Dr. (Mrs.) Salamatu Suleiman

Shareholders' representatives:

- Mr. Adesina Olalekan Oladepo
- Sir Sunny Nwosu
- Dr. Anthony Omojola
- Chief Timothy Adesiyan
- Alhaja Sarata Balogun
- Mrs. Obideyi Efunyemi Olatunde
- Mr. U.I Nornah Awoh
- Mr. Boniface Okezie
- Mrs. Esther Funke Augustine

A proxy form is attached to the Annual Report and is also available at this url: <https://cutt.ly/nmRvv18>

All instruments on appointment of proxy must be deposited at the office of the Company's Registrars, "Atlas Registrars Limited, 34 Eric Moore Road, Iganmu, Lagos, P.O. Box 3554, Surulere or via email at registrars@atlasregistrars.com," not later than 48 hours before the time fixed for the meeting. The Company has made arrangements to bear the cost of stamp duties on the instruments on appointment of proxy.

2. DIVIDEND

The Board recommends a dividend of N1.65 (2020 – N1.40) per ordinary share of 50 kobo each. This dividend, if approved, is subject to deduction of appropriate withholding tax.

3. DIVIDEND PAYMENT

If approved, the dividend will be payable on Thursday 9th September 2021 to shareholders, whose names appear in the Register of Members at the close of business on Friday 13th August 2021. Shareholders who have completed the e-Mandate Activation Forms will receive a direct credit of the dividend into their bank accounts on the payment date.

4. CLOSURE OF REGISTER AND TRANSFER BOOKS

NOTICE IS HEREBY GIVEN that the Register of Members and Transfer Books of the Company will be closed from Monday 16th August to Friday 20th August 2021 both days inclusive.

5. AUDIT COMMITTEE

In accordance with Section 404(6) of the Companies and Allied Matters Act 2020, a nomination (in writing) by any member or shareholder for appointment to the Audit Committee should reach the Company Secretary at least 21 days before the Annual General Meeting.

Section 404(5) of the Companies and Allied Matters Act 2020 requires that all members of the Audit Committee shall be financially literate and at least one member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. We therefore request that nominations must be accompanied by a copy of the nominee's Curriculum Vitae.

6. UNCLAIMED DIVIDENDS

Shareholders are hereby informed that some dividend warrants have been returned to the Registrars as unclaimed while some have neither been presented to the Banks for payment nor to the Registrars for revalidation. A list of such unclaimed dividends will be circulated with the Annual Reports and Financial Statements and also available at this url: <https://cutt.ly/mmRvemA>

Affected members are by this notice, advised to contact the Registrars at Atlas Registrars Limited, 34 Eric Moore Road, Iganmu, Lagos, P.O. Box 3554, Surulere or via email at registrars@atlasregistrars.com.

E-Dividend/Bonus Mandate

Pursuant to the Directive of the Securities and Exchange Commission, notice is hereby given to all shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of e-dividend/bonus. A detachable application form for e-dividend is attached to the Annual Report and also available at this url: <https://cutt.ly/omRvDag>.

This is to enable shareholders furnish particulars of their accounts to the Registrars as soon as possible. The forms can also be downloaded from the Registrars' website – www.atlasregistrars.com.

Shareholders are also advised to update their records with the Registrars using the Data Update Form available at this url: <https://cutt.ly/vmRbp7y>

All mandates and records update should be deposited at Atlas Registrars Limited, 34 Eric Moore Road, Iganmu, Lagos, P.O. Box 3554, Surulere or via email at registrars@atlasregistrars.com.

7. SPECIAL BUSINESS BY ORDINARY RESOLUTION

To consider and if though fit, to pass the following as ordinary resolution:

"That the remuneration of the Non-Executive Directors of Flour Mills of Nigeria Plc for the year ending March 31, 2022 be and is hereby fixed at N39 million only as Directors Fees. In addition, sitting allowances will be paid at standard agreed rates for each meeting attended".

8. RIGHT OF SHAREHOLDERS TO ASK QUESTIONS

Pursuant to Rule 19.12 (c) of the Exchange's Rule book 2015, please note that it is the right of every shareholder to ask questions not only at the meeting but also in writing prior to the meeting. We urge that such questions be submitted to the Company Secretariat not later than one week before the date of the meeting.

9. ELECTRONIC ANNUAL REPORT:

The soft copy of the 2021 Annual Report would be posted on our website and also sent to our shareholders who have provided their email addresses to the Registrars. Shareholders who are interested in receiving the soft copy of the 2021 Annual Report should request via email to: registrars@atlasregistrars.com.

10. LIVE STREAMING OF THE ANNUAL GENERAL MEETING

The Annual General Meeting will be streamed live online via our corporate website - www.fmnplc.com; and on YouTube – www.youtube.com/fmngroup.

BY ORDER OF THE BOARD



UMOLU, JOSEPH A.O.

Company Secretary

FRC/2013/NBA/00000003687

30TH July, 2021

1, Golden Penny Place,
Wharf Road,
Apapa, Lagos.

Directors, Officers and Other Corporate Information

Board of Directors

John G. Coumantaros	Chairman (US Citizen)
(Dr.) Chief Emmanuel A. Ukpabi (KJW)	Vice-Chairman (Resigned 3 December 2020)
Paul Miyonmide Gbededo	Vice-Chairman (Appointed 1 January 2021)
Omoboyede Oyebolanle Olusanya	(Group Managing Director)
Alhaji Abdullahi A. Abba	(Appointed 1 January 2021)
Prof. Jerry Gana, CON	
Alfonso Garate	Spanish
Alhaji Rabiul M. Gwarzo, OON	
Ioannis Katsaounis	Greek
Thanassis Mazarakis	Greek
Foluso O. Phillips	
Alhaji Y. Olalekan A. Saliu	
Folarin R. A. Williams	
Dr (Mrs.) Salamatu Hussaini Suleman	
Mrs. Juliet Anammah	Appointed 10 September 2020
Mr. Muhammad K. Ahmad OON	Appointed 3 December 2020

Company Secretary

Joseph Odion Umolu

Registration number

RC 2343

Date of incorporation

September 29, 1960

Independent Auditor

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
Lagos

Registered office

1, Golden Penny Place,
Wharf Road
Apapa
Lagos

Registrars

Atlas Registrars Ltd
34 Eric Moore Road,
Iganmu
(Bagco Building)
P.O.Box 341, Apapa, Lagos

Principal Bankers

Access Bank Plc	Stanbic IBTC Bank Plc
Citibank Nigeria Limited	Union Bank of Nigeria Plc
Ecobank Nigeria Limited	United Bank for Africa Plc
Fidelity Bank Plc	Nova Merchant Bank Limited
First Bank of Nigeria Limited	Zenith Bank Plc
First City Monument Bank Limited	Wema Bank Plc
Guaranty Trust Bank Plc	Globus Bank
Heritage Bank Plc	

Tax Number

00136700-0001

GROUP PERFORMANCE HIGHLIGHT

Continuing operations	31-Mar-21	31-Mar-20	Increase / (Decrease) %
Revenue	771,607,880	573,774,356	34%
Profit before minimum tax	37,193,667	17,496,815	113%
Minimum tax	91,216	(243,222)	138%
Profit after minimum tax	37,284,883	17,253,593	116%
Net income tax	(11,567,960)	(5,876,850)	97%
Profit from continuing operations	25,716,923	11,376,743	126%
Other comprehensive income net of tax	(1,240,646)	(453,371)	174%
Profit attributable to:			
Owners of the Company	26,148,786	10,467,673	150%
Non-controlling Interest	(431,863)	909,070	-148%
Share Capital	2,050,197	2,050,197	-
Shareholders' Fund	174,613,950	155,807,771	12%
Market capitalisation	118,091,347	87,133,373	36%
Proposed Dividend	6,765,650	5,740,552	18%
Weighted average number of shares	4,100,394	4,100,394	-
Per share data (kobo)			
Basic earnings per share	638	255	150%
Diluted earnings per share	638	255	150%
Dividend	165	140	18%
Dividend cover	3.86	1.82	112%
Stock Exchange quotation at 31 March	2,880	2,125	36%
Other Data			
Number of employees (Group)	5,083	5,027	1%
Number of employees (Company)	3,809	3,680	4%

Corporate Profile



We are primarily, a Foods and Agro Allied company, with interests in food processing and agro allied businesses, across the entire value chain comprising Grains, Sweeteners, Oil and Fats, Starches and Protein.

Incorporated in September 1960, Flour Mills of Nigeria (FMN) Plc. is one of Nigeria's leading food and agro-allied companies, committed to delighting consumers across Nigeria with consistent delivery of a wide range of quality food products under the iconic brand – "Golden Penny". With the second largest single flour milling site in Apapa, other manufacturing sites in Iganmu, Agbara, Calabar and the Corporate headquarters in Apapa, the Company continues to produce world class quality food products including diverse Flour brands, Semovita, Goldenvita, GP Noodles, Spaghetti, Macaroni, Spagetinni, and other Pasta brands.

We are on a mission to Keep feeding the Nation, Everyday! While at the same time creating value for our stakeholders everyday.

Our greatest resource remains our People who put to heart our core values (PIILOT) in the discharge of their functions and in actualizing our mission.



OUR HUMAN CAPITAL MANAGEMENT



Our Human Capital Management philosophy has consistently driven our resolve to sustain best practice in people management. We have always recognized and acknowledged that the surest way of trade sustainability is by regarding our employees as the heart of our business. This ideology is also based on the premise that keeping our management team strong, highly motivated and result oriented is the key driver of our company's success.

OUR PEOPLE



Our greatest resource remains our People who put to heart our core values (PIILOT) in the discharge of their functions and in actualizing our mission.

EMPLOYMENT POLICY



The Group employs directly and indirectly over 14,000 men and women from diverse ethnic, cultural and religious backgrounds working harmoniously to deliver superior value to customers and other stakeholders.



History

Flour Mills of Nigeria Plc commenced operations in 1962 having been registered as a private company with an installed flour milling capacity of 500 metric tonnes per day. In 1978, FMN was converted to a public limited liability company and its shares were subsequently listed on The Nigerian Stock Exchange with a current broad ownership base of over 80,000 shareholders.

Today, FMN is one of the largest flour milling companies in Nigeria with an installed flour milling capacity of approximately 9,310 metric tonnes per day at our Apapa milling sites in Lagos State.

FMN has grown into a fully vertically integrated food company primarily engaged in food processing, which includes flour milling, production of semovita, masavita, pasta, noodles, vegetable oils, margarine & spread and refined sugar; and in the distribution of these products. Other activities by the Group include primary processing of locally grown soybean, palm fruit, cassava, maize, and sugar cane; storage, aggregation and

distribution of locally sourced grains and export commodities; manufacture and distribution of agro-inputs, such as seeds, fertilizers and agricultural sacks; cultivation of sugar cane, maize, soyabean, cassava, and oil palm; support services in the form of manufacturing and marketing of packaging materials; power generation; ground transport logistics; port operations; and shipping, customs clearing, forwarding, and shipping agency.

Since inception, FMN has remained at the forefront of wheat milling in Nigeria. The Group's Golden Penny Flour is one of the best known and preferred brands amongst bakers and confectioners in Nigeria. Over the years, FMN has invested several billions of Naira in infrastructure to enhance its strategic growth and thus its competitive advantage in the food business. In the agro-allied business, since 2012, FMN has embarked on major backward integration programs through its agro-allied business initiatives, primarily to support its core food business.



Human Capital

The Group employs directly and indirectly over 14,000 men and women from diverse ethnic, cultural and religious backgrounds working harmoniously to deliver superior value to customers and other stakeholders.

Our Human Capital Management philosophy has consistently driven our resolve to sustain best practice in people management. We have always recognized and acknowledged that the surest way of trade sustainability is by regarding our employees as the heart of our business. This ideology is also based on the premise that keeping our management team strong, highly motivated and result- oriented is the key driver of our company’s success.

Responsible Business Practices

At FMN, we produce and supply products of superior quality and value to the Nigerian market thereby enriching the lives of consumers, customers, communities, employees and shareholders.

We have embedded quality standards into our business processes and consequently invite our business partners to understand FMN values, principles and policies which are the bedrock of our business conduct.

At FMN, we aim to achieve our business objectives within the ambit of applicable laws. Consequently, all employees are aware of the provisions of our FMN Code of Conduct, FMN Responsible Partner Policy as well as the Contract Execution Policy and are required to observe the rules of conduct in relation to business and regulations. The above underlined policies are availble here: shorturl.at/xzADH

Value added to Society

At FMN, we are guided by the watch words of our Founding Father – George Coumantaros that “One must do it right and do it now!” This is our strategy to compete with the growing challenges in the industry and devise tactical ways to surpass our performance and keep creating value for our stakeholders everyday.

FMN has continued to pursue strategic business opportunities, such as capacity expansion and realignment of its core food

business whilst backwardly integrating in order to further mitigate reliance on imports and exposure to external volatility in the food business by increasing local content in a substantive and sustainable way.

The following developments, milestones and investments in the Group companies are noteworthy:

- Successful Restructuring of our Agro Allied businesses and carving out of Golden Fertilizer business to serve as our Agro allied holding Company geared at improving operating efficiency and enhancing shareholder value from expected improved profitability.





- Concluded Merger transactions involving: Suntì Golden Sugar Estates and Golden Sugar Company Limited; Olympic Towers Ltd and Apapa Bulk Terminal Limited.
- Launch of new Golden Penny Jollof (Chicken flavour) Noodles Brand, Dawavita and Mai Kwabo brands.
- Recognition of Golden Sugar Company Limited with Global Food Safety Initiative Award for Africa at the Annual FSSC meeting in Nice, France.
- SON MANCAP Awards on Golden Penny Mai Kwabo Flour
- West Mills expansion – Completion of the new



"V- mills" complex. This is a 570 MT Pasta and Semovita swing mill.

- Upgrade of ISO 2009 Quality System to ISO 2015 as product quality remains the key focus for the business
- Restructuring of the businesses' Route – to-market model

Further value has been created for stakeholders by reinforcing the Group's commitment to educational advancement, health, safety, security and the well-being of employees in the working environment.

FMN Group is continuously exploring opportunities for strategic partnerships to further enhance its competitive positioning in our main lines of business in Nigeria and to one day extend our business activities beyond the borders of our home market.

In spite of prevailing economic headwinds, the Board is optimistic that FMN has a bright, robust and prosperous future and it continues to demonstrate its commitment to Feeding the Nation, everyday.



The HOME of
GOOD FOOD



An Adventure
in Satisfaction
and Taste
Set of 10

#FeedingNaija

The Chairman's Statement

Distinguished Shareholders, members of the Board of Directors, business partners and loyal consumers, it gives me great pleasure to welcome you to our 61st Annual General Meeting and the presentation of our Annual Report and Accounts for the year ended 31st March 2021.

In retrospect, the year 2020 was peculiar in many respects. For one, the economic and social disruptions caused by COVID-19 have been devastating on a global scale. Even now, the impact is being felt by millions of families, businesses, and communities. Our thoughts and prayers are with all who have lost loved ones, as well as all frontline personnel who continue to put themselves on the line in the battle against this deadly scourge.

With the utmost humility, I am pleased to say that in the face of these monumental difficulties facing our country and indeed the world, our company has demonstrated its resilience and has emerged stronger and better prepared for the future. This is a testament to the leadership and the dedicated people of FMN who have worked tirelessly to ensure our great company is unhindered in its purpose of feeding the Nation, every day.



Despite the current COVID-19 environment, the Group displayed excellent performance and resilience by delivering impressive year-over-year, top-line growth.

John Coumantaros
Chairman



Business Environment

COVID-19 brought unprecedented disruption in the early part of 2020. Although the Nigerian economy grew by 1.87% during Q1 of 2020 (year-on-year), it contracted by Q2 and Q3 by 6.10% and 3.62% respectively. The industrial sector was weakened by the sharp decline in the global supply chain, recording its first negative annual growth since 2016. The sector contracted by -5.9% in 2020 compared to a growth of 2.3% in 2019. The manufacturing sector suffered from depressed activities as a result of business closures, declining demands, as well as poor forex liquidity. The sector stood at 1.51% (year-on-year), lower than the preceding quarter by 2.75%. The weak performance of the economy in 2020 came as no surprise and was largely attributed to the steep fall in global oil prices, which was a result of the lower level of demand for oil.

The Year at FMN

Despite the current COVID-19 harsh environment, the Group delivered an impressive year-over-year top-line growth with an average revenue rise of 34% across all business categories. Our Agro-allied turnaround strategy coupled with the Group's investments in lucrative local content and route to market activities, particularly in the B2C segment, resulted in an increase in Profit Before Tax (PBT) of N13.4 bn from a breakeven situation in the same period last year. PBT grew by N19.7 bn (113 %) to N37.2 bn, while Profit After Tax (PAT) increased by N11.4 bn (126 %) from N11.4 bn last year to N25.7 bn this year.

Dividend

The Directors will propose to shareholders at the Annual General Meeting the payment of a dividend of N1.65 per ordinary share of 50 kobo, a 17% increase over last year. Also, to complement our growth strategy, management is keeping reserves to fund additional investments in important business categories, such as local content creation and our B2C route to market strategy.

Board and Management changes

During the year, the Board's composition changed strategically. Mr. Omoboyede Olusanya became Group Managing Director/CEO on January 1, 2021. Boye replaced Mr. Paul Gbededo, who retired on December 31, 2020. Paul, however, remains on the board as its new Vice Chairman, effective, December 4, 2020. Chief (Dr.) Emmanuel Akwari Ukpabi (KJW) and Alhaji Abdullahi Ardo Abba both resigned from the board. I would like to thank and appreciate them for their many years of distinguished service in helping to build our great company. Similarly, two new Independent Non-Executive Directors joined the Board i.e. Mrs. Juliet Anammah and Alhaji Muhammad K. Ahmad, OON.

Business Review

Food Division

Our Food Division is focused on the continued execution of our objective to double our operating profit in 5 years. The key pillars of our strategy are the expansion of the consumer business by driving existing categories harder, accessing new ones, with an enhanced innovation capability, investment in a winning Route to Consumer, and maximizing value creation in our B2B and B2C businesses. At its core, is the identification and meeting of customer and consumer needs to unlock value, as we "Feed the Nation Every day". And we are making good progress.

In terms of our Route to Consumer investment, we deployed additional resources in delivery vans and people, mapped new wholesalers to our Key Dealers, opened new regional distribution centers, and equipped our delivery vans with salesforce automation. Also, innovation capability targeting increased local content inclusion which is a key component of our value proposition. These assets are driving both the growth in volume and points of distribution of our key categories of Pasta, Ball Food and Noodles, as well as developing new ones, such as oils and fats and consumer sugar. In terms of our marketing investment, we developed a new advertising campaign for the Golden Penny basket, further establishing it at the "Heart of the Family" on our 60TH anniversary. We introduced the new packaging design for Semovita, and a new campaign behind Golden Penny Pasta, the Category leader, "My Way." Finally, we launched Golden Penny Amaizing Day, a new breakfast cereal. Underpinning all we do in Food, is our promise of gold standard quality.

Sugar Division

As part of our strategy and plan to mitigate some of the risk associated with our operations at Sunt, we acquired additional 4,131 hectares, bringing our total acquired land in Sunt to 22,000 hectares. The new land has excellent soils and is not at risk of flooding. We also acquired 20,450 hectares in Nasarawa State to support our Backward Integration Programme (BIP). A state-of-the-art sugar mill will be built in accordance with our BIP commitments and Nigeria's drive for sugar self-sufficiency.

Agro-allied Division

In our Agro Allied Division and the local content value chains we operate in, we are committed to delivering Golden Penny Products to our Customers and Consumers from farm to table, in furtherance of our purpose of Feeding The Nation Every Day. This starts with inputs, capability programmes, and culminates with the delivery of the final product proposition itself, necessitating a wide range of commercial capabilities. The expanding Food RTC infrastructure for example, benefits the Garri and Oils and Fats portfolio thereby underpinning its

growth.

Agri Inputs and distribution (GAIL)

Through GAIL, we nurture our collaboration with farmers with a succession of Agripreneurship initiatives that provide access to skills and markets. One of such initiatives is the “YALWA” project which was developed to boost maize and soybean cultivation in the country. We are also continuing to grow the agro-distribution pipeline by providing farmers with high-quality seeds, fertilizer, and other inputs, as well as optimal agronomic techniques that will dramatically increase yields. In the wheat value chain, we have been working with other flour millers through the Flour Milling Association of Nigeria (FMAN) to help Nigeria achieve wheat self-sufficiency. As such we are committed to offtake all wheat grains that meet minimum quality standards.

Oils & Fats

Success in the edible oil and fat value chain is predicated on constant improvement and innovation to meet changing consumer needs. Our medium- to long-term strategy in this segment is to continue investing in the enabling structures that will enable us to gradually increase local palm and soya bean production, breaking the yield curve, and eventually substituting locally produced oils and fats for domestic use and for exports.

Feeds and Proteins

We are growing our capacity in the feeds business in lockstep with the poultry and fisheries industries’ growth and demand trends. Also, we are implementing strategies that will strengthen our supply chain by allowing closer proximities to the sources of raw materials and farmers. In Kaduna, we finished the construction of a new feeds mill with a production capacity of 10,000 tons per month as part of our expansion strategy. This will significantly increase our capacity to satisfy rising demand, particularly as new feed products are introduced to the market.

Starches

Following the success of Golden Penny Garri, Premium Cassava Products Limited (PCPL) is looking at complementary acquisitions. As such, PCPL has purchased an AMCON facility in Ososa, and is leasing 1,220 hectares of land from Olabisi Onabanjo University (OOU), in Ogun State, to help facilitate our Garri and Starch expansion projects.

Support Services

Bagco, our bagging and packaging company, performed remarkably well with better sales of polypropylene bags to the agricultural, flour, feeds, and rice industries. Also, in keeping with our culture of innovation, Bagco commenced field trials of ‘Zero Fly storage bags which are insecticide-incorporated

polypropylene bags that prevent insect infestation. Apapa Bulk Terminal (ABTL) recently registered with the OCIMF (Oil Companies International Marine Forum) to start vetting tankers. Also, our distribution network at Golden Transport has improved its operational efficiency to include a 24-hour control centre to keep track of all our trucks.

Our People

Our people being our most valued assets at FMN, we continue to invest in their training, welfare, and overall workplace culture. During the last fiscal year, we adhered to all COVID-19 guidelines while integrating our Employee Assistance Program to enhance employee mental health and welfare. Under our leadership and capability development initiatives, top performers were selected and linked to critical jobs that were then evaluated and updated.

Sustainability / Corporate Social Responsibility

We recently released our first standalone Sustainability Report in 2020. The report was released on the Nigerian Exchange Group’s (previously Nigeria Stock Exchange) “Facts behind the Sustainability Report” portal. Please refer to pages 169 to 178 of this Annual Report for more details.

Workplace Health and Safety

Safety remains our operating license at FMN. We reduced the Lost Time Incident Frequency Rate from 0.65 in 2019 to 0.56 in 2020 and reduced solid waste disposal by 15% on our approach to zero accidents and sustainable development.

Looking Ahead

As the world gradually transitions from the Covid-19 pandemic to a more stable business climate, especially as lockdown and other social distancing measures fade and countries ramp up immunisation rates against the virus, our company will continue to act with disciplined and focused investment to deliver superior, long-term growth so that we can emerge stronger. We will continue to implement our overarching long-term strategy on local content and value additions as our Group stays guided by its purpose of Feeding the Nation Everyday. To conclude, I want to thank my colleagues on the Board, members of the Audit Committee, our management team, staff, and all of our stakeholders. In our quest to enhance lives and strengthen communities, you have made us one of the country’s leading and most diverse food groups.



John Coumantaros.
Chairman

BUILDING ON A SOLID FOUNDATION TO DELIVER SUSTAINABLE GROWTH

Q&A with Boye Olusanya,
Group Managing Director, FMN



“

As a business, we have consistently prioritized operational and capital efficiency by increasing local content in our group-wide supply chains and supporting backward integration programmes through our five key value chains.

Q

How will you describe your experience since taking leadership of one of Nigeria's largest foods and Agro-allied groups?

The idea of driving one of Nigeria's leading Foods and Agro-allied names is just as daunting, as it is exhilarating; especially in a group such as FMN, whose broad portfolio and geographic footprint makes it ingrained into the daily lives of millions of Nigerian families. Although I joined the group during a difficult period not just for the country but indeed the world, it became clear that our company is built on a solid foundation which enabled us to traverse the many challenges that faced the world during COVID-19.

As GMD, my immediate priority was clear, we knew we had to continue to produce healthy, nutritious, and great-tasting food for the families that depended on us, so we did just that. We implemented a strategic response and business continuity plan to ensure the uninterrupted operation of our supply chain. Also, we partnered with other well-meaning companies and groups across the country to send humanitarian assistance in the form of charitable donations, including cash, food products and other critical medical supplies, in order to give our country a fighting chance during the pandemic.

I have to say that I am particularly proud of what we have accomplished thus far as a company. Our ability to respond to market challenges supports the resilience of the group, together with our persistent focus on innovation, our consumers, and their changing needs.

Q

How do you envision the pandemic will affect your business and industry in the long run?

The virus has had a dramatic effect on the global economy, and sadly, no sector in Nigeria escaped its reach. As predicted, the pandemic had a substantial impact on the manufacturing sector of the economy. The Manufacturers Association of Nigeria (MAN) in its H2 2020 economic review revealed that investment inflows into the sector declined by as much as 76% in 2020. Beyond the drop in investment, the report also highlighted some challenges that affected the sector including a significant drop in demand volume, resulting in an increase in unsold inventories and a rise in production and operations costs.



To cope with these challenges and the new realities that a post-COVID-19 world would bring, several businesses in a variety of industries, including ours, have had to make swift modifications to their operating models. This is because we understand that as the pandemic's impact fades and some sort of normalcy returns, there was a need to set our businesses up for long-term success while adapting to the important lessons the pandemic has all taught us. As a result, we have developed an agile operating model that prioritizes innovation and digital transformation. This means that we have embarked on creating a system that is now highly focused on our consumers, also supported by the appropriate processes, technology and governance, enhancing capabilities, and driving efficiencies across the group.

Q

Despite a challenging year, FMN generated a solid performance; to what do you owe this success?

As a business, we have consistently prioritised operational and capital efficiency by increasing local content in our group-wide supply chains and supporting backward integration programmes through our five key value chains. We implemented a turnaround strategy in the agro-allied segment, which included deliberate efforts to acquire raw materials from a network of smallholder farmers and young entrepreneurs. We in turn bolstered their capabilities by providing enabling structures such as trainings and related extension services, resulting in projected benefits across all business sectors.

In the food segment, we have concentrated on organic growth as a result of investments in constant product innovation

and market transformation, as well as operational efficiency acquired through route-to-market investments and rapid expansion in B2C segment.

Additionally, we've taken initiatives to cut operational costs, including the successful issuing of a N70 billion corporate bond programme to replace high-cost short-term funding. As a result, our targeted, but conservative capital expenditures, along with tight management and increased operating efficiencies, have positioned the group for future value accretion opportunities.



The growth trend of the agro-allied division is particularly noteworthy. What other initiatives should we expect to see in this segment of the business?

We have continued to partner with groups like the Flour Milling Association of Nigeria (FMAN) to boost local content in the country. So far, this has resulted in the aggregation of over



7,000 tons of wheat grains from our over 15 collection points across some Northern states, including the support of farmers with mechanised harvesting and threshing services.

Also, we have launched a relatively successful out grower model which we are looking to scale, and seed production programme in partnership with seed companies in order to have a more resilient seed pipeline. In Kaduna, we recently introduced the Maize and Soybean Value Chain Development Programme for farmers which we have called YALWA (Abundance). The initiative, which is underpinned by a well-defined Backward Integration Strategy, will be implemented through strategic alliances, working with targeted states and other stakeholders and will include input loans, agricultural extension, agronomy training, farm-gate participation, and out-grower programmes for participating farmers. We envisage that the YALWA initiative will have a substantial impact on over 25,000 farmers and up to 100,000 individuals through farmer-household empowerment. In the next five years the program is expected to be expanded to other states , including Niger, Gombe, and Kwara.



FMN made further investments in the sugar value chain recently, what informed this decision?

We created a plan to mitigate some of the risks associated with our operations at Sunti and to maintain our strategic position as a frontline performer in the sugar value chain. This, of course, influenced our decision to purchase an additional 4,000 hectares of additional land from Sunti in order to sustainably address some of the flooding issues we had experienced in the past. This new acquisition, which is upland to the existing plantation at Sunti, is in addition to the already existing 3,000 hectares already cultivated there. The new land, we have confirmed, has excellent soils and is not at risk of flooding..

At Nasarawa State, we acquired a 20,450-hectare land which is located in the Umaisha Development Area of Toto Local Government. The plan is to develop up to 15,000 hectares under cane and to construct a state-of-the-art sugar mill in line with our subsisting BIP commitments and Nigeria's drive for self-sufficiency in domestic sugar production. The move is part of our commitment to the backward integration programme of the Nigeria's Sugar Master Plan, and the overall growth strategy of the Sugar industry in the country.

As with our investments in Sunti, Niger State, the Nasarawa

BIP’s development plan will significantly benefit neighbouring communities. Soon the communities will have access to numerous community improvement projects, including access roads, electrification, primary healthcare, educational facilities, and expanded youth job opportunities, including the extension of our out-grower scheme that will empower farmers, and ultimately improve lives in the communities.

Q

How far has FMN come in terms of sustainability in 2020? And What are the plans for the future?

We are incorporating sustainable practices into every aspect of our operations because sustainability has become ingrained in the way we conduct business. Our businesses practise resource optimization through the development of energy-efficient products and technology, as well as the promotion of innovation and innovative solutions. This is because we understand that investing in energy efficiency efforts enables us to reduce our environmental impact while simultaneously saving money. Additionally, we are making great efforts to obtain our key raw materials responsibly, and I have spoken about some of our efforts working with our partners in that regard earlier.

Therefore, in 2020, we were happy to release our first separate Sustainability report to reinforce our commitment to sustainability and generating positive impact for stakeholders. The report, which was presented on the Nigerian Exchange Group’s (previously Nigerian Stock Exchange) “Facts Behind the Sustainability Report” portal, consolidates the group’s ESG initiatives.



Q

What are your target priorities and plans for the business in the next financial year?

Over the years, the group has advocated for and supported the expansion of agriculture in Nigeria, believing that a rapid transformation in the domestic agricultural output and indeed yield is the major catalyst for the country’s industrial transformation. We recognise that this is critical for a business like ours, and as such, we will maintain our path and continue to strive to have access to the right raw materials in sufficient quantities necessary to continue on our purpose of feeding Nigerians everyday.

Also, as the group continues to focus on being consumer-centric over time, we will invest heavily in expanding our route to market strategy to encompass other segments, which we will accomplish by focusing on an even deeper understanding of our consumer needs and innovating.



Your Soul Food

Royally Delicious



Board Of Directors and Company Secretary



Mr. John George Coumantaros

Chairman

Mr. John G. Coumantaros is the Chairman, Board of Directors, Flour Mills of Nigeria Plc (FMN). Mr. Coumantaros, an experienced and successful entrepreneur, sitting on the Board of several international companies, was born in 1961. He graduated from Yale University with a B.A. Degree in History in 1984. Mr. Coumantaros began his long relationship with FMN in 1984 and was appointed to FMN's Board as a non-executive Director in 1990. He served as a Non-Executive Vice Chairman of the Company since 2012 before his present appointment as Chairman of FMN Board of Directors on 10th September 2014. He also sits on the Board of the Oxbow Carbon LLC, a leading international energy company and is a director of ELBISCO a fast-moving consumer food business in Athens, Greece. Mr. John Coumantaros has over 30 years' experience in international trade, logistics, manufacturing, and industry and is passionately dedicated to continuing the evolution of FMN with its Golden Penny Food Brands as one of the leading fast-moving consumer food companies and largest agro-allied concerns in Nigeria.



Mr. Paul Miyonmide Gbededo

Vice Chairman

Paul Gbededo, a Fellow of the Polymer Institute of Nigeria was appointed as the Vice Chairman of the board on December 4, 2020. He was before then, the Group Managing Director/CEO, Flour Mills of Nigeria Plc from April 2013 to December 2020. Paul was educated at the Polytechnic of North London UK where he obtained Graduateship of Plastic and Rubber Institute and Associateship of National College of Rubber Technology in 1980 and holds MSc. Degree in Polymer Technology (1981) of Loughborough University of Technology, UK. An alumnus of Lagos Business School, Advanced Management Programme 3, Paul also attended an Executive Programme at Harvard Business School in 2013. Paul's over 30 years career with FMN Group started at Nigerian Bag Manufacturing Company Plc (1982 – 1998). There, he acquired extensive experience serving in various managerial positions and rising to General Manager Production and became the first Nigerian Production Director in 1996. In 1998, Paul moved as General Manager/Director in charge of Fertilizer Operations, a Division of FMN, pioneering development of the product, "Golden Fertilizer" the first choice of Nigerian farmers. He also served as the pioneer General Manager/ Director for Golden Pasta Company Limited, now a division of FMN – which has grown to become Africa's biggest pasta plant. Paul attended Pasta Machinery Use, Maintenance and Operation at FAVA, Italy in 2005. In July 2012, Paul was elevated to the position of pioneer Managing Director, Agro-Allied business with responsibility to implement FMN Group's backward integration policies, programmes and initiatives. Paul, who has a keen focus on results, is fully engaged in mentoring career development of Nigerian Managers as well as expatriates



Mr Omoboyede Olusanya

Group GMD / CEO

Mr Omoboyede Olusanya is a highly experienced leader with prowess in creating long-term strategic and financial value across several industries, including Telecommunications, Financial, Energy and Manufacturing. Before joining FMN, Mr Olusanya had served in similar leadership positions including, Chief Business Transformation Officer at Dangote Group, where he spearheaded the transformation of the group. Between July 2017 and October 2018, he was the Managing Director / CEO of Emerging Market Telecommunications Service (9Mobile). He also served on the Board of Directors of Axxela, Starsight and OVH Energy.

Mr Olusanya holds a B.Sc (Hons) in Civil Engineering from the University of Lagos, and two Masters degrees in Environmental Engineering and Computer Science from the University of Liverpool and the University of Manchester respectively.

Board Of Directors and Company Secretary *Continued*



**Professor Jerry Gana,
CON**

Non-Executive Director

Professor Jerry Gana (a Commander of the Order of the Niger), graduated from Ahmadu Bello University, Zaria in 1970 with a B.A. (Hons) degree, (Second Class Upper Division) in Geography, and proceeded to the University of Aberdeen, Scotland, for an M.Sc Course in Rural Resources Planning, leading to a Ph.D thesis on Market Place Systems and Rural Development in 1974. He further obtained a Certificate in Education from the University of London, and taught at Ahmadu Bello University from 1974 to 1986, rising to the post of Professor in 1985. Prof. Jerry Gana has served the nation in various capacities with distinction. These include: Senator of the Federal Republic; Consulting Director of the Directorate of Food, Roads and Rural Infrastructure (DFRRI); Chairman of MAMSER; Minister of Agriculture and Natural Resources; Information and Culture; Cooperation and Integration in Africa; and Information and National Orientation. He was the Pro-Chancellor and Chairman of Council of the University of Lagos, UNILAG.



Alfonso Garate

Non-Executive Director

Mr. Alfonso Garate, a Spanish national born in 1969 joined the Board of Flour Mills of Nigeria Plc as a Non-Executive Director on Wednesday 11th March 2015. He holds a Bachelor of Economics and Business Administration Degree from University Pontificia Comillas – ICADE, Madrid, Spain (1992) and attended Harvard Business School – Advanced Management Program (2009). He is also an alumnus from IMD (International Institute for Management Development) Business School of Post Graduate Studies in Lausanne, Switzerland (2005-2007). A very experienced professional in business development in emerging markets with strong capabilities in general management, business strategy, corporate finance, structured finance and international trading and shipping, Mr. Garate started his career in investment banking and telecom institutions where he held numerous positions. Thereafter, he proceeded to Holcim Ltd where he held different management positions and subsequently became the Chief Executive Officer of Holcim Trading SA, the worldwide leader trading and shipping organization for cementitious and building materials.



**Alhaji Rabi Muhammad Gwarzo
OON**

Non-Executive Director

Alhaji Rabi Gwarzo, OON, Non-Executive Vice Chairman of Northern Nigeria Flour Mills Plc started his educational career with a brief stint at Bayero University Kano and proceeded to West Ham College and North East London Polytechnic, both in London where he studied Commercial Accounting between 1972 and 1975. He holds a Certificate in Accounting and Finance of University of Strathclyde, Glasgow, Scotland (1982). He joined Northern Nigeria Flour Mills Plc as an Accountant in 1985, rose to the position of Deputy Managing Director in 1991 ; Managing Director in 1997 and was elevated to the position of Vice-Chairman of the Company in 2011. Alhaji Rabi, (an Officer of the Order of Niger), who joined the Board of Flour Mills of Nigeria Plc as a non-executive member on 8th December, 2009, is also a member of Kano Peace Development Initiative and a Director of Kano State Investment Company Limited.



Mr. Ioannis Katsaounis
Non-Executive Director

Mr. Ioannis Katsaounis is a non-executive member of the Board of Directors of Flour Mills of Nigeria Plc, a position he has occupied since September, 1993. Mr. Katsaounis, an Honourary Doctorate Degree holder in Business Administration from the University of Bolton, Manchester, UK (2017), is a Graduate of Economics from the University of Geneva (1972); Graduate Degree holder in Regional Development, University of Athens (1975); Bachelor of Science Degree in Mechanical Engineering (University of Minnesota 1969) and an MBA in Economics from the University of California, Berkeley (1970). He is an alumnus of Harvard Business School of Post Graduate Studies. Prior to joining Flour Mills, Mr. Katsaounis was the founder and owner of Plexus Construction Company, Greece (1974 – 1985). He has also served as Managing Director and General Manager of Alucanco S.A. Greece, an aluminium cans manufacturing company (1985-2000).



Mr. Thanassis Mazarakis
Non-Executive Director

Thanassis Mazarakis is a non-executive member of the Board of Directors of Flour Mills of Nigeria PLC, a position he has occupied since 3rd July, 2006. He holds a Bachelor of Arts degree from Princeton University (1984) and a Masters in Business Administration from the Wharton School at the University of Pennsylvania (1985). Prior to joining Flour Mills, Mr. Mazarakis has held numerous finance, marketing and general management positions. Most recently he was the Chief Financial Officer of the Prudential Insurance Company of America, one of the largest US life insurance companies, and the Chief Executive Officer of Chase Merchant Services, the largest global credit and debit card transaction processor.



Mr. Foluso Olajide Phillips
Non-Executive Director

Foluso is the Executive Chairman and Founder of Phillips Consulting Limited, a business and management consulting firm, with offices in Nigeria and representation in South Africa. He joined the Board of Flour Mills of Nigeria Plc as a non-executive director on 12th March, 2014. He is a qualified Industrial Economist, a Fellow of the Chartered Institute Of Management Accountants of the United Kingdom, and a Fellow of the Institute of Chartered Accountants of Nigeria. He brings with him experience and expertise in finance, business management, enterprise development and macro-economic policy management. Mr. Phillips who is very active in the Nigerian corporate scene, sits on the boards of diverse commercial and non-governmental organizations and charities, as director, trustee or shareholder. He is a Board member of the Nigeria Economic Summit Group; Chairman, Nigeria/South Africa Chamber of Commerce; Chairman PRIMERA Africa Group (a Finance and Financial Advisory Group). Mr. Phillips also serves as Director, Special Olympics of Nigeria; Director, Vigeo Holdings (a Power & Energy company in Nigeria); Chairman of The Sickle Cell Advocacy and Management Initiative; a Director of the Institute of Human Virology of Nigeria; Chairman Yellow Brick Road (a leading advertising and PR company in Nigeria); and is a member of the Board of Africa.com. (a Pan African digital news and communication platform).

Board Of Directors and Company Secretary Continued



Alhaji Yunus Olalekan A. Saliu

Non-Executive Director

Alhaji Saliu, a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and a Fellow of Association of Certified Chartered Accountants, U.K is a Non-Executive Director of Flour Mills of Nigeria Plc.

Alhaji Saliu who holds an Upper Second-Class Honours Bachelor of Science Degree in Economics - University of Ibadan in June 1969 had a brief stint with the Civil Service of the old Western Nigeria where he worked as Administrative Officer Grade IV (Assistant Secretary) from 1969 to December 1970. He travelled to the United Kingdom in January 1971 for training in Accountancy which he completed in June 1973.

On his return to Nigeria, he joined the accounting firm of KPMG Audit (formerly Peat Marwick Ani Ogunde & Co) as an Audit Senior in February 1974 and was admitted into the Partnership of the firm in 1982. He remained a Partner of KPMG for twelve years before vacating the position to join Flour Mills of Nigeria Plc in February 1994 as Finance Director/Company Secretary. He stepped aside from his role of Finance Director in September 2011 and continued to serve Flour Mills as an Executive Director and Company Secretary.

Alhaji retired as the Company Secretary on 31st December 2015 and remains on the Board of Directors as a Non-Executive Director of the Company.

An alumnus of Lagos Business School Executive Programme, Advanced management (Programme 7), Alhaji Saliu attended some Executive and Leadership Development Programmes in the U.K., U.S.A., Switzerland and Australia.

Alhaji Saliu is the Vice-Chairman, Body of Patrons, Lagos Mainland District Society of the Institute of Chartered Accountants of Nigeria.



Mr. Folarin Rotimi Abiola Williams

Non-Executive Director

Mr. F. R. A. Williams, joined the Board of Flour Mills of Nigeria Plc as a non-executive member on 20th May, 2005. He was educated at Imperial College of Science and Technology, London where he graduated B.Sc (Hons.) AGGI Chemical Engineering. He received the Dr. Loveless award for Outstanding Work in the Humanities from the University of London in 1976. He studied at Selwyn College Cambridge from 1981 to 1983, obtained MA Cantab Law, was called to the Nigerian Bar in 1984. Mr. Williams is the Managing Partner of Chief Rotimi Williams' Chambers. He is a highly experienced legal practitioner who is principally active in commercial and corporate advisory work and litigation. He was Council Member and Treasurer of the Section on Business Law, Nigerian Bar Association. He is a Fellow of the Center for International Legal Studies, Salzburg Austria. He served on the Board of GlaxoSmithKline Nigeria Plc, G. Cappa Plc and the Delta Steel Company Ltd. He is currently the Chairman of Pharma Deko Plc and United Parcel Service (Nigeria) Ltd. He serves as a director of other companies. He is a squash enthusiast and was former Chairman of the Lagos State Squash Rackets Association and former Vice President of the Nigerian Squash Federation.



Mrs. Salamat Hussaini Suleiman

Non-Executive Director

Dr. (Mrs.) Salamat Hussaini Suleiman joined the Board of Flour Mills of Nigeria Plc as an Independent Non-Executive Director on Wednesday 8th March 2017 as the first female member of the Board of Directors, bringing along vast professional, administrative and corporate experience. Dr. (Mrs.) Salamat Hussaini Suleiman, who is presently an Independent non-executive director of Stanbic IBTC Holdings Plc, is an experienced professional in corporate business development and an amazon in the Nigerian political sphere widely known for her advocacy for the education of the girl-child and women development. Dr. (Mrs.) Suleiman obtained an LLB (Hons) degree from Ahmadu Bello University, Zaria, Kaduna State, Nigeria in 1981 as well as an LLM (with Distinction in "Multinational Enterprise and the Law") from the London School of Economics & Political Science in 1987. She commenced her professional career as a State Counsel with the Ministry of Justice Sokoto in 1981 and thereafter worked with Continental Merchant Bank from 1988 to 1996 and NAL Merchant Bank from 1996 to 1997. She also worked as Secretary/Legal Adviser with the Aluminium Smelter Company of Nigeria from 1997 to 2001 and later became the Secretary and Director of Legal Services at the Securities & Exchange Commission between 2001 and 2008. Dr. (Mrs.) Suleiman was appointed Honourable Minister of Women Affairs and Social Development, Federal Republic of Nigeria in December 2008 and went on to become the Honourable Minister of State, Foreign Affairs Ministry, Federal Republic of Nigeria in 2010. In February 2012, she was appointed Commissioner, Political Affairs, Peace and Security, ECOWAS Commission and completed her tenure at the end of April 2016. Dr. (Mrs.) Salamat Hussaini-Suleiman was honoured with an Honorary Doctorate Degree (Doctor of Letters) by the University of Abuja during the University's 23rd Convocation Ceremony held on Saturday, 15th June 2019 in Abuja.



Mrs. Juliet Anammah

Non-Executive Director

Juliet Anammah was appointed as a Non-Executive Director to the Board of Directors of Flour Mills of Nigeria Plc in September 2020. She is a seasoned professional with over 28 years of experience in consulting, consumer products, sales & marketing, and e-commerce, and has served in a non-executive capacity on many boards. She is a member of the board of directors of CGAP, a nonprofit organization sponsored by the IFC, the World Bank, and other DFIs with the mission of increasing financial inclusion in the developing world.

In 2018, she became a member of the Nigerian Industrial Council - a group of private and public sector professionals appointed by the President of Nigeria to define policies supporting Industrial development of the country.

Juliet began her career in Sanofi Aventis, and held various roles in sales, marketing, and product management between 1991-1999. She joined Accenture in 1999 rising to be the Partner / Managing Director overseeing Accenture's Manufacturing and Consumer Goods Practice covering West Africa. Juliet has a Bachelor of Pharmacy Degree, an MBA in Finance from ESUT, Nigeria, and is an alumnus of Wharton Advanced Management Program.



Alhaji Muhammad K. Ahmad, OON

Non-Executive Director

Muhammad K. Ahmad is a seasoned public sector executive with over 35 years of distinguished experience spanning the public sector and the financial services industry. He served as the pioneer Director General and Chief Executive Officer of the National Pension Commission (PENCOM) and oversaw the growth of the pension industry in Nigeria from ground zero to a N4.7 trillion in Assets Under Management. He was also a pioneer staff member of the Nigeria Deposit Insurance Company (NDIC) where he rose through the ranks as a bank supervisor to become Director.

M.K (as he is fondly called) Chaired the Technical Committee of the National Council on Privatization (NCP), chaired by the Vice President of Nigeria. He chaired the Technical Committee on the Nigerian Code of Corporate Governance constituted by the Financial Reporting Council of Nigeria, which produced the Nigerian Code of Corporate Governance 2018.

MK also chaired the Technical Committee that produced the North East Transformation Strategy (NESTS), a medium-term Regional Development Strategy, for the sustainable socio-economic transformation and reconstruction of the Region, a strategy promoted by the six Governors of the constituent states of the region. He also assisted in the development of the Buhari Plan, which was initiated by the Federal Government of Nigeria to provide a framework for coordinating all initiatives and interventions by various actors for early recovery and sustainable development of the North East region. He currently coordinates and leads a team to develop Borno 2045 Development Plan.

M.K has been honored with a national award of the Officer of the Order of the Niger (OON)

He has served on the Board of various companies and committees including banks and not for profit organizations. In July 2016, he was appointed to be the Chairman, Board of Directors, Skye Bank Nigeria. In 2019, he was appointed an Independent Board Director of MTN Nigeria.



Mr. Joseph O. Umolu

Company Secretary

Mr. Joseph Odion Umolu, a Member of the Nigerian Bar Association (NBA), is currently the Company Secretary of Flour Mills of Nigeria Plc. Prior to this appointment, Joseph was the Company's Head of Legal Services. He holds an Upper Second-Class Honours Bachelor of Arts Degree in Philosophy from the University of Ibadan and an Upper Second-Class Honours Degree in Law, from the University of Lagos. He was called to the Nigerian Bar in October 2000 and subsequently obtained a Master's degree in Law from the University of Lagos. Joseph's career in corporate legal practice cuts across both the private and public sectors. He served as a counsel in Gocuz Chambers where he was the Managing Counsel before joining the Nigerian Civil Aviation Authority as Senior Legal Officer in 2003. He proceeded to the Legal Department of Union Bank of Nigeria Plc where he rose to the position of a Manager. Joseph began his career with FMN as Manager, Legal Services in January 2012 and later became Head, Legal Services in 2014. He was appointed the Company Secretary effective 14 January 2016 and was elevated to become Director, Legal Services in 2017.

Retired Members of the Board



Chief (Dr.) Emmanuel A. Ukpabi

Non-Executive Director

Chief Ukpabi was the Group Managing Director, Flour Mills of Nigeria Plc from January 2002 to 31st March 2013 when he retired and was elevated to the position of Non-Executive Vice Chairman. Chief Ukpabi studied at the University of Ibadan and proceeded to the University of Nigeria, Nsukka where he obtained a Bachelor's Degree in Chemistry (1970). He further studied at Ashridge Management College and attended Advance Management Programme of the Lagos Business School in 1996 as well as IESE Management Programme, Spain in 1998. He also participated in a good number of technical and management training programmes in the UK, USA and Switzerland. Chief Ukpabi who virtually spent his entire working career at FMN demonstrating a high level of passion, dedication and competence, joined the company as a Management Trainee in 1972 and gained vast experience in milling and management over the years. He held several challenging managerial positions including Macaroni Production Manager, Mill Production Manager and Golden Penny Flour Production Manager. He was appointed Production Director in 1990, Personnel Director in 1999 and Flour Operations Director in 2000. Chief Ukpabi was a renowned miller well known for his pioneering efforts in pasta production which led to Pasta's remarkable growth from a mere 18 metric tons per day to its present position. In 2001, Chief Ukpabi spearheaded FMN's team which was responsible for the acquisition of Calcemco from its Liquidator and renamed it United Cement Company of Nigeria Ltd (UNICEM). He was foundation chairman of UNICEM, which currently operates 2.5 million metric tons per annum cement plant at Mfamosing, Calabar. Chief Ukpabi, a recipient of a number of awards, a knight of John Wesley and a Fellow of the Nigerian Institute of Marketing; Nigerian Institute of Management and Nigerian Institute of Food Science and Technology. In 2008, he was awarded a Doctor of Science Degree Honoris Causa, by Lautech University, Ogbomoso, Osun State, Nigeria.



Alhaji Abdullahi Abba

Non-Executive Director

Alhaji Abdullahi was educated at Yola Middle School and later proceeded to further his educational career in London between 1963 and 1967 where he attended the College for Distributive Trade and later University of London for his Diploma in Livestock Production. His work experience includes being Kaduna Abattoir Manager, Production Manager/Deputy Managing Director Mokwa Cattle Ranch; and, Managing Director at the Bauchi Meat Company Ltd and former Commissioner for Agriculture in North Eastern State and later Gongola State from 1975 -1979. Alhaji Abdullahi who joined the Board of Flour Mills of Nigeria Plc as a Non-Executive Director in 1983 is presently the Chief Executive of Abbas Agro Limited. In addition, he runs a medium-sized dairy plant for the production of yoghurt, ice cream and citrus fruit drinks as well as being the Proprietor of Alkama Bakery, Yola.

Note:

Dr. (Chief) Emmanuel Akwari Ukpabi (KJW) and Alhaji Abdullahi Abba resigned from the Board of Directors effective 3rd December 2020.

Change Leadership Team



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1. Boye Olusanya
GMD, CEO

2. Devlin Hainsworth
MD, Foods Division

3. Marvin Abe
MD, ABTL

4. Raffoul Nassib
Chief Operating Officer,
Agro-Allied Division

5. Jack Cwach
Flour Operations Director

6. Yannis Katsichtis
Supply Chain Director

7. Anders Kristiansson
Chief Finance Officer

8. Wale Adediran
Human Resource Director

9. Narhari Prasad Tripathi
Director of Manufacturing and
Technical Services

10. Vlassis Liakouris
Management Information Analyst

11. Russell Prior
GM Bagco

12. Waltonio Percival-Deigh
Business Assurance Director

13. Sadiq Usman
Deputy, COO Agro-allied

14. Joseph O. Umolu
Company Secretary / Director,
Legal Services

Report of the Directors

1. ACCOUNTS

The Directors are pleased to present their annual report together with the audited consolidated and separate financial statements of the Company and its subsidiaries (together, "the Group") for the year ended 31st March 2021.

2. LEGAL FORM

The Company was incorporated in Nigeria on 29th September 1960 as a private limited liability company and converted to a public liability company in November, 1978. The shares are currently quoted on the Nigerian Stock Exchange.

3. PRINCIPAL ACTIVITIES

The group is primarily engaged in flour milling; production of pasta, noodles, edible oil and refined sugar; production of livestock feeds; farming and other agro-allied activities; distribution and sale of fertilizer; manufacturing and marketing of laminated woven polypropylene sacks and flexible packaging materials; operation of Terminals A and B at the Apapa Port; customs clearing, development of real estate properties for rental purposes, forwarding and shipping agents and logistics.

4. RESULTS

	Group		Company	
	31/3/2021	31/3/2020	31/3/2021	31/3/2020
	N'000	N'000	N'000	N'000
Revenue	771,607,880	573,774,356	535,881,585	394,884,217
Operating profit from continuing operations	52,196,727	35,079,636	27,169,564	15,076,927
Profit before minimum taxation	37,193,667	17,496,815	28,183,601	17,537,685
Profit from continuing operations	25,716,923	11,376,743	20,172,489	12,582,571
Total comprehensive income for the year	24,476,277	10,923,372	19,219,455	12,250,413

5. DIVIDEND

The Directors are pleased to recommend to shareholders at the forthcoming annual general meeting the declaration of a total of N6.77bn (2020: N5.74bn) representing a dividend of N1.65 (2020: N1.40) per ordinary share of 50 kobo each. This dividend, if approved, is subject to deduction of appropriate withholding tax.

6. DIRECTORS AND DIRECTORS' INTERESTS

The names of Directors who are currently in office are detailed on page 41.

In accordance with the Company's Articles of Association, the following Directors retire and, being eligible, offer themselves for re-election at the next Annual General Meeting:

Retiring by rotation:

Mr. John Coumantaros

Prof. Jerry Gana, CON

Mr. Alfonso Garate

Mrs. Juliet Anammah and Mr. Muhammad Ahmad, OON who were appointed to the Board as Independent Non - Executive Directors of the company on Wednesday, 10th September 2020 and 3rd December 2020 respectively will seek confirmation of their appointment at the Annual General Meeting.

7. PROFILE OF DIRECTORS SEEKING RE-ELECTION

Profile of Directors seeking re-election or confirmation at the Annual General Meeting:

Mr. John Coumantaros

Prof. Jerry Gana, CON

Mr. Alfonso Garate

Mr. John G. Coumantaros

Mr. John G. Coumantaros, the Chairman, Board of Directors, Flour Mills of Nigeria Plc (FMN) is an experienced and successful entrepreneur, sitting on the Board of several international companies. He was born in 1961 and graduated from Yale University with a B.A. Degree in History in 1984.

Mr. Coumantaros began his long relationship with FMN in 1984 and was appointed to FMN’s Board as a non-executive Director in 1990. He served as a Non-Executive Vice Chairman of the Company since 2012 before his present appointment as Chairman of FMN Board of Directors on the 10th of September 2014. He also sits on the Board of the Oxbow Carbon LLC, a leading international energy company and is a director of ELBISCO a fast-moving consumer food business in Athens, Greece.

Mr. John Coumantaros has over 30 years’ experience in international trade, logistics, manufacturing, and industry. And he is passionately dedicated to continuing the evolution of FMN with its Golden Penny Food Brands as one of the leading fast-moving consumer food companies and largest agro-allied concerns in Nigeria.

Prof. Jerry Gana CON

An accomplished academician, politician and an “Orator per Excellence,” Professor Gana was born in 1945 in Bosso near Bida in Niger State. He began his early education in the neighbouring village called Gaba. He attended the Ahmadu Bello University, Zaria where he obtained his first degree in Geography. Later he proceeded to the United Kingdom for postgraduate studies. He holds a doctorate degree in Geography from the University of Aberdeen Scotland, and a Diploma in Education from the University of London. He rose from graduate assistant in 1973 to full professorship at ABU Zaria in 1985. He was instrumental to the development of the MSc programme in Rural Development at ABU, Zaria. Prof Jerry Gana was elected to the Senate of the Federal Republic of Nigeria in 1983 and also served in various capacities in the Government. First as Consultant Director on Social Mobilization; Chairman, Mass Mobilization for Self-Reliance, Social Justice, and Economic Recovery (MAMSER); variously as Minister of Agriculture and Natural Resources, Minister of Information and Culture, Minister of Cooperation and Integration in Africa and Minister of Information and National Orientation. In addition, he was a one-time Special Adviser to the President on Political Affairs. He was Chairman of the Northern Economic Summit- the G20 and Delegate to the 2014 National Conference among other political appointments.

Prof. Gana is a Fellow of the Nigerian Economic Society, the Social Science Academy of Nigeria and the Nigerian Institute of Public Relations. He has served as Chancellor and Chairman of the Governing Council of various universities. He is a Commander of the Order of the Niger (CON). Prof. Jerry Gana joined Flour Mills of Nigeria Plc (FMN) as a Non-Executive Director on March 13, 2013. Prior to this appointment, he had served as a Director of Nigerian Bag Manufacturing Company Plc BAGCO) a then subsidiary of the FMN.

Mr. Alfonso Garate

Mr. Alfonso Garate, a Spanish national born in 1969 joined the Board of Flour Mills of Nigeria Plc. as a Non-Executive Director on Wednesday 11th March 2015.

Report of the Directors continued

He holds a Bachelor of economics and Business Administration Degree from University Pontificia Comillas – ICADE, Madrid, Spain (1992) and attended Harvard Business School – Advanced Management Program (2009). He is also an alumnus from IMD (International Institute for Management Development) Business School of Post Graduate Studies in Lausanne, Switzerland (2005-2007).

A very experienced professional in business development in emerging markets with strong capabilities in general management, business strategy, corporate finance, structured finance and international trading and shipping, Mr. Garate started his career in investment banking and telecom institutions where he held numerous positions. Thereafter, he proceeded to Holcim Ltd where he held different management positions and subsequently became the Chief Executive Officer of Holcim Trading SA, the worldwide leader trading and shipping organization for cementitious and building materials.

Mrs. Juliet Anammah

Mrs. Anammah was appointed as an Independent Non-Executive Director to the Board on 10th September 2020.

Mrs. Anammah is an experienced executive with 28 years of professional experience including 6+ years at Partner / Chief executive level.

Juliet joins the Board bringing her vast commercial experience comprising; 8 years in Pharmaceutical Sales and Marketing; 16 years in Accenture covering the full suite of management consulting services Strategy, Business Transformation, Process excellence, Organisation design, Change Management etc.

Her consulting experience spanned multiple industries; Consumer Goods and Services, Healthcare, Retail, Transportation, Financial Services. She has over four years of experience managing Jumia Nigeria, the largest eCommerce platform in Africa. Jumia is the first African Tech start-up to be listed on the NYSE.

Mr. Muhammad Ahmad, OON

Muhammad K. Ahmad was appointed as an Independent Non-Executive Director to the Board on 3rd December 2020.

Muhammad K. Ahmad is a seasoned public sector executive with over 35 years of distinguished experience spanning the public sector and the financial services industry. He served as the pioneer Director General and Chief Executive Officer of the National Pension Commission ("PENCOM") and oversaw the growth of the pension industry in Nigeria from ground zero to a N4.7 trillion in Assets Under Management. He was also a pioneer staff member of the Nigeria Deposit Insurance Company ("NDIC") where he rose through the ranks as a bank supervisor to become a Director.

MK (as he is fondly called) chaired the Technical Committee of the National Council on Privatization (NCP), chaired by the Vice President of Nigeria. He chaired the Technical Committee on the Nigerian Code of Corporate Governance constituted by the Financial Reporting Council of Nigeria, which produced the Nigerian Code of Corporate Governance 2018.

MK also chaired the Technical Committee that produced the North East Transformation Strategy (NESTS), a medium-term Regional Development Strategy, for the sustainable socio-economic transformation and reconstruction of the Region, a strategy promoted by the six Governors of the constituent states of the region. He also assisted in the development of the Buhari Plan, which was initiated by the Federal Government of Nigeria to provide a framework for coordinating all initiatives and interventions by various actors for early recovery and sustainable development of the North East region. He currently coordinates and leads a team to develop Borno 2045 Development Plan. Muhammad K. Ahmad is an Officer of the Order of the Niger (OON) and has served on the Board of various companies and committees including banks and not for profit organizations. In July 2016, he was appointed to be

the Chairman, Board of Directors, Skye Bank Nigeria. In 2019, he was appointed an Independent Board Director of MTN Nigeria.

8. DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of financial statements which give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies and Allied Matters Act (CAMA) 2020. In doing so, they ensure that:

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

9. DIRECTORS' INTERESTS IN SHARES

The Directors' interests in the issued share capital of the company as recorded in the Register of members and/or as notified by them for the purpose of Section 301 of the Companies and Allied Matters Act (CAMA), 2020 and disclosed in accordance with section 385 of the Companies and Allied Matters Act (CAMA), 2020

	31 MAR 2021		31 MAR 2020	
	Direct	Indirect	Direct	Indirect
John G. Coumantaros *		2,597,314,890		2,581,286,589
Alhaji Abdullahi A. Abba	12,343	-	12,343	-
Emmanuel A. Ukpabi (KJW)	7,554,665	-	6,554,665	-
Paul Miyonmide Gbededo	10,836,154	-	2,720,109	-
Omoboyede Olusanya	-	-	-	-
Prof. Jerry Gana, CON	44,000		44,000	-
Ioannis Katsaounis **	3,561,512	8,295,673	3,561,512	8,295,673
Thanassis Mazarakis	-	-	-	-
Folarin R. A Williams	30,082	-	30,082	-
Rabiu M. Gwarzo, OON	199,722	-	199,722	-
Olalekan A. Saliu	1,668,985	-	1,668,985	-
Foluso O. Philips	-	-	-	-
Alfonso Garate	-	-	-	-
Dr. (Mrs.) S. H. Suleiman	-	-	-	-
Mrs. Juliet Anammah	-	-	-	-
Mr. Muhammad Ahmad, OON	-	-	-	-

* Mr. John G. Coumantaros represents Excelsior Shipping Company Limited. See Note 1.4 of the financial statements.

** Mr. Ioannis Katsaounis owns these shares indirectly through Windward Transport Company

Report of the Directors continued

10. SUBSTANTIAL INTEREST IN SHARES

The Registrar has advised that according to the Register of Members on 31st March, 2021, apart from Excelsior Shipping Company Limited with 2,597,314,890 (2020 - 2,581,286,589) representing 63.34% of the paid up share capital, no other individual shareholder held up to 5% of the issued share capital of the Company.

11. ANALYSIS OF SHAREHOLDING STRUCTURE

As at 31st March, 2021:

Share Range	No of Shareholders	% of Shareholders	No of Holdings	% Shareholding
1 - 1,000	29,550	36.3232	11,749,946	0.2866
1,001 - 5,000	38,920	47.8409	92,878,006	2.2651
5,001 - 10,000	5,762	7.0827	40,782,328	0.9946
10,001 - 50,000	5,284	6.4952	112,365,546	2.7404
50,001 - 100,000	793	0.9748	56,666,374	1.3820
100,001 - 500,000	796	0.9785	173,965,056	4.2426
500,001 - 1,000,000	120	0.1475	88,997,352	2.1705
1,000,001 - Above	128	0.1573	3,522,990,998	85.9183
	81,353	100.0000	4,100,395,606	100.0000

12. DONATIONS AND CHARITABLE GIFTS

No donation was made to any political party or organization during the year.

Donations and charitable gifts amounting to ₦3.47 billion were made during the year: (2020: ₦1,053,540,000.00):

Donations	31 st March 2021
The Nigerian Private Sector Coalition Against COVID-19	3,350,000,000
Coalition support for COVID-19 (including vaccination program support)	50,147,918
Donation to 48th AGM of Manufacturers Association of Nigeria	2,000,000
Donation to Center for Values Leadership	5,000,000
Humanitarian Donation of Bread to strategic communities in Lagos	20,947,500
Sponsorship of Nigerian Economic Summit Group	20,000,000
Donation to Federal Nigerian Society for the Blind	250,000
Donation of Generator and annual grant to University of Ibadan	16,815,445
	3,465,160,863

13. POST BALANCE SHEET EVENTS

Except as disclosed in Note 51 of the financial statements, there were no significant developments since the balance sheet date which could have had a material effect on the state of affairs of the Group and Company as at 31st March, 2021 and the profit for the year ended on that date which has not been adequately provided for or disclosed in the financial statements.

14. MAJOR DISTRIBUTORS

The Company's products are distributed through key distributors who cover the entire country.

15. SUPPLIERS

The Company obtains its materials from overseas and local suppliers. Amongst its main overseas and local suppliers are Star Trading Company Limited, Buhler A.G, First Blend Limited, Vitachem Nigeria Limited, Montizen Limited and Wahum Packaging Limited.

16. PROPERTY PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are shown under Note 18 to the Accounts. In the opinion of the Directors, the recoverable value of the Company's properties is not less than the value shown in the audited financial statements.

17. HUMAN CAPITAL

a. Employment and Employees

The Company reviews its employment policy in line with the needs of the business. Careful recruiting is undertaken to ensure that potential high performers are attracted and retained.

b. Employee Developments

Local and overseas training and development programmes are organized to meet the needs of the Company's modernization / automation strategy implementation.

The Company continues to place premium on its human capital development arising from the fact that this would ensure improved efficiency of the business and maintain strategic advantage over competition.

c. Health, Safety and Environment

The Company appreciates the value of safe work environment to business success and therefore embarks on periodic assessment to ensure compliance and safety. Employees are continuously sensitized and pep talks on safety procedures precede the commencement of each shift in the operational areas. 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.

With the continuous monitoring of the novel Coronavirus (2019-nCov) confirmed by World Health Organization in January 2020, periodic health advisory published on banners, posters, handbills, pocket booklets and through the internal communication platform were circulated on the nature of the virus, mode of transmission, safety measures implemented by the business and basic precautionary measures. Within the last financial year, the business maintained strict adherence to all Covid-19 protocols providing effective health advisory and interventions including staff vaccination arrangements while consolidating our Employee Assistance Program to promote employee general health and wellbeing.

In turn, our people played their role as change agents and people advocates during the first wave of the COVID-19 pandemic and continue to provide their full support of the implementation of globally approved safety protocols; dissemination of awareness on best practices on hygiene and complying with the 4 Golden Rules of the business to ensure general compliance to these protocols. The business also leveraged on existing digital resources to launch and maintain virtual induction, interview sessions and meetings in the course of routine business operations. There are fully equipped clinics at various sites of operations.

The employee canteens at Iganmu, Apapa and other major sites continue to provide nutritionally balanced healthy meals in very conducive environment and at subsidized rates.

Report of the Directors continued

d. HIV/AIDS Policy

HIV/AIDS policy guidelines are in place and employees are encouraged to undertake voluntary counseling and testing (VCT) to confirm their HIV status. Continuous interactions at workshops with known HIV positive individuals are arranged from time to time to educate staff and eliminate discrimination and stigmatization. Regular educational programmes are arranged to sustain the message as part of the activities to mark World's AIDS day annually.

e. Performance Management/Target Setting

Performance management/target setting is implemented in line with Management's resolve to set strategic objectives for effective monitoring of performance of the Company and its employees.

18. SUSTAINABILITY STATEMENT

As a socially responsible organization, FMN's sustainability approach is based on respect for our people, cultures and the natural environment.

We are committed to contributing to the preservation of biodiversity by lowering our water use, waste and greenhouse gas emission, energy use, and carbon emissions. The health and welfare of our employees and host communities remains a priority as we strive to improve the environmental, social and economic impacts of our operations.

Our vision becomes reality by putting into action programs and practices that optimize the use of natural resources, by developing energy efficient products and technologies, and by fostering innovations and creative solutions adding value for our stakeholders. We have the capacity to grow sustainably.

19. AUDITORS

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors to the Company. In accordance with Section 401(2) of the Companies and Allied Matters Act (CAMA) 2020, therefore, the auditors will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

A resolution will however be proposed authorizing the Directors to determine the remuneration of the Auditors.

BY ORDER OF THE BOARD



UMOLU, JOSEPH A.O.
Company Secretary
FRC/2013/NBA/00000003687
1 Golden Penny Place,
Wharf Road, Apapa.
Lagos, Nigeria.
28th June 2021



...with **GOLDEN PENNY PASTA,**
YOUR WAY is best.



Corporate Governance Report

1. INTRODUCTION

Flour Mills of Nigeria Plc is committed to the best practice and procedures in corporate governance. Its business is conducted in a fair, honest and transparent manner which conforms to high ethical standards. This enables the Board of Directors and Management to accomplish the company's strategic goals, ensure good growth and corporate stability for the benefit of all stakeholders.

2. BOARD COMPOSITION

The Company's Articles of Association provide that the Company's Board of Directors shall consist of not more than fifteen directors. Presently, the Board has a non-executive Chairman, a non-executive Vice Chairman, one executive director and eleven non-executive directors, four of whom are independent directors. The thorough process for selecting Board members gives premium to educational and professional background, integrity, competence, capability, knowledge, expertise, skills, experience and diversity.

3. BOARD MEETINGS

Members of the Board of Directors hold a minimum of four quarterly meetings to approve the company's business strategy and objectives, decide on policy matters, direct and oversee the Company's affairs, progress, performance, operations, and finances; and ensure that adequate resources are available to meet the Company's goals and objectives. Attendance of Directors at quarterly meetings is very good.

It is noteworthy that the company's Memorandum and Articles of Association allows for teleconferencing in order to ensure wide consultation and maximum participation by board members.

In line with provisions of Section 284(2) of the Companies and Allied Matters Act (CAMA), 2020, record of Directors' attendance at Board meetings shall be available for inspection at the Annual General Meeting.

4. ROLE OF DIRECTORS

The highlights of the role of directors include:

- Critical and regular examination of the company's overall strategy with a view to ensuring that its goals, business plan and budget are in alignment.
- Assign respective committees to consider and take appropriate decisions on issues requiring Board attention.
- Establish well-considered objectives for the company and monitor implementation, reviewing performance and ensure the deployment of appropriate competencies.
- Ensure that adequate resources are available to meet the company's goals and objectives.
- Oversee Board appraisal, training, succession planning, appointment and remuneration of members.

5. FREQUENCY AND ATTENDANCE OF BOARD MEETINGS:

The Board held four (4) meetings during the financial year ended 31 March 2021. The notice for each meeting was in line with the Company's Articles of Association and Board papers were provided to directors in advance.

Senior Executives of the company are from time to time invited to attend Board meetings and make representations of their business units.

A summary of the record of attendance at Board meetings is presented below:

Names	29/07/2020	10/09/2020	03/12/2020	03/03/2021
Mr. John G. Coumantaros	V	V	V	V
*Dr. (Chief) Emmanuel Akwari Ukpabi (KJW)	V	V	V	NA
Mr. Paul M. Gbededo	V	V	V	V
*Alhaji Abdullahi Ardo Abba	V	V	V	NA
Alhaji Rabi Muhammad Gwarzo, OON	V	V	V	V
Mr. Ioannis Katsaounis	V	V	V	V
Mr. Thanassis Mazarakis	V	V	V	V
Mr. Folarin Rotimi Abiola Williams	V	V	V	V
Prof. Jerry Gana, CON	V	V	V	X
Alhaji Yunus Olalekan Saliu	V	V	V	V
Mr. Foluso Olajide Phillips [Independent]	V	V	V	V
Mr. Alfonso Garate	V	V	V	V
Dr. Mrs. Salamatu Suleiman [Independent]	V	V	V	V
**Mr. Omoboyede Olusanya	V	V	V	V
**Mrs. Juliet Anammah [Independent]	NA	NA	V	V
**Mr. Muhammad Ahmad [Independent]	NA	NA	NA	V

Legend:

V - Present

X - Absent

NA – Not Applicable as the Director did not hold this office at this time

* Dr. (Chief) Emmanuel Akwari Ukpabi (KJW) resigned from the Board of Directors effective 3rd December 2020.

* Alhaji Abdullahi Ardo Abba resigned from the Board of Directors effective 3rd December 2020.

**Mr. Omoboyede Olusanya was appointed to the Board as an Executive Director on the 29th of July 2020

** Mrs. Juliet Anammah was appointed to the Board as an Independent Non - Executive Director on the 10th of September 2020

** Mr. Muhammad Ahmad was appointed to the Board as an Independent Non - Executive Director on the 3rd of December 2020

6. COMPANY SECRETARY

The Company has a functional Company Secretariat Department that supports and assists the Board and Management in implementing and sustaining good corporate governance practices and culture. The Company Secretariat Department is headed by the Company Secretary/Director, Legal Services.

Corporate Governance Report *(continued)*

7. BOARD COMMITTEES AND STATUTORY AUDIT COMMITTEE

The Board of Directors has two principal board committees in line with Securities and Exchange Commission (SEC)'s Code of Corporate Governance. These are listed below with the summary of attendance at meetings held during the financial year ended 31st March 2021:

Remuneration/Governance Committee

Members of the committee include:

Mr. Foluso Phillips – Chairman

*Chief E. A. Ukpabi - resigned from the Board effective 3rd December 2020

Mr. Thanassis Mazarakis

Dr. (Mrs.) Salamatu H. Suleiman

Mr. M. K. Ahmad, OON

Mr. Folarin R. Williams

Mr. Joseph Umolu – Company Secretary

Record of attendance at Meetings:

Names	21/07/2020	03/09/2020	01/12/2020	02/02/2021
* Chief E. A. Ukpabi	V	V	V	NA
Mr. T. Mazarakis	V	V	V	X
Mr. Foluso Phillips	V	V	V	V
**Dr. (Mrs.) Salamatu H. Suleiman	NA	NA	NA	NA
**Mr. M.K. Ahmad, OON	NA	NA	NA	NA
**Mr. Folarin R. Williams	NA	NA	NA	NA
Mr. Joseph Umolu	V	V	V	V

Legend:

V – Present

X – Absent

NA – Not Applicable as the Director did not hold this office at this time

* Dr. (Chief) Emmanuel Akwari Ukpabi (KJW) resigned from the Board of Directors effective 3rd December 2020.

** These appointments were approved by the Board at the meeting held on 3rd March 2021.

Audit and Risk Management Committee

Members of the committee include:

Mr. T. Mazarakis - Chairman

Mr. P. M. Gbededo

Alh R.M. Gwarzo, OON

Alh. Y. O. A. Saliu

Mr. O. Olusanya

Mr. Joseph Umolu - Company Secretary

Mrs. Juliet Anammah

Record of attendance at Meetings:

Names	21/07/2020	03/09/2020	01/12/2020	25/02/2021
Mr. P. M. Gbededo	V	V	X	X
Mr. Boye Olusanya	NA	V	V	V
Mr. T. Mazarakis	V	V	V	V
Alh R.M. Gwarzo, OON	V	V	V	V
Alh. Y. O. A. Saliu	V	V	V	V
*Mrs. Juliet Anammah	NA	NA	NA	NA
Mr. Joseph Umolu	V	V	V	V

Legend:

V - Present

X- Absent

NA - Not applicable (not a member on this date)

The Board also presently has an ad-hoc committee known as the Board Local Content Committee and its composition was approved by the Board at its meeting of 3rd March 2021:

Local Content Committee

Mr. Paul M. Gbededo

Mr. Thanassis Mazarakis

Mr. 'Boye Olusanya

Alhaji Olalekan Y. Saliu

Mr. M. K. Ahmad, OON

Statutory Audit Committee

Composition

Pursuant to section 359(3) of the Companies and Allied Matters Act (CAMA), 2020, the Company's Audit Committee comprises three Directors and three shareholders as follows:

Mr. Adesina Olalekan Oladepo - Chairman	re- appointed 10th September 2020
Mr. Shekoni Nurudeen Adebayo	re- appointed 10th September 2020
Mr. Adeshina Tajudeen Imran	re- appointed 10th September 2020
*Dr. (Chief) Emmanuel Akwari Ukpabi (KJW)	resigned 3rd December 2020
Mr. Foluso Olajide Phillips	
Alhaji Yunus Olalekan Saliu	
Mr. Joseph Umolu	Secretary

* Dr. (Chief) Emmanuel Akwari Ukpabi (KJW) resigned from the Board of Directors effective 3rd December 2020.

*In line with the provisions of Section 404(3) the CAMA 2020, the composition of the Statutory Audit Committee has now been reduced to 5 members.

Corporate Governance Report *(continued)*

The functions of the Committee are laid down under section 404(7) of the Companies and Allied Matters Act Cap C20 Laws of the Federation of Nigeria, 2020.

Meetings:

Members of the Statutory Audit Committee receive regular reports and updates on financial matters and internal control reviews from internal and external auditors. A summary of the record of attendance at Statutory Audit Committee meetings held during the financial year ended 31st March, 2021 is shown below:

NAMES	16/06/2020	25/11/2020	25/02/2021
Mr. Adesina Olalekan Oladepo	V	V	V
Mr. Shekoni Nurudeen Adebayo	V	V	V
Mr. Adeshina Tajudeen Imran	V	V	V
Mr. Foluso Phillips	V	V	V
*Dr. (Chief) E. A. Ukpabi	V	V	NA
Alh. Y. O. A. Saliu	V	V	V
Mr. Joseph Umolu	V	V	V

Legend:

V - Present

X - Absent

NA - Not applicable (not a member on this date)

8. DIVISIONS AND DIRECTORATES

For effective management, the Company is structured along the following Divisions and Directorates:

Finance	Corporate Services/Legal
Human Resources	Technical
Marketing & Sales	Supplies/Procurement
Logistics	General Services
Internal Audit (Business Assurance)	Bag Manufacturing
Pasta Production	Agro Allied
Fertilizer Operations	Flour Operations

9. GENDER DIVERSITY ON THE BOARD

The Board promotes diversity in its membership across a variety of attributes relevant for promoting better decision-making and effective governance. These attributes include field of knowledge, skills and experience as well as age, culture and gender. The Board has in place processes that establishes measurable objectives for achieving diversity in gender and other areas.

10. BOARD APPOINTMENTS

The Board of Directors is responsible for the overall direction, supervision and control of the company. The company's Articles of Association, the Companies and Allied Matters Act Cap C20 LFN 2020, the Securities and Exchange Commission's (SEC) Corporate Governance Guidelines and the Nigerian Code of Corporate Governance 2018 describe the responsibilities and authorities of the Board of Directors and set out rules and procedures for the composition, appointment and operations of the Board of Directors.

The Board has a formal induction programme for new directors including, but not limited to; facility visits, engagement with Board and Management officials, business and governance structure familiarization. Important corporate documents on the Company's profile, history, core values and general business direction are made available to new directors. The Board of Directors has an approved annual training plan designed in line with the identified training needs and suggestions of its members.

The Remuneration and Governance Committee of the Board assesses and evaluates prospective candidates and make appropriate recommendation to the Board with respect to appointments to the Board. A description of the desirable characteristics that the Remuneration and Governance Committee and the Board should consider before recommending candidates for nomination/appointment as Directors are set out in the Board of Directors Charter and include:

- Integrity, reputation, knowledge, competence and commitment.
- Familiarity with the commercial and economic environment.
- Regional balancing.
- Good network in FMN areas of business.

The Remuneration and Governance Committee reviews such qualities and characteristics at least annually and recommend any appropriate changes to the Board for consideration.

11. BOARD EVALUATION PROCESS AND SUMMARY OF EVALUATION RESULTS

The Board established a system to undertake a formal and effective annual evaluation of its performance and that of its Committees, the Chairman and the individual directors.

The Institute of Corporate Secretaries and Administrators of Nigeria (ICSAN) was engaged as external Consultants to carry out the Board Evaluation and Corporate Governance audit of the Company for the year ended 31st March 2021. The Institute had interview sessions with Individual Directors on areas such as the review of FMN's Corporate Governance framework, with specific focus on performance of the Board and of Individual directors, structure and composition of Board committees, responsibilities, proceedings and relationships, individual directors' competencies and respective roles in the performance of the Board.

On the basis of the evaluation exercise, the Board of FMN demonstrated good understanding of and compliance with the responsibilities as provided in the SEC Code of Corporate Governance and the Nigerian Code of Corporate Governance 2018 during the year ended 31st March 2021.

12. THE CORPORATE GOVERNANCE RATING SYSTEM CERTIFICATION

Flour Mills of Nigeria Plc is one of the Corporate Governance Rating System (CGRS) certified listed companies in Nigeria after being duly certified and accorded the CGRS certification mark with effect from January 2018 with a three-year validity period.

13. REPORT ON COMPLIANCE WITH THE NIGERIAN CODE OF CORPORATE GOVERNANCE 2018

The Company confirms its compliance with the principles in the Nigerian Code of Corporate Governance 2018 (NCCG 2018). The Company's full report on compliance with the Nigerian Code of Corporate Governance 2018 for the year ended 31st March 2021 is available on the Company's website and can be assessed through the link herein – www.fmnplc.com

Please find below the summary on the level of Compliance with the NCCG 2018 for the year ended 31st March 2021:

Corporate Governance Report *(continued)*

PARTICULARS	REMARKS
General Information	The Company's general Information is as provided for in this Annual Report.
Attendance at Board Meetings; Audit Committee and Board Committee meetings	Satisfactory.
Part A - Board of Directors and Officers of the Board: Principle 1 – Role of the Board	The Board is the ultimate decision-making body of the Company and is responsible for exercising leadership, enterprise, integrity and judgment in its oversight and control of the Company so as to achieve the Company's continued survival and prosperity; The Company has a Board Charter and Code of Conduct approved by the Board which provides guidance to members on the operations of the Board, duties and obligations of members, Code of Conduct and how to avoid conflict of interest in any business relationship with the Company.
Principle 2 – Board Structure and Composition	The Board is comprised of a diverse mix of professionals with the right mix of skills and expertise including the business, commercial and industry experience needed to govern the Company.
Principle 3 – Chairman	The Chairman's roles and responsibilities are clearly defined in the Board Charter including to ensure the effective operation of the Board such that the Board works as a group towards achieving the Company's strategic objectives. Provide leadership to the Board and ensure its effectiveness in all aspects of its role.
Principle 4 – Managing Director/Chief Executive Officer	The Managing Director/Chief Executive Officer's roles and responsibilities are clearly defined in the Board Charter including ensuring that the policies spelt out by the Board in the Company's overall corporate strategy are implemented. The MD/CEO is the head of Management assigned with the responsibility of running the affairs of the Company to achieve its strategic objectives for sustainable corporate performance. The MD/CEO is equipped with a broad understanding of the Company's business and demonstrates entrepreneurial skills, credibility and integrity earning the confidence of the Board and management.
Principle 5 – Executive Directors	The Executive Directors' roles and responsibilities are clearly defined in the Board Charter including providing support to the MD/CEO in the proper implementation and achievement of the Company's strategic imperatives, as well as prudent management of the Company's finances and other resources
Principle 6 – Non-Executive Directors (NED)	The Non-Executive Directors (NED)'s roles and responsibilities are clearly defined in the Board Charter including constructive contribution to the development of the Company's strategy.

PARTICULARS	REMARKS
Principle 7 – Independent Non-Executive Directors (NED)	The Independent Non-Executive Directors (NED)'s roles and responsibilities are clearly defined in the Board Charter including being independent in character and judgment and accordingly be free from such relationships or circumstances with the Company, its management, or substantial shareholders as may, or appear to, impair his ability to make independent judgment. The Independent Non -Executive Directors represent a strong independent voice on the Board and bring a high degree of objectivity to the Board for sustaining stakeholder trust and confidence.
Principle 8 – Company Secretary	The Company Secretary functionally reports to the Board through the Chairman and administratively reports to the MD/ CEO. The Company Secretary is the Secretary of the Board and provides guidance to the Board on its duties and responsibilities and on other matters of governance;
Principle 9- Access to Independent Advice	The Board ensures members obtain external advice, as may be required, at the company's expense and shall invite senior management to provide technical advice as needed
Principle 10 - Meetings of the Board	The meetings of the Board of Directors are organized optimally to ensure a seamless review of the business of the Board and in fulfilling the strategic objectives of the Company In order to effectively perform its oversight function and monitor management's performance, the Board shall meet at least once every quarter. Every Director shall endeavour to attend all Board meetings. The attendance record of Directors shall be among the criteria for the re- election of a Director. Minutes of meetings of the Board and its committees, as a record of what transpired at those meetings are prepared and sent timeously to Directors.
Principle 11 – Board Committees	The board Committees are structured to ensure efficiency and effectiveness of the Board. The Board discharges its responsibilities through Board Committees appointed from amongst its members subject to the applicable laws. The Board has established the following committees: <ul style="list-style-type: none"> • Board Audit and Risk Management Committee • Board Remuneration and Governance Committee The Board also presently has two ad-hoc committees: <ol style="list-style-type: none"> 1. Board Nomination/Selection Committee 2. Board Local Content/Local Wheat Production Committee
Principle 12 – Appointment to the Board	Key parameters considered for effective appointment to the Board include: <ul style="list-style-type: none"> • Integrity, reputation and commitment. • Familiarity with the commercial and economic environment. • Regional balancing. • Good network in FMN areas of business

Corporate Governance Report *(continued)*

PARTICULARS	REMARKS
Principle 13 – Induction and Continuing Education	Effective formal induction and training plans are in place for the Board. Important corporate documents on the Company's profile, history, core values and general business direction are made available to new directors during the induction process. The Board of Directors has an approved annual training plan designed in line with the identified training needs and suggestions of its members.
Principle 14 – Board Evaluation	There is an effective process in place for the annual in-house Board and Board Committees' evaluation.
Principle 15 – Corporate Governance Evaluation	There is an effective process in place for the annual in-house Corporate Governance evaluation over the affairs of the Company.
Principle 16 – Remuneration Governance	There is a Board approved Director's remuneration policy regularly reviewed. The remuneration for the directors shall be tabled for approval by Shareholders at this Annual General meeting. The applicable allowances paid by the Company to Non-executive Directors include: Director's Fee- N200,000 and Sitting Allowance - N500,000.
Principle 17 – Risk Management	The Company has a robust Risk Assessment and Management framework and systems in place. The Company's Risk Management Policy is available through the link provided for under the Risk Management item of this Corporate Governance Report
Principle 18 – Internal Audit	The Company has an effective Internal Audit function carried out by its Business Assurance Department and is regularly assessed by an Independent Business Advisory/Assurance firm on the effectiveness of its functions
Principle 19 – Whistle blowing	The Company has an effective and anonymously maintained whistleblowing system that encourages staff and other stakeholders to bring out information helpful in enforcing good corporate governance practices.
Principle 20 – External Audit	The Company's external professional audit partners are rotated regularly to ensure Independence .
Principle 21 – General Meetings	The Company's general meetings are held in line with regulatory requirements and in every calendar year, an Annual General meeting is held in compliance with corporate governance requirements on issuance of notice of meeting and orderly conduct of all deliberations thereat.
Principle 22 – Shareholder engagement	The Board has a stakeholder-inclusive approach and is responsible for giving due consideration to the legitimate interests and expectations of the Company's stakeholders in its deliberations, decisions and actions.

PARTICULARS	REMARKS
Principle 23 – Protection of Shareholder rights	The Board recognizes, respects and protects the rights of shareholders and ensures equitable treatment of all shareholders in the same class of issued shares whether minority, institutional or foreign. The Board ensures that adequate and timely information is provided to Shareholders on the Company’s affairs.
Principle 24 – Business Conduct and Ethics	Management continues to monitor compliance with the Group’s Code of Conduct and presents regular reports to the Board on same.
Principle 25 – Ethical Culture	The Company has established policies and mechanisms for monitoring insider trading, conflict of interest and related party transactions.
Principle 26 – Sustainability	The Board has approved its Sustainability Policy and the Company is at the concluding stage with issuance of its maiden Sustainability Report.
Principle 27 – Stakeholder Communication	The Company has an effective Investor relations Management team and an Investor relation page hosted on its website – www.fmnplc.com for updated information about its operations.
Principle 28 - Disclosures	The Company has in place an effective system to ensure that due disclosures are made timeously about its operations.

14. MANAGEMENT COMMITTEE

The day to day management of the business is the responsibility of the Group Managing Director/ Chief Executive Officer who is assisted by a Management Committee made up of Heads of Departments in the Company.

The core of the Management Committee, the “Change Leadership Team” holds regular meetings to deliberate on critical issues affecting the day to day running of the organization and strategic positioning of the business.

The composition of the Management Committee is as set out below:

- Omoboyede Olusanya - Group Managing Director/Chief Executive Officer
- Devlin Hainsworth - Managing Director, Foods Division
- Raffoul Nassib - Chief Operating Officer, Agro-Allied Division
- Captain Marvin Abe - Managing Director, Apapa Bulk Terminal Limited
- Wale Adediran - Human Resource Director
- Jack Cwach - Flour Operations Director
- Yiannis Katsichtis - Supply Chain Director
- Anders Kristiansson - Chief Finance Officer
- Narhari Tripathi - Director of Manufacturing and Technical Services
- Vlassis Liakouris - Management Information Analyst
- Sadiq Usman - Deputy, Chief Operating Officer, Agro-Allied
- Joseph Umolu - Company Secretary/Director, Legal Services

Corporate Governance Report *(continued)*

15. HUMAN RESOURCES POLICIES AND OTHER RELATED MATTERS

The Company recognizes that its people are very valuable assets. Consequently, the human resources policies of the Company are to ensure that the Company continues to place premium on its human capital development arising from the fact that this would ensure improved efficiency of the business and maintain strategic advantage over competition.

Within the last financial year, the business maintained strict adherence to all Covid-19 protocols providing effective health advisory and interventions including staff vaccination arrangements while consolidating our Employee Assistance Program to promote employee general health and well-being.

The Management holds periodic meetings with the employees in order to brief them on business related issues and exchange ideas that are beneficial. In addition, Management communicates corporate issues to employees regularly through internal communication circulars and newsletters – “Golden Penny News”.

16. SUSTAINABILITY POLICIES AND ENVIRONMENTAL PROTECTION INITIATIVES

FMN is aware that sustainability is a journey, as such, our long-term strategy is inspired by the need for continuous capacity expansion, an enhanced route to market capability, the innovation of products of superior quality and realignment of our core food business. To ensure our process remains sustainable in the long run, the Company continues to backwardly integrate to mitigate further reliance on imports and exposure to external volatility in the food business. The need to create value in the supply chain and reduce dependence on imported raw material is a strategic imperative that the Company committed to achieving.

As an environmentally responsible organization, FMN has adopted more energy-efficient technologies across our factories and plants by fostering innovations and implementing creative solutions. In our mills, the Company has introduced newer and more innovative technologies to reduce our carbon footprint. The business has also adopted more climate-friendly designs that feature low noise pollution and dust extraction monitoring systems, whilst adopting a production process with minimal impact on our environment. As expected, our process and impact assessment at FMN is designed to be retrospective as it is prospective. FMN will continue to put first our responsibility to our Planet, its People and our Returns.”

17. INTERNAL AUDIT, RISK MANAGEMENT AND COMPLIANCE

Internal Audit Function is a key line of defence for FMN Group which is central to our overall integrated assurance framework and governance processes. Internal Audit provides reasonable confidence to the Board, the Statutory Audit Committee and Management that there is sound internal controls over all aspects of Group operations, including Statutory Compliance, Accounting and Asset Management.

To ensure independence of this important function, Internal Audit reports directly to the statutory Audit Committee on a quarterly basis and is supervised by the Board Audit and Risk Committee.

Risk Management and Compliance initiatives are instituted and embedded in the assurance processes and support the Yearly Audit Plans in pro-active determination and recommendations for mitigation of the emerging risks faced by the FMN Group.

18. ETHICS AND CODE OF BUSINESS CONDUCT

FMN is committed to a high standard of ethical conduct and adopts a zero-tolerance approach to fraud and corruption. The Company has put in place an Ethics Programme which comprises Code of Conduct Policy inclusive of regular training and declarations.

The Code of Business conduct is applicable to all internal and external stakeholders, including the Directors, Management, other employees and third parties. It ensures that all directors, officers and employees conduct business with integrity.

19. WHISTLE-BLOWING

FMN has established a culture where every stakeholder feels comfortable raising concerns about potential and actual breaches of our Code of Business Conduct or policies. The company’s code of conduct encourages and provides a channel for stakeholders, including employees, to report possible improprieties and unethical practices in good faith and confidence, without fear of reprisals or concerns.

To ensure that all incidents that are reported are adequately brought to the notice of the stakeholders concerned as well as to initiate corrective action, a reporting structure is provided in detail in the Code of Conduct. A simple communication channel to allow anonymous reporting of any fraud, misappropriation, improprieties, or unethical practices is set out in the Code of Conduct. A breach may be reported through our dedicated e-mail address (codeofconduct@fmnplc.com).

The whistleblowing mechanism is reliable, accessible and guarantees anonymity and protection of the whistleblower. To safeguard the whistle-blower from retaliation, should employees suspect that they are being targeted or have actions taken against them in retaliation for raising a compliance or an integrity issue, they should immediately report such suspicions using the communication channels provided in the Code of Conduct.

20. SECURITY TRADING POLICY

In line with relevant legal and regulatory provisions, the Board approved and has in place a Securities Trading Policy (“The Policy”) which prescribes a code of behaviour by directors and senior employees, as well as those in possession of or who may come in contact with market sensitive information relating to the Company (referred to as “Insiders”).

Insiders are prohibited from dealing in the Company’s securities during closed periods and are mandated in appropriate cases to notify and obtain consent to deal from appropriate senior executives of the Company. The Company Secretary, who is the designated Administrator of the Policy is tasked with ensuring adherence to the provisions of the Policy and regularly issues Closed Period Notifications to directors, employees and other relevant persons under the 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 Securities Trading Policy.

21. COMPLAINTS MANAGEMENT POLICY

In line with the Securities and Exchange Commission (SEC) Rules relating to the Complaints Management Framework of the Nigerian Capital Market, FMN has established and maintained a clearly defined Complaints Management Policy to handle and resolve complaints within the purview of the Framework.

The framework as established by FMN involves the maintenance of an electronic complaints register by the Registrars and the Policy is available on the company’s website and can be assessed through the link herein – www.fmnplc.com.

The electronic complaints register is updated daily by the Registrars with complaints received from shareholders. Steps taken

Corporate Governance Report *(continued)*

towards the resolution of the matter(s) and the duration of communicating to the Shareholders are also maintained on the Register. Returns on Complaints management are sent by the Registrars on quarterly basis to the Securities and Exchange Commission.



UMOLU, JOSEPH A.O.

Company Secretary

FRC/2013/NBA/00000003687

1 Golden Penny Place,

Wharf Road, Apapa.

Lagos, Nigeria.

28 June, 2021

Statement of directors' responsibilities

IN RELATION TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

The Directors accept responsibility for the preparation of the Consolidated and Separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

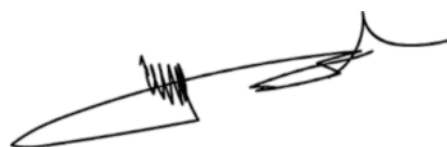
The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA), 2020 and for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Omoboyede Oyebolanle Olusanya
Group managing Director
FRC/2017/IODN/00000017634
28 June, 2021



ALhaji Y. Olalekan A. Saliu
Director
FRC/2013/ICAN/00000003595
28 June, 2021

Statement of Corporate Responsibility

FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director/CEO and Chief financial Officer, hereby certify the consolidated and separate financial statements of Flour Mills of Nigeria Plc for the year ended 31 March 2021 as follows:

- That we have reviewed the audited financial statements of the Group and Company for the year ended 31 March 2021.
- That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- That the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group and Company as of and for, the year ended 31 March 2021.
- That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Group and Company is made known to the officer by other officers of the companies, during the year end 31 March 2021.
- That we have evaluated the effectiveness of the Group and Company's internal controls within 90 days prior to the date of audited financial statements, and certify that the Group and Company's internal controls are effective as of that date
- That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
- That we have disclosed the following information to the Group and Company's Auditors and Audit Committee:

(i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Group and Company's ability to record, process, summarise and report financial data, and have identified for the Group and Company's auditors any material weaknesses in internal controls, and

(ii) there is no fraud that involves management or other employees who have a significant role in the Group and Company's internal control



Omoboyede Oyebolanle Olusanya
Group managing Director
FRC/2017/IODN/00000017634
28 June, 2021



Anders Kristiansson
Group Chief Financial Officer
FRC/2014/ANAN/00000009819
28 June, 2021

Audit Committee Report

TO MEMBERS OF FLOUR MILLS OF NIGERIA PLC FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

In compliance with section 404 (4) & (7) of the Companies and Allied Matters Act (CAMA), 2020 the Audit Committee received the Audited Financial Statements for the year ended 31st March 2021 together with the Management letter from the External Auditors and management response thereto at the duly convened meeting of the Committee. We reviewed the scope and planning of the audit requirements and found them adequate.

After due consideration the Committee accepted the Report of the External Auditors that the financial statements give a true and fair view of the state of the Company's financial affairs as at 31st March 2021 having been prepared in accordance with International Financial Reporting Standards (IFRS). The Committee reviewed Management's response to the External Auditors findings in the Management letter and we are satisfied with Management responses.

The Committee considered and approved the provision made in the Financial Statements for the remuneration of the External Auditors.

We confirm that the internal control system was constantly and effectively monitored through effective internal audit function. The External Auditors confirmed that they received full cooperation from Management in the course of their statutory audit. The Committee therefore recommended that the Audited Financial Statements for the year ended 31st March 2021 and the External Auditors' Report thereon be presented for adoption at this Annual General Meeting.

Dated 24th June, 2021



MR. OLALEKAN OLADEPO ADESINA

FRC NO.: FRC/2013/NIM/00000003678

CHAIRMAN, AUDIT COMMITTEE

Other Members of the Audit Committee:

Mr. Shekoni Nurudeen Adebayo



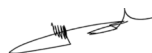
Mr. Adeshina Tajudeen Imran



Mr. Foluso Phillips



Alhaji Yunus Olalekan Saliu





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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Flour Mills of Nigeria Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Flour Mills of Nigeria Plc ("the Company") and its subsidiaries (together, "the Group"), which comprise:

- the consolidated and separate statements of financial position as at 31 March, 2021;
- the consolidated and separate statements of profit or loss and other comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 March, 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements section of our report. We are independent of the Group and Company in accordance with International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate 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.

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Partners:

Adegoke A. Oyelami	Chibuzor N. Anyanechi	Martins I. Aregidigbo	Olutoyin I. Ogunlowo
Adekunle A. Elebute	Chineme B. Nwigbo	Mohammed M. Adama	Oluwatemi O. Awotoye
Adetola P. Adeyemi	Elijah O. Oladunmoye	Nneka C. Eluma	Oluwatoyin A. Gbagi
Adewalu K. Ajayi	Goodluck C. Oti	Olabimpe S. Afolabi	Tayo I. Ogungbenro
Ajibola O. Olomola	Ibitomi M. Adepoju	Oladimeji I. Salaudeen	Termitope A. Onitiri
Akinyemi Ashade	Ijeoma T. Emezie-Ezigbo	Olanike I. James	Tolulope A. Odukafe
Ayobami L. Salami	Joseph O. Tagbo	Olufemi A. Babemi	Victor U. Onyenkpa
Ayodele A. Soyinka	Kabir O. Okunola	Olumide O. Olayinka	
Ayodele H. Othiniwa	Lawrence C. Amadi	Olusegun A. Sowande	



1. Revenue recognition	
Refer to significant accounting policies (Note 2.3) and Revenue (Note 6) in the consolidated and separate financial statements	
Key Audit Matter	How the matter was addressed in our audit
<p>The Group is diversified and earns revenue from a wide range of activities with varying revenue recognition criteria. This requires a careful assessment of the appropriateness and timing of revenue recognition in accordance with the requirements of IFRS 15 <i>Revenue from contracts with customers</i>.</p> <p>Furthermore, revenue is the most significant income statement account and impacts the majority of the key performance indicators on which the Company and the Group are assessed.</p> <p>These factors make revenue an area of significance in our audit.</p>	<p>The following audit procedures were performed among others:</p> <ul style="list-style-type: none"> • We evaluated the design, implementation and operating effectiveness of key controls over three-way match, price change approvals and customer credit limits. • We tested compliance with the revenue standard (IFRS 15) including assessment of the appropriateness of the allocation of revenue to multiple performance obligations (where applicable). • We recomputed revenue based on the sales quantities and approved selling prices and compared to revenue recorded by management. • We inspected contractual agreements on a sample basis to determine the appropriateness and timing of revenue recognition in accordance with the requirements of the relevant accounting standards. • We checked the completeness, existence and accuracy of intra-group transactions and checked that such transactions were reconciled and eliminated in preparing the financial statements of the Group. • We selected a sample of revenue transactions without sales order numbers recorded in the respective revenue ledgers and inspected the underlying documentation for existence of the appropriate approvals, as well as justification for recording the journal entries. • We selected a sample of discounts and rebates granted to customers and inspected relevant underlying documentation to assess if they were accurately computed and accounted for in the appropriate financial period. • We performed cut-off procedures by checking that revenue transactions occurring prior to the year end date were recognized in the appropriate period.



2. Recoverability of intercompany loans and trade receivables	
Refer to significant accounting policies (Note 2.8) and Long-term loan receivables and Trade and other receivables (Notes 25 & 27) in the consolidated and separate financial statements.	
Key Audit Matter	How the matter was addressed in our audit
<p>A number of companies within the Group are financed through intercompany loans and receivables.</p> <p>The Directors are required to make significant judgements and assumptions in the application of the appropriate Expected Credit Loss (ECL) model to use in arriving at the impairment allowance. In calculating the expected credit loss, the Directors also estimate the impact of forward looking information (FLI) in the determination of the impairment allowance.</p> <p>Recoverability of intercompany loans and trade receivables remains a matter of significance in our audit due to the level of judgement involved, the magnitude of the intercompany loans and trade receivables as well as uncertainties inherent in estimating the recoverable amounts.</p>	<p>The following audit procedures were performed among others:</p> <ul style="list-style-type: none"> • We evaluated the design and implementation of key controls over the impairment process such as management review of intercompany loans and trade receivables. • We engaged our financial risk management specialists to assess the reasonability and appropriateness of management’s key assumptions and the data input into the ECL model used by the Group and the Company. Our procedures in this regard included the following: <ul style="list-style-type: none"> - We challenged the reasonableness of the ECL methodology by considering whether it reflects unbiased and probability-weighted amounts that are determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic condition. - We evaluated the appropriateness of the forward looking assumption used in the ECL calculations by using available information from external sources. • We re-performed the calculation of the impairment allowance by checking the reasonableness of the loss rates applied by management. • We assessed the adequacy of disclosures in the financial statements in relation to impairments recognized.



3. Impairment of investment in subsidiaries	
Refer to significant accounting policies (Note 2.2 & 2.14) and investment in subsidiaries (Note 22) in the separate financial statements.	
The Key audit matters	How the matter was addressed in our audit
<p>The carrying amount of the Company’s investment in subsidiaries is significant. Some of these subsidiaries are currently loss making and a number of them are dependent on financial support mostly in the form of equity, loans and advances from the parent Company for their ongoing operations.</p> <p>The Company applies the value in use methodology in accordance with IAS 36 <i>Impairment of assets</i> in estimating the recoverable amount for its investment in subsidiaries. Given the market volatility triggered by the COVID-19 pandemic, key parameters such as the discount rates were updated by the Directors for the impact of the pandemic.</p> <p>Judgement is required in estimating the recoverable amounts of the investments in subsidiaries and involves making assumptions regarding the future performance of the businesses and the inherent uncertainty involved in determining an appropriate discount rate.</p> <p>The significance of the amounts involved and the uncertainties inherent in estimating the recoverable amounts make this a significant matter in our audit.</p>	<p>The following audit procedures were performed among others:</p> <ul style="list-style-type: none"> • We held inquiry sessions with management to understand and evaluate the plans for the subsidiaries. • We assessed the reasonableness of the Company’s forecasts used in the calculation of value in use by comparing them with historical performance. • We engaged our valuation specialist to challenge the reasonableness of the weighted average cost of capital (WACC) and the terminal growth rate assumptions applied by the Company to estimate the value in use. • We considered the adequacy of the disclosures on investments in subsidiaries made in the financial statements.



4. Recognition and measurement of Derivatives – Forward exchange contracts and Non-Deliverable Forwards	
Refer to significant accounting policies (Note 2.8.6) and Derivatives (Notes 28, 45 & 46) in the consolidated and separate financial statements.	
Key Audit Matter	How the matter was addressed in our audit
<p>The Group and the Company purchase majority of raw materials from foreign suppliers. The Group and the Company source for foreign currencies used to purchase these raw materials from the NAFEX/Investors & Exporters (I&E) window via Letters of credits. Due to the scarcity of foreign currencies at the Investors & Exporters (I&E) window, the Group and the Company enter into forward exchange contracts and non deliverable forwards (derivatives) to ensure it meets its foreign exchange requirements and to hedge against potential exchange risk.</p> <p>The valuation of the forward exchange contracts and non-deliverable forwards require inputs and assumptions that are based on judgement and are subject to uncertainties. This makes recognition and measurement of derivatives a key audit matter.</p>	<p>The following audit procedures were performed among others:</p> <ul style="list-style-type: none"> • We obtained the listing of the forward exchange contracts and non-deliverable forwards, and on a sample basis, inspected the underlying derivative contracts and checked the completeness of the contracts to confirmation responses obtained and to margin deposits made by the Company. • We obtained and inspected the valuation report issued by the external expert engaged by management to value the forward exchange contracts and non-deliverable forwards. • We checked the details in the valuation report to the forward exchange contracts and non-deliverable forwards obtained from management. • We engaged our KPMG valuation specialists to: <ul style="list-style-type: none"> - challenge the Company’s assumptions with respect to the fair value of the derivatives by comparing inputs in the Company’s valuation model to externally available market data - recompute the fair value of the derivatives using inputs considered appropriate. • We assessed the adequacy of the disclosures in the financial statements in relation to the forward exchange contracts and non-deliverable forwards



Other Information

The Directors are responsible for the other information. The other information comprises the Mission & Vision Statement, Board of Directors, Officers and Other Corporate Information, Group Performance Highlight, Report of the Directors, Corporate Governance Report, Statement of Directors' Responsibilities in Relation to the Consolidated and Separate Financial Statements, Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements, Audit Committee Report and Other National Disclosures which we obtained prior to the date of this auditor's report, but does not include the consolidated and separate financial statements and our audit report thereon. Other information also includes the Chairman's statement, shareholders' information amongst others together the "Outstanding reports", which are expected to be made available to us after that date.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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.

When we read the Outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Consolidated and separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria Act, 2011 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 consolidated and separate financial statements, the directors are responsible for assessing the Group and 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 Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The



risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and 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 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 Group and 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 consolidated and separate 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 Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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 Audit Committee 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period 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

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020.

- 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 appears from our examination of those books.
- iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Signed

Mohammed Adama, FCA
FRC/2012/ICAN/00000000443
For: KPMG Professional Services
Chartered Accountants
29 June 2021
Lagos, Nigeria





NEW Amaizing Day Instant Cereal

Every kid is amazing at something



Financial Statements

Consolidated and Separate Statements of Financial Position

AS AT 31 MARCH

	Notes	Group		Company	
ASSETS		2021 (N'000)	2020 (N'000)	2021 (N'000)	2020 (N'000)
Property, plant and equipment	18	208,721,490	216,890,095	89,251,566	89,144,006
Investment property	19	1,532,553	1,633,141	54,789	56,844
Biological assets	24	30,930	156,723	-	-
Right of use asset	40	16,511,473	14,933,340	2,684,703	3,671,094
Goodwill	21	4,148,022	4,148,022	1,876,816	1,876,816
Intangible assets	20	646,404	953,855	501,106	734,047
Investment in subsidiaries	22	-	-	62,258,329	44,666,634
Long term loans and receivables	25	38,852	358,689	62,423,085	48,864,528
Other investments	23	27,540	22,440	27,540	22,440
Deferred tax	16	6,974,435	3,578,421	-	-
Prepayments	29	95,971	47,429	85,317	47,429
Total non-current assets		238,727,670	242,722,155	219,163,251	189,083,838
Biological assets	24	376,439	147,599	-	-
Inventories	26	195,449,036	115,596,185	76,980,128	61,693,906
Trade and other receivables	27	25,825,611	25,731,446	23,160,406	28,471,323
Derivative assets	28	621,780	3,702,659	621,780	2,906,508
Prepayments	29	46,568,933	18,342,824	32,772,245	16,079,088
Cash and cash equivalents	30	37,163,344	26,210,974	27,624,715	16,032,397
Total current assets		306,005,143	189,731,687	161,159,274	125,183,222
Total assets		544,732,813	432,453,842	380,322,525	314,267,060

The accompanying notes and significant accounting policies form an integral part of these financial statements

Financial Statements (continued)

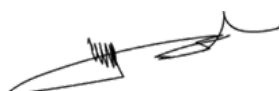
AS AT 31 MARCH

	Notes	Group		Company	
		2021 (N'000)	2020 (N'000)	2021 (N'000)	2020 (N'000)
EQUITY AND LIABILITIES					
Share capital	32	2,050,197	12,343	2,050,197	2,050,197
Share premium	32	75,377,444	6,554,665	75,377,444	75,377,444
Fair value reserves		(107,916)	(113,016)	(107,916)	(113,016)
Retained earnings		90,905,674	71,629,892	82,559,069	69,002,265
Equity attributable to owners of the Company	18	168,225,399	148,944,517	159,878,794	146,316,890
Non-controlling interests	18	6,388,551	6,863,254	-	-
Total equity	18	174,613,950	155,807,771	159,878,794	146,316,890
Liabilities					
Borrowings	33	101,764,591	80,675,376	68,598,529	46,741,771
Lease liabilities	41	14,789,031	10,702,733	439,742	341,612
Retirement benefit obligation	34	10,396,790	7,135,477	8,067,744	5,648,770
Deferred income	36	12,901,940	14,787,589	1,735,080	1,650,826
Deferred tax	16	16,857,129	11,848,855	13,498,453	10,665,100
Long service award	35	3,713,272	2,737,787	3,037,869	2,277,821
Total non current liabilities		160,422,753	127,887,817	95,377,417	67,325,900
Trade and other payables	37	120,152,472	83,613,863	77,584,189	68,333,644
Borrowings	33	26,913,425	23,343,851	15,020,385	10,275,267
Lease liabilities	41	1,919,724	2,654,089	236,631	1,298,974
Deferred income	36	3,997,200	4,117,580	1,093,978	435,579
Derivative liabilities	28	97,049	-	49,322	-
Current tax payable	15	9,481,685	5,531,160	4,690,116	2,566,482
Dividend payable	38	4,207,541	3,984,940	2,586,437	2,370,330
Customer deposits	39	38,926,118	19,970,243	23,805,256	13,790,645
Bank overdraft	30	4,000,896	5,542,528	-	1,553,349
Total current liabilities		209,696,110	148,758,254	125,066,314	100,624,270
Total liabilities		370,118,863	276,646,071	220,443,731	167,950,170
Total equity and liabilities		544,732,813	432,453,842	380,322,525	314,267,060

These financial statements were approved by the Board of Directors on 28 June, 2021 and signed on its behalf by:



Omoboyede Oyeboalanle Olusanya
Group managing Director
FRC/2017/IODN/00000017634



Alhaji Y. Olalekan A. Saliu
Director
FRC/2013/ICAN/00000003595



Anders Kristiansson
Group Chief Financial Officer
FRC/2014/ANAN/00000009819

The accompanying notes and significant accounting policies form an integral part of these financial statements

Consolidated and separate statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 31 MARCH

	Notes	Group		Company	
		2021 (N'000)	2020 (N'000)	2021 (N'000)	2020 (N'000)
Revenue	6	771,607,880	573,774,356	535,881,585	394,884,217
Cost of Sales	7	(664,850,870)	(507,987,179)	(478,166,108)	(354,952,741)
Gross Profit		106,757,010	65,787,177	57,715,477	39,931,476
Net operating (losses) and gains	9	(15,528,451)	4,905,683	(8,911,617)	472,846
Write-back/(impairment loss) on trade and intercompany receivables	27	2,093,523	(2,988,628)	4,020,275	(2,399,634)
Selling and distribution expenses	10	(12,079,534)	(9,278,394)	(8,406,303)	(7,361,829)
Administrative expenses	11	(29,045,821)	(23,346,202)	(17,248,268)	(15,565,932)
Operating profit		52,196,727	35,079,636	27,169,564	15,076,927
Investment income	13	3,652,138	2,392,649	11,046,498	14,754,035
Finance costs	14	(18,655,198)	(19,975,470)	(10,032,461)	(12,293,277)
Profit before minimum taxation		37,284,883	17,253,593	28,183,601	17,537,685
Minimum tax	15	91,216	(243,222)	-	-
Profit before taxation		37,284,883	17,253,593	28,183,601	17,537,685
Net income tax expenses	15	(11,567,960)	(5,876,850)	(8,011,112)	(4,955,114)
Profit for the year		25,716,923	11,376,743	20,172,489	12,582,571
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit liability	34	(1,831,980)	(607,665)	(1,409,020)	(460,968)
Related tax	16	586,234	172,994	450,886	147,510
Remeasurements of defined benefit liability		(1,245,746)	(434,671)	(958,134)	(313,458)
Gain/(loss) on investments in equity instruments		5,100	(18,700)	5,100	(18,700)
Other comprehensive income for the year net of tax		(1,240,646)	(453,371)	(953,034)	(332,158)
Total comprehensive income for the year net of tax		24,476,277	10,923,372	19,219,455	12,250,413
Profit attributable to					
Owners of the parent		26,148,786	10,467,673	20,172,489	12,582,571
Non-controlling interests	22	(431,863)	909,070	-	-
		25,716,923	11,376,743	20,172,489	12,582,571
Total comprehensive income attributable to:					
Owners of the parent		24,950,980	10,096,435	19,219,455	12,250,413
Non-controlling interest	22	(474,703)	826,937	-	-
		24,476,277	10,923,372	19,219,455	12,250,413
Earnings per share					
Per share information					
Basic earnings per share (kobo)	17	638	255	492	307
Diluted earnings per share (kobo)	17	638	255	492	307

Financial Statements

(continued)

Consolidated statement of changes in equity

FOR THE YEAR ENDED 31 MARCH

Group	Share Capital	Share Premium	Fair Value Reserve	Retained Earnings	Equity attributable to the owners of the company	Non-controlling interest	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at April 1, 2019	2,050,197	75,377,444	(94,316)	66,377,553	143,710,878	7,261,317	150,972,195
Total Comprehensive income							
Profit for the year	-	-	-	10,467,673	10,467,673	909,070	11,376,743
Other comprehensive income	-	-	(18,700)	(352,538)	(371,238)	(82,133)	(453,371)
Total comprehensive income for the year	-	-	(18,700)	10,115,135	10,096,435	826,937	10,923,372
Transactions with owners recorded directly to equity							
Dividends declared (Note 38)	-	-	-	(4,920,475)	(4,920,475)	(1,225,000)	(6,145,475)
Write-back of unclaimed dividend	-	-	-	57,679	57,679	-	57,679
Total Contribution by and distribution to owners of the company recognised directly in equity	-	-	-	(4,862,796)	(4,862,796)	(1,225,000)	(6,087,796)
Balance at March 31, 2020	2,050,197	75,377,444	(113,016)	71,629,892	148,944,517	6,863,254	155,807,771
Balance at April 1, 2020	2,050,197	75,377,444	(113,016)	71,629,892	148,944,517	6,863,254	155,807,771
Total Comprehensive income							
Profit for the year	-	-	-	26,148,786	26,148,786	(431,863)	25,716,923
Other comprehensive income	-	-	5,100	(1,202,906)	(1,197,806)	(42,840)	(1,240,646)
Total comprehensive income for the year	-	-	5,100	24,945,880	24,950,980	(474,703)	24,476,277
Transactions with owners recorded directly to equity							
Dividends declared (Note 38)	-	-	-	(5,753,101)	(5,753,101)	-	(5,753,101)
Write-back of unclaimed dividend	-	-	-	83,003	83,003	-	83,003
Total Contribution by and distribution to owners of the company recognised directly in equity	-	-	-	(5,670,098)	(5,670,098)	-	(5,670,098)
Balance at March 31, 2021	2,050,197	75,377,444	(107,916)	90,905,674	168,225,399	6,388,551	174,613,950

The accompanying notes and significant accounting policies form an integral part of these financial statements

Financial Statements

(continued)

Separate statement of changes in equity

FOR THE YEAR ENDED 31 MARCH

Company	Share Capital	Share Premium	Fair Value Reserve	Retained Earnings	Total Attributable to equity holders of the company	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000
Balance at April 1, 2019	2,050,197	75,377,444	(94,316)	61,595,948	138,929,273	138,929,273
Total Comprehensive income						
Profit for the year	-	-	-	12,582,571	12,582,571	12,582,571
Other comprehensive income	-	-	(18,700)	(313,458)	(332,158)	(332,158)
Total comprehensive income for the year	-	-	(18,700)	12,269,113	12,250,413	12,250,413
Transactions with owners recorded directly to equity						
Dividends declared (Note 38)	-	-	-	(4,920,475)	(4,920,475)	(4,920,475)
Write-back of unclaimed dividend	57,679	57,679	57,679	57,679	57,679	57,679
Total Contribution by and distribution to owners of the company recognised directly in equity	-	-	-	(4,862,796)	(4,862,796)	(4,862,796)
Balance at March 31, 2020	2,050,197	75,377,444	(113,016)	69,002,265	146,316,890	146,316,890
Balance at April 1, 2020	2,050,197	75,377,444	(113,016)	69,002,265	146,316,890	146,316,890
Total Comprehensive income						
Profit for the year	-	-	-	20,172,489	20,172,489	20,172,489
Other comprehensive income	-	-	5,100	(958,134)	(953,034)	(953,034)
Total comprehensive income for the year	-	-	5,100	19,214,355	19,219,455	19,219,455
Transactions with owners recorded directly to equity						
Dividends declared (Note 38)	-	-	-	(5,670,098)	(5,670,098)	(5,670,098)
Write-back of unclaimed dividend	-	-	-	83,003	83,003	83,003
Total Contribution by and distribution to owners of the company recognised directly in equity	-	-	-	(5,657,551)	(5,657,551)	(5,657,551)
Balance at March 31, 2021	2,050,197	75,377,444	(107,916)	82,559,069	159,878,794	159,878,794

The accompanying notes and significant accounting policies form an integral part of these financial statements

Consolidated and separate Statements of Cash Flow

FOR THE YEAR ENDED 31 MARCH

	Notes	Group		Company	
		2021 (N'000)	2020 (N'000)	2021 (N'000)	2020 (N'000)
Cash flows from operating activities					
Cash generated from operations	31	33,291,942	70,323,546	11,532,588	32,920,733
Income tax paid	15	(2,942,872)	(2,562,378)	(610,894)	(336,250)
Long Service award benefit paid	35	(165,335)	(140,327)	(152,335)	(41,586)
Retirement benefit paid	34	(332,576)	(940,525)	(291,297)	(603,078)
Net cash from operating activities		29,851,159	66,680,316	10,478,062	31,939,819
Cash flows from investing activities					
Purchase of property plant and equipment	18	(19,425,792)	(16,216,197)	(13,839,760)	(11,740,814)
Proceeds from sale of property plant and equipment		546,750	229,340	530,591	76,893
Acquisition of right of use asset	40	(2,293,325)	(33,095)	(12,500)	(33,095)
Acquisition of intangible assets	20	(19,191)	(2,142)	-	(2,142)
Acquisition of investment property	19	(4,195)	-	-	-
Loans repayments from related companies	25	-	-	87,215,220	19,172,138
Loans granted to related companies	25	-	-	(94,116,111)	(10,051,568)
Purchase of biological assets	24	(881,472)	(163,562)	-	-
Interest received	13	3,652,138	2,392,649	6,532,315	10,779,035
Dividend received	13	-	-	4,514,183	3,975,000
Net cash (used in)/generated from investing activities		(18,425,087)	(13,793,007)	(9,176,062)	12,175,448
Cash flows from investing activities					
Proceeds from borrowings	33	88,503,452	126,950,415	73,216,237	76,384,800
Repayments of borrowings	33	(63,292,881)	(139,604,896)	(46,070,438)	(96,205,655)
Repayments of lease liabilities	41	(1,740,546)	(2,541,665)	(168,412)	(1,370,689)
Dividend paid	38	(5,453,991)	(4,669,639)	(5,441,444)	(4,669,639)
Unclaimed dividend received	38	6,494	-	-	-
Finance costs paid		(17,373,764)	(19,975,470)	(9,960,941)	(12,293,277)
Net cash generated from/(used in) financing activities		648,764	(39,841,255)	11,575,002	(38,154,460)
Net increase in cash and cash equivalents		12,074,836	13,046,054	12,877,002	5,960,807
Cash and cash equivalents, beginning of the year		20,668,446	7,554,408	14,479,048	8,459,148
Effect of exchange difference		419,166	67,984	268,665	59,093
Cash and cash equivalents, end of the year		33,162,448	20,668,446	27,624,715	14,479,048

The accompanying notes and significant accounting policies form an integral part of these financial statements

Notes to the Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements for the year ended 31 March 2021

1.1 Reporting entity

Flour Mills of Nigeria Plc (The Company) was incorporated in Nigeria as a private limited liability Company on 29 September 1960 and was converted to a public liability company in November 1978. Its registered head office is located at 1 Golden Penny Place, Apapa, Lagos. These financial statements comprise the Company and its subsidiaries (together referred to as the "Group")

1.2 Principal activities

The Group is primarily engaged in flour milling, production of pasta, noodles, edible oil and refined sugar, production of livestock feeds, farming and other agro-allied activities, distribution and sales of fertilizer, manufacturing and marketing of laminated woven polypropylene sacks and flexible packaging materials, development of real estate properties for rental, operation of terminals A and B at the Apapa Port, customs clearing, forwarding agents, shipping agents and logistics.

1.3 Going concern status

The financial statements have been prepared on a going concern basis. The Directors believe that there is no intention or threat from any source to curtail significantly the Company's lines of business in the foreseeable future. The directors have also evaluated the impact of the COVID-19 pandemic on its operations and financial position and believes the Group and Company have capacity to continue in business for the foreseeable future.

1.4 Ownership structure

Name of shareholder	Number of shares held	% of share capital
Excelsior Shipping Company Limited	2,597,314,890	63
Other individuals and institutional shareholders	1,503,080,716	37
	4,100,395,606	100

The ultimate holding company is Excelsior Shipping Company Limited, a company registered in Liberia.

The beneficial owner of Excelsior Shipping Company is a trust established by the late Mr. John S. Coumantaros.

1.5 Financial period

These consolidated and separate financial statements cover the financial period from 1 April 2020 to 31 March 2021, with comparatives for year ended 31 March 2020.

1.6 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and the requirements of the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council (FRC) of Nigeria Act, 2020.

The financial statements were authorised for issue by the board on 28 June 2021.

1.7 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Agricultural produce: Fair value less cost to sell.
- Non-bearer plant biological assets: Fair value where possible and cost where it is impossible to determine the fair value.
- Financial instruments: Initially measured at fair value and subsequently measured at amortised cost.
- Inventories: Lower of cost and net realisable value
- Defined benefits obligations: Present value of the obligation
- Available for sale financial assets: Fair value through other comprehensive income
- Derivative financial assets and liabilities: Fair value

1.8 Functional and presentation currency

For the purpose of these financial statements, the results and financial position of the Company and its subsidiaries are expressed in Naira, which is the functional currency of the Company, and the presentation currency for the Company and the Group financial statements. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2. Significant accounting policies

The following accounting policies have been applied consistently to all periods presented in these financial statements, except if mentioned otherwise.

2.1 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 and assessing performance of the operating segments, has been identified as the Board of Directors of Flours Mills of Nigeria Plc. The Group’s primary format for segment reporting is based on business operating segments. Where applicable, segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The basis of segmental reporting has been set out in note 8

2.2 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent company and its subsidiaries. The Group has power to exercise control over these subsidiaries. Control is exposure (right) to variable returns from an involvement with an investee and an ability to affect those returns through power over the investee. This is generally accompanied by a share of more than 50% of the voting rights.

The financial information of the subsidiaries are prepared as of the same reporting date and consolidated using consistent accounting policies. Subsidiaries are consolidated from the date on which control is transferred to the group and are included until the date on which the Group ceases to control them. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group’s interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interest which result in change in ownership levels, where the group has control of the subsidiary both before and after the transaction are regarded as equity transactions and are recognised directly in the statement of changes in equity.

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given (at the date of exchange), liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. When the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. Costs directly attributable to the business combination are expensed as incurred in statement of profit or loss, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously-held interests in the acquired entity are remeasured at fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3, Business combinations are recognized and measured at their fair value at the acquisition date, except:

- deferred tax assets or liabilities arising from the assets acquired and liabilities assumed are measured in accordance with the Group's accounting policy on taxation.
- liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with the Group's accounting policy on employee benefits;
- assets (or disposal groups) that are classified as held for sale in accordance with the Group's accounting policy on Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with the applicable Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair value of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain. Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be

initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

Business combination of entities under common control

Business combinations in which all of the entities or businesses are ultimately controlled by the Group both before and after the combination and that control is not transitory are recognised as common control transactions. Where the transaction takes the form of a merger in which individual assets are acquired and liabilities assumed rather than the shares in the business being acquired, the acquirer accounts for such assets and liabilities at book value and the difference between the carrying value of the investments and the net assets acquired is recognised in retained earnings.

The result of the merged subsidiary is included in the separate financial statements of the existing entity as if the merger occurred at the beginning of the financial year.

Interests in subsidiaries in Company separate financial statements

In the company's separate financial statements, investment in subsidiaries are carried at cost less any accumulated impairment. The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

Investments in subsidiaries are eliminated on consolidation in the Group financial statements.

Loss of Control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related non-controlling interest and other component of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

2.3 Revenue from contracts with customers

Revenue represents the net value of goods sold (including delivery charges) to customers net of discounts and value added tax. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Nature and timing of satisfaction of performance obligation, including significant payment terms

Customer gain control of goods when the goods have been delivered and accepted at their premises or when the goods are picked up by the customer. Invoices are generated at that point in time. Invoices are usually payable within 30 days. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Revenue recognition

Revenue is recognised when the goods are delivered and have been accepted by customers at their premises or when the goods are picked up by the customer.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The Company reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

Rendering of services

Revenue represents the net value of services in respect of various services which includes haulage services, port services, packaging services e.t.c. rendered to third parties net of discounts and value added tax. The above services can be obtained from other providers and do not significantly customise or modify the sale of the Group’s products. The Group recognises revenue from port and haulage services over time.

Advance payments received for goods yet to be delivered

and services yet to be rendered by the Group/Company are recognized as customer deposit liabilities on the statement of financial position and revenue is recognised as soon as goods have been delivered or services have been rendered.

2.4 Biological assets

Biological asset or agriculture produce is recognised only when the Group controls the asset as a result of past events, it is probable that future economic benefits will flow to the entity, and the fair value or cost of the asset can be measured reliably. Biological assets comprise growing sugar cane, oil palm fresh fruit bunches and cassava as well as poultry. Biological assets are measured on initial recognition and subsequently at fair value less cost to sell.

Agricultural produce at the point of harvest are measured at fair value less cost to sell and are subsequently reclassified from agricultural produce to inventory and measured in accordance with the accounting policy on inventories. Fair value gain or loss arising on initial and subsequent measurement is recognised in profit or loss for the period in which it arises.

2.5 Investment property

Investment property are properties held for long term rental yields. Investment properties are carried in the Group statement of financial position at cost less accumulated depreciation. Cost includes transaction costs on initial recognition.

Investment property is initially measured at cost and depreciated on a straight line basis to allocate cost less residual values of the assets over their estimated useful lives.

Depreciation of Investment property is calculated on a straight line basis to allocate cost less residual values of the assets over their estimated useful lives. Investment property (building) is depreciated over a useful life of 50 years.

Investment property is derecognised in the event of transfer of the investment property or the disposal of the investment property. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

2.6 Property, plant and equipment

The cost of an item of property, plant and equipment is

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items, including the capitalisation of borrowing costs on qualifying assets.

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

Depreciation is calculated on a straight-line basis at rates deemed appropriate to write off the cost of the assets less their residual values over their expected useful lives.

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Items	Average Useful life
Buildings	50 years
Plant and machinery	5-25 years
Furniture, Fittings and Equipment	3-10 years
Motor Vehicles	4-5 years
Mature bearer plants	7-35 years
Freehold Land	Indefinite
Berth Rehabilitation	Over the lease period

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Assets in the course of construction (capital work-in-progress) are carried at cost, less any recognised impairment losses. Cost includes professional fees and for qualifying assets borrowing costs capitalised in accordance with the Group's accounting policy. Assets in the course of construction are not depreciated until they get to the stage of intended use.

Immature bearer plants are carried at cost and represents bearer plants that have been planted but have not reached a matured stage and have not started yielding biological assets. They are not depreciated.

2.7 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.
- intangible assets are initially recognised at cost.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses and residual values. Amortisation is recognised on a straight-line basis over their estimated useful lives and is generally recognized in profit or loss. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses less their estimated residual values.

Amortisation is recognised so as to write-off the cost of finite intangible assets, over their useful lives, using the straight-line method, on the following bases:

Item	Useful Life
Computer Software	3-5 years

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.8 Financial instruments

i. Recognition and initial measurement:

All financial instruments are measured initially at fair value plus directly attributable transaction costs and fees, except for those financial instruments that are subsequently measured at fair value where such transaction costs and fees are immediately recognized in profit or loss. Financial instruments are recognized (derecognized) on the date the group commits to purchase (sell) the instruments (trade date accounting).

The Group and Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument. Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through OCI (FVOCI) - debt investment; FVOCI - equity investment; or Fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group and 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 mortised cost 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 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 interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would

otherwise arise.

Financial assets - Business model assessment

The Group and Company makes an assessment of the objective of the business model in which a financial assets is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The following 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 realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group and 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 derecognition are not considered sales for this purpose, consistent with the Group and Company’s continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment 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.

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group and Company consider 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 Group and 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 Group's claim to cash flows from specified 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 par amount, 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. Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments. On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income; or fair value through profit or loss.

Broadly, the classification possibilities, which are adopted by the Group, as applicable, are as follows: Financial assets which are equity instruments:

- Designated as at fair value through other comprehensive Income. (This designation is not available to equity Instruments which are held for trading or which are Contingent consideration in a business combination). Financial assets which are debt instruments:
- Amortised cost. (This category applies only when the Contractual terms of the instrument give rise, on specified

dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Derivatives which are not part of a hedging relationship:
- Mandatorily at fair value through profit or loss.

Financial liabilities:

Amortised cost; or designated at fair value

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - 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 derecognition 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 OCI and are reclassified to profit or loss.
Equity investment 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.

Note 45 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

2.8.1 Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 27). Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component then they are recognised at fair value.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group’s business model is to

collect the contractual cash flows on trade and other receivables.

Impairment

Financial instruments and contract assets

The Group and Company recognises loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortised cost;
- debt investment measured at FVOCI; and
- contract assets

The Group and Company measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs using a simplified impairment methodology adjusted for current conditions and forward looking information.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group and Company’s historical experience and informed credit assessment and including forward- looking information.

The Group and Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group and Company considers a financial asset to be in default when;

- the borrower is unlikely to pay its credit obligation to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group and Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets

At each reporting date, the Company assesses financial assets carried at amortised cost are credit-impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- a breach of contract such as a default or being more than 90 days past due.

Loss allowance for the financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Presentation of allowance for ECL in the Statement of Financial Position

Loss allowance for financial assets measured at amortised costs are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowances is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group and Company have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is more than 1 year past due based on historical experience

of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group and Company expect no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due. Any recovery made is recognised in profit or loss.

2.8.2 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions, bank overdrafts and highly liquid investments generally with maturities of three months or less. Term deposit with tenor of one year or less are also included in cash and cash equivalents if they are held for short term cash commitments rather than for investment or other purposes. Cash equivalents are readily convertible into known amounts of cash and have an insignificant risk of changes in value. Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

2.8.3 Borrowings and loans from related parties

Recognition and measurement

Borrowings and loans from related parties are recognised when the Group and Company becomes a party to the contractual provisions of the loan. The loans are measured at initial recognition, at fair value plus transaction costs if any. They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (Note 14.)

Borrowings expose the Group and Company to liquidity risk and interest rate risk. Refer to Note 45 for details of risk exposure and management thereof.

2.8.4 Trade and other payables

Recognition and measurement

They are recognised when the Group and Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest method if the impact of discounting is material.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the Group and Company to liquidity risk and possibly to interest rate risk. Refer to note 45 for details of risk exposure and management thereof.

2.8.5 Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

2.8.6 Derivatives and hedge accounting

Classification

The Group and Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit

or loss. At inception of the designated hedging relationship, the Group and Company documents the risk management objective and strategy for undertaking the hedge. The Group and Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. The Group and Company enters into a variety of derivative financial instruments in order to manage its exposure to foreign exchange risk and interest rate risk. Derivatives held by the Group and Company which are not in designated hedging relationships, include forward exchange contracts. (Note 28).

Recognition and measurement

Derivatives are recognised when the Group and Company becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Directly attributed transaction costs are also recognised in profit or loss. Fair value gains or losses are included in other operating gains (losses) (Note 9). Details of the valuation policies and processes are presented in Note 46.

2.8.7 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and Company currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.8.8 Derecognition

Financial assets

The Group and Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party or in which the Group and Company neither transfer nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. If the Group and Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and Company recognises its retained interest in the asset and an associated liability

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

for amounts it may have to pay. If the Group and Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Group and Company derecognises financial liabilities when, and only when, the Group and Company obligations are discharged, cancelled or they expire. The Group and Company also derecognises 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 recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability. If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For loan modification relating to interest rate reduction granted by the government, the Group accounts for the gain as government grant and amortises the benefit in profit or loss on a systematic basis over the period of the loan.

2.9 Taxation

Income tax expense comprises current tax (company income tax, tertiary education tax, Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows;

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).

Total amount of tax payable under Company Income Tax Act is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

The Group and Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

Minimum tax, which is based on a gross amount is outside the scope of IAS 12 and therefore not presented as part of income tax expense in the profit or loss. Minimum tax was computed for the Group subsidiaries with no assessable or total profits, or tax payable which was less than minimum tax. On 31 December 2020, the President signed the Finance Act, 2020 into law, which provides for a reduced minimum tax rate of 0.25% (2020: 0.5%) of gross turnover. The reduced rate of 0.25% applies to corporate tax returns due on any date between 1 January 2020 and 31 December 2021. The Group and the Company recognises minimum tax payable to the tax authority as part of its company income tax payable in the statement of financial position.

Nigeria Police Trust Fund levy-Nigeria Police Trust Fund levy is based on the Net profit of the Company and is governed by the Nigeria Police Trust Fund (Establishment) Act, 2019.

Implementation of Finance Act

The Finance Act (the Act) introduced sweeping changes to the Nigerian tax laws; the amendments were generally to promote fiscal equity, align local tax laws with global best practices and support small businesses in line with the Ease of doing business reforms. The Act also provided clarification on controversial and unclear areas of the tax laws.

The Federal Inland Revenue Service (FIRS) recently issued circulars to provide guidance to taxpayers on the transition process and implementation of the changes in the Act.

The Company has reviewed the amendments introduced by the Finance Act, evaluated the impact of the changes on its operations and has put in place mechanisms to align with the new tax laws. The Company also constantly reviews its operations to ensure that the changes have been implemented appropriately and confirm compliance with the new laws.

Accounting for uncertain tax treatments

Uncertainty over Income Tax Treatments

The interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. Specifically, if it is probable that the tax authorities will accept the uncertain tax treatment, then all tax related items are measured according to the planned tax treatment. If it is not probable that the tax authorities will accept the uncertain tax treatment, then the tax related items are measured on the basis of the probabilities to reflect the uncertainty. Changes in facts and circumstances are required to be treated as changes in estimates and applied prospectively.

The Company has applied IFRIC 23 by evaluating the cumulative effect of initially applying the interpretation as an adjustment to the opening balance of retained earnings of the annual reporting period. At the date of initial transition, there were no adjustments relating to uncertainty over income taxes recorded in the opening balance of retained earnings. The Company’s compliance framework ensures that the tax treatment accorded to its operations is in line with the enacted tax laws.

The Company’s judgements with respect to income taxes are based on the likelihoods that the tax authority will accept an uncertain tax treatment that has been taken or is expected to be taken on its tax returns. The Company specifically reviews

whether its tax treatments are consistent with requirements and recommendations of the tax laws while ensuring its proper coverage of avoidable tax risks and exposures in process.

The Company measures the impact of uncertainty using the method that best predicts the resolution of the uncertainty ; either the most likely amount method or the expected value method. Furthermore, the judgements and estimates made to recognize and measure the effect of uncertain tax treatments are reassessed whenever circumstances change or when there is new information that affect those judgments.

The Company did not adopt any uncertain tax position during the year and therefore, no provision has been made in this regard.

Deferred tax assets and liabilities

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated and separate financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for unused tax losses and for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary differences will be utilised and they are expected to reverse in the foreseeable future.

Future taxable profits are determined based on the reversal

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.10 Leases

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end

of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment.

When the lease liability is remeasured in this way, a

corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in ‘property, plant and equipment’ and lease liabilities in ‘loans and borrowings’ in the statement of financial position. A lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of its original terms and conditions.

- for a modification that is not a separate lease, at the effective date of the modification the Group and Company accounts for it by remeasuring the lease liability using a discount rate determined at that date and;
- for modifications that decrease the scope of the lease, the Group and Company accounts for it by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognising a gain or loss that reflects the proportionate decrease in scope; and
- for all other modifications, the Group and Company accounts for it by making a corresponding adjustment to the right-of use asset.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-

term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘other revenue’.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

The Group has elected not to recognise right of use asset and lease liabilities for leases of short term and low value assets. The Group recognises the lease payments associated with these leases as an expenses on a straight line over the lease term.

Rental income from letting property is recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are considered as an integral part of the total rental income and recognised over the term of the lease. Rental income from the ordinary business of the group is recognised as revenue, while rental income from activities other than the ordinary business are recognised in net operating gains or losses.

2.11 Inventories

Inventory are measured at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The basis of costing of different Inventory types are as follows:

- Raw materials, components: Purchase cost including transportation and other incidental cost on a First In First Out (FIFO) basis.
- Goods in transit: Purchase cost incurred to date and other

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

incidental costs and recognised as part of raw materials, consumable stores and maintenance spares as applicable

- Work in progress: Weighted average cost
- Finished goods: Purchase cost of direct materials, labour and a reasonable allocation of overheads based on normal operating capacity on a weighted average basis.
- Harvested agricultural produce: Fair value less cost to sell at the point of harvest.
- Consumable stores and maintenance spares: Weighted average cost.

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.

Inventories includes a "right to returned goods asset" which represents the group right to recover products from customers where customers exercise their right of return under the group returns policy. The group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

2.12 Goodwill

Goodwill represents the excess of the consideration over the fair value of the net identifiable assets of the acquired entity at the date of the acquisition. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

The excess of the purchase price over the carrying amount of non-controlling interest, when the Group increases its interest in an existing subsidiary, is recognised in equity. Goodwill is tested annually for impairment. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash-generating units that are expected to benefit from the business combination.

2.13 Non-current assets (disposal groups) held for sale or distribution to owners

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups are classified as held for distribution to owners when the entity is committed to distribute the asset or disposal group to the owners. This condition is regarded as met only when the distribution is highly probable and the asset (or disposal group) is available for immediate distribution in its present condition, provided the distribution is expected to be completed within one year from the classification date.

Non-current assets (or disposal groups) held for sale (distribution to owners) are measured at the lower of their carrying amount and fair value less costs to sell (distribute). A non-current asset is not depreciated (or amortised) while it is classified as held for sale (held for distribution to owners), or while it is part of a disposal group classified as such.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale (distribution to owners) are recognised in profit or loss.

2.14 Impairment of tangible and intangible assets excluding goodwill, inventories, deferred tax assets and financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be

identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Whenever such indication exists, the assets recoverable amount is estimated. The impairment is the carrying amount less the recoverable amount of the assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.15 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.

The Company has only one class of shares; ordinary shares. Ordinary shares are classified as equity. When new shares are

issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve. The use of the share premium account is governed by Companies and Allied Matters Act (CAMA), 2020. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Incremental costs directly attributable to the issue of Ordinary shares are recognised as deduction from equity. Fair value reserve comprises the cumulative net change in the fair value of available for sale financial assets until the assets are derecognised or impaired.

The Group's quasi equity investments are classified as equity instruments as the terms of the agreement does not contain an obligation to make principal or interest repayment except at the discretion of issuer. Discretionary payment of principal and interest on quasi equity investment are accounted for in equity as an equity transaction.

2.16 Deposit for imports

Foreign currencies applied to fund letters of credit in respect of imported raw materials, spare parts and machinery are recognised as deposit for imports on the statement of financial position.

2.17 Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid as cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

The Group and Company operate a defined contribution based retirement benefit scheme for its staff, in accordance with the Pension Reform Act of 2014 with employee contributing 8% and the employer contributing 10% each of the employee's relevant emoluments (basic salaries, housing and transport allowances). Payments to defined contribution retirement

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions. Employees contributions are deducted through payroll.

Defined benefits

The Group and Company also operates a gratuity scheme for its qualified staff. Benefits are related to the employees' length of service and remuneration. The gratuity obligation is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period by an independent actuary. All actuarial gains and losses are recognised immediately through other comprehensive income. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability. The Company's obligation in respect of the scheme is the amount of future benefits that employees have earned in return for their service in the current and prior periods.

The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximate to the term of the company's defined benefits obligation. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net Interest Expenses
- Remeasurement (actuarial gains and losses)

The service cost and net interest expense are charged to the profit or loss while the gains and loss due to remeasurement are charged to other comprehensive income.

Although the scheme is not funded the Group ensures that adequate arrangements are in place to meet its obligations under the scheme.

Long service award

In addition, the Group operates long service award for its qualified staff. The benefits are graduated depending on the employees number of years in service to the group. The Group's obligation in respect of the scheme is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of

Nigeria issued bonds that have maturity dates approximate to the term of the Group's defined benefits obligation. The obligation is determined by an independent actuary at each reporting period.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. Gains or losses due to remeasurement of long service awards are recognised in profit or loss.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2.18 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation as a result of past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cashflows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the

receivable can be measured reliably.

Restructuring

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity. Future operating losses are not provided for.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

2.19 Government grants

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended

to compensate.

2.20 Investment income

Dividend income from investments is recognised when the shareholders’ rights to receive payment have been established by approval of dividend at the annual general meeting of the investee (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

2.21 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

2.22 Borrowing costs

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds. These include interest expenses calculated using the effective interest rate method, finance charges in respect of finance leases and exchange differences arising from foreign currency borrowings. Where a range of debt instruments is used to borrow funds, or where the financing activities are coordinated centrally, a weighted average capitalisation rate is applied.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

those assets, until such time as the assets are substantially ready for their intended use or sale. The Group defines a qualifying asset as an asset that takes more than a year to prepare for its intended use.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.23 Foreign currencies translations

Foreign currency transactions

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non monetary items that are measured based on historical cost in foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences on monetary items are recognised in the profit or loss in the period in which they arise. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual report are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Naira by applying to the foreign currency amount the exchange rate between the Naira and the foreign currency at the date of the cash flow.

2.24 Statement of cash flows

The Group applies the indirect method for preparation of the

statement of cash flows. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes and other non-cash items have been adjusted for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Interest paid is also included in financing activities while finance and dividend income is included in investing activities.

2.25 Dividends

Dividends which remain unclaimed for a period exceeding twelve (12) years from the date of declaration and which are no longer actionable by shareholders in accordance with the Companies and Allied Matters (CAMA), 2020 are written back to retained earnings.

2.26 Net Operating Gains/Losses

Net operating gains and losses is the result generated from the fees earned, rental income, government grants, fair value gains on derivatives, foreign exchange differences, profit or loss on disposal of property, plant and equipment, impairment of non-financial assets and other sundry income.

2.27 Cost of Sales

Cost of sales represents decreases in economic benefits during the accounting period that are directly related to revenue-generating activities of the Group. Cost of sales is recognized on an accrual bases regardless of the time of spending cash and measured at historical cost.

2.28 Prepayment

Prepayments are non-financial assets which result when payments are made in advance of the receipt of goods and services. They are recognised when the Company expects to receive future economic benefits equivalent to the value of the prepayments. The receipt or consumption of the services results in a reduction in the prepayment and a corresponding increase in expenses or assets for that reporting period.

2.29 Other investments

Other investments are equity instruments of unrelated entities owned by the Group. The Group assesses the fair value of the instrument at the end of each reporting period. The Group and

the Company has designated other investments as at fair value through other comprehensive income.

2.30 Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity-accounted investees and income taxes.'

3 Significant judgements, assumptions and sources of estimation uncertainty

The preparation of financial statement in conformity with IFRS requires Directors, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Use of Judgements

Information about judgements made in applying accounting policies that have the most significant effect on the amount recognised in the financial statement is included in the following notes;

- Note (6) revenue recognition: whether revenue from services is recognised over time or at a point in time
- Note (41) lease term; whether the Group is reasonably certain to exercise extension options

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as at 31 March 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of costs and liabilities in the next financial year is included in the following notes

- Note (34) and (35)- recognition of defined benefit obligation: key actuarial assumptions;
- Note (24) determining the fair value of biological assets on the basis of significant unobservable inputs;
- Note (20) and (21)- impairment test of intangible assets and goodwill; key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Note (16)- recognition of deferred tax assets: availability and timing of future taxable profit against which deductible temporary difference and tax losses carried forward can be utilised;
- Note(37) and (52)- recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources;
- Note (27) measurement of ECL allowance for the receivables and contract assets; key assumptions in determining the weighted-average loss rate; and

Other areas of estimating uncertainties are disclosed below:

Biological assets

Fair value of biological assets is measured with reference to the estimated price in an active market at the point of harvest adjusted for its present location and stage of maturity/condition. Judgement is involved in the determination of the adjustment required to the market price to reflect the stage of maturity/condition of the biological assets.

Allowance for credit losses

The Company periodically assesses its trade and other receivables for probability of credit losses. Management considers several factors including past credit record, current financial position and credibility of customers. Judgment is exercised in determining the allowances made for credit losses.

Impairment allowance are made for receivables that have been outstanding for 365 days, in respect of which there is no firm commitment to pay by the customer.

Furthermore all balances are reviewed for evidence of impairment and provided against once recovery is doubtful. These assessments are subjective and involve a significant element of judgment by management on the ultimate recoverability of amounts receivable.

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

Contingencies

Judgements and assumptions are made about the likelihood and magnitude of an outflow of resources with respect to ongoing litigation and claims and regulatory audits.

Measurement of government grant

As at the end of the reporting period, the Group was granted some government assisted loans at below market rates. In accordance with IAS 20, the government grant which is the difference between the proceeds of the loans and their fair value should be accounted for. Based on IAS 39, all financial liabilities should be initially recognized at fair value. In computing the fair value of these loans, the imputed interest rate used in discounting the cash flows associated with the loans is based on management judgement of best estimate of its borrowing cost at the time the loans were granted.

Provision for gratuity

The Company operates an unfunded defined benefit scheme which entitles staff who put in a minimum qualifying working period of five years to gratuity upon leaving the employment of the Company. IAS 19 requires the application of the Projected Unit Credit Method for actuarial valuations.

Actuarial measurements involve the making of several demographic projections regarding mortality, rates of employee turnover etc. and financial projections in the area of future salaries and benefit levels, discount rate, inflation etc.

Provision for long service award

A provision for Long term service award is granted at first to employees that have spent a minimum of ten years in service and for every multiple five years an employee remains in service. IAS 19 requires the application of the Projected Unit Credit Method for actuarial valuations. Actuarial measurements involve the making of several demographic projections regarding mortality, rates of employee turnover etc. and financial projections in the area of future salaries and benefit levels, discount rate, inflation etc.

The Group's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose treatment cannot be finally determined until resolution has been reached with the relevant tax authority.

Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash generating units to which goodwill has been allocated. The value in use calculations requires directors to estimate the future cashflows expected to arise from the cash generating unit and use a suitable discount rate to calculate the present value. The determination of the expected future cashflows requires judgement to be made by management. Where the actual future cashflows are less than expected, an impairment loss may arise.

Measurement of fair value

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Significant valuation issues are reported to the Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

In some cases, if the inputs used to measure the fair value of an asset or a liability is categorised in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group/Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the basis of determination of fair

values are included in Note 45 Financial Instruments - Fair Values and Financial Risk Management.

4. New Standards and Interpretations

4.1 Standards and interpretations issued and effective during the year.

In the current year, the Company has applied a number of amendments to IFRS standards and interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2020.Their adoption has not had any material impact on the disclosures or on the amount reported in these financial statements. Those applicable to the Company include:

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)

4.2 Standards and interpretations issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group had not adopted the new or amended standards in preparing these consolidated financial statements. These include the following standards and interpretations that are applicable to the business of the Group and Company but are not expected to have a significant impact on the Group and Company’s financial statements.

A. Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments are recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The Group has determined that all contracts existing at 31 March 2021 will be completed before the amendments become effective.

B. Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to:

- changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and
- hedge accounting.

i. Change in basis for determining cash flows

The amendments will require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability. At 31 March 2021, the Group does not have any LIBOR secured bank loans that will be subject to IBOR reform. The Group expects that the interest rate benchmark for these loans will be changed to Sterling Overnight Indexed Average (SONIA) in 2021 and that no significant modification gain or loss will arise as a result of applying the amendments to these changes.

ii. Hedge accounting

The amendments provide exceptions to the hedge accounting requirements in the following areas.

- Allow amendment of the designation of a hedging relationship to reflect changes that are required by the reform.
- When a hedged item in a cash flow hedge is amended to reflect the changes that are required by the reform, the amount accumulated in the cash flow hedge reserve will be deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.
- When a group of items is designated as a hedged item and an item in the group is amended to reflect the changes that are required by the reform, the hedged items are allocated to subgroups based on the benchmark rates being hedged.
- If an entity reasonably expects that an alternative benchmark rate will be separately identifiable within a

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

period of 24 months, it is not prohibited from designating the rate as a non-contractual rate.

At 31 March 2021, the Group does not have cash flow hedges of sterling LIBOR risk. The Group expects that indexation of the hedged items and hedging instruments to sterling LIBOR will be replaced with Sterling Overnight Indexed Average (SONIA) in 2021. Whenever the replacement occurs, the Group expects to apply the amendments related to hedge accounting. However, there is uncertainty about when and how replacement may occur. When the change occurs to the hedged item or the hedging instrument, the Group will remeasure the cumulative change in fair value of the hedged item or the fair value of the interest rate swap, respectively, based on Sterling Overnight Indexed Average (SONIA). Hedging relationships may experience hedge ineffectiveness if there is a timing or other mismatch between the transition of the hedged item and that of the hedging instrument to Sterling Overnight Indexed Average (SONIA). The Group does not expect that amounts accumulated in the cash flow hedge reserve will be immediately reclassified to profit or loss because of IBOR transition.

iii. Disclosure

The amendments will require the Group to disclose additional information about the entity's exposure to risks arising from interest rate benchmark reform and related risk management activities.

iv. Transition

The Group plans to apply the amendments from 1 April 2021. Application will not impact amounts reported for 2020 or prior periods.

C. Other standards

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16).
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).

6. Revenue

	Group		Company	
Revenue from contract with customers	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Sale of goods	742,409,203	561,447,304	508,936,408	374,211,021
Rendering of services	29,198,676	12,327,052	26,945,177	20,673,196
Revenue from continuing operations	771,607,880	573,774,356	535,881,585	394,884,217

Analysis by segment	Group		Company	
Sales of Goods point in time	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Food	478,331,803	358,353,952	501,699,568	370,800,950
Agro Allied	139,439,315	105,463,639	7,236,840	3,410,071
Sugar	124,638,085	97,629,713	-	-
<i>Provision of services- overtime</i>				
Support Services	29,198,676	12,327,052	26,945,177	20,673,196
	771,607,880	573,774,356	535,881,585	394,884,217

*Agro allied in the company relates to the sale of Golden Penny Vegetable Oil, Soya Oil and Margarine products.

7. Cost of sales by nature

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Cost of raw and packing materials	583,617,387	435,482,212	433,791,906	317,813,610
Production employee cost	20,369,804	17,510,118	13,707,565	11,638,229
Depreciation	21,605,817	20,043,536	11,048,759	9,865,073
Fuel and oil	17,806,799	16,524,838	9,478,234	8,265,710
Factory rent and rates	326,077	293,007	922,387	40,848
Factory repairs and maintenance	11,799,364	10,518,732	6,288,289	5,045,250
Insurance	745,296	550,767	398,073	228,332
Other Production expenses	8,580,326	7,063,969	2,530,895	2,055,689
	664,850,870	507,987,179	478,166,108	354,952,741

8. Segment information

Information reported to the chief operating decision makers (board of directors) for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Basic Segmentation

The Group has the following four strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they require different operational and marketing strategies. Inter-segment pricing is determined on an arm’s length basis.

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

The following summary describes the operations of each reportable segment:

Food	Milling and sales of Flour production and sales of pasta, snacks sugar and noodle
Agro allied	Farming of maize, cassava, soya, sugar cane, and oil palm and production and sales of fertilizer, edible oils, livestock feeds and poultry products.
Support services	Manufacturing and marketing of laminated woven polypropylene sacks and flexible packing materials. Port terminal operations, customs clearing and forwarding, shipping and haulage services and leasing of investment property.
Sugar	Cultivation and processing of sugarcane, refining and selling of sugar and sale of by- products from sugar refining.

The Board of Directors of Flour Mills of Nigeria Plc reviews the internal management reports of each segment on a periodic basis. There are varying levels of integration between the Food and the Agro allied segments and the Sugar and Services segments. This integration includes transfer and sale of raw and packaging materials and shared distribution services respectively. All non-current asset of the group are domiciled in Nigeria.

Segment revenue and profit or loss

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

31 MARCH 2021

Group	Revenue (N'000)	Cost of Sale (N'000)	Gross profit (N'000)
Food	478,331,803	424,068,931	54,262,872
Agro Allied	139,439,315	120,906,119	18,533,196
Sugar	124,638,085	103,331,096	21,306,989
Support Services	29,198,677	16,544,723	12,653,954
	771,607,880	664,850,870	106,757,010

30 MARCH 2020

Group	Revenue (N'000)	Cost of Sale (N'000)	Gross profit (N'000)
Food	358,353,952	322,268,651	36,085,301
Agro Allied	105,463,639	93,873,408	11,590,231
Sugar	97,629,713	83,117,290	14,512,423
Support Services	12,327,052	8,727,830	3,599,222
	573,774,356	507,987,179	65,787,177

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
	Segment Revenue	Segment Profit/(loss)	Segment Revenue	Segment Profit/(loss)
Food	549,708,721	36,432,298	404,613,601	26,522,007
Agro Allied	165,941,119	13,910,749	120,859,450	502,717
Sugar	128,279,967	6,902,012	101,687,189	5,132,020
Support Services	36,815,379	1,946,221	39,013,467	(2,615,236)
Elimination of inter-segment revenue	(109,137,306)	-	(92,399,351)	-
Elimination of inter-segment profit/loss	-	(21,997,613)	-	(12,044,693)
	771,607,880	37,193,667	573,774,356	17,496,815

Revenue from customers domiciled in Nigeria amounted to N753.8 billion (2020: N569.4 billion), while revenue from foreign customers (export revenue) amounted to N17.2 billion (2020: N4.3 billion).

The accounting policies of the reportable segments are the same as the Group’s accounting policies described in note 2. Segment profit represents the profit earned by each segment without allocation of income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities - Group

Segment Assets	Cost of Sale (N'000)	Gross profit (N'000)
Food	363,939,575	333,527,975
Agro Allied	188,875,471	116,935,062
Sugar	200,312,041	138,606,694
Support Services	73,696,006	21,568,682
Elimination of Inter-segment assets	(282,090,280)	(178,184,571)
	544,732,813	432,453,842

Segment Liabilities	Cost of Sale (N'000)	Gross profit (N'000)
Food	262,662,385	166,888,847
Agro Allied	85,847,086	43,898,988
Sugar	109,865,694	105,546,832
Support Services	6,704,895	23,132,799
Elimination of Inter-segment assets	(94,961,197)	(62,821,395)
	370,118,864	276,646,071

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

Other material items

Group	Food	Agro Allied	Sugar	Support Services	Reportable segment totals	Adjustments	Consolidated total
March 31,2021	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Interest income	(6,646,738)	(409,075)	(35,782)	(22,761)	(7,114,356)	3,462,218	(3,652,138)
Interest expense	10,248,872	3,213,674	6,598,698	1,695,792	21,757,036	(3,101,837)	18,655,198
Depreciation and amortisation	10,886,681	3,830,932	5,360,298	1,759,820	21,837,732	-	21,837,732
Fair value (loss)/gain on derivatives	(449,716)	(301,472)	(1,022,601)	-	(1,773,789)	-	(1,773,789)
	14,039,099	6,334,059	10,900,613	3,432,851	34,706,622	360,381	35,067,003
Group	Food	Agro Allied	Sugar	Support Services	Reportable segment totals	Adjustments	Consolidated total
March 31,2020	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Interest income	(11,055,812)	(1,342,736)	(25,083)	(68,086)	(12,491,717)	10,099,068	(2,392,649)
Interest expense	12,754,541	5,132,232	9,618,404	2,474,123	29,979,300	(10,003,830)	19,975,470
Capital expenditure	8,799,742	1,845,715	2,861,308	2,709,432	16,216,197	-	16,216,197
Depreciation and amortisation	9,428,708	3,001,980	5,124,103	2,555,011	20,109,802	-	20,109,802
Fair value (loss)/gain on derivatives	2,961,519	34,889	761,261	10,991	3,768,660	-	3,768,660
	22,888,698	8,672,080	18,339,993	7,681,471	57,582,242	95,238	57,677,480

9. Net Operating gains and (losses)

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Fees earned	1,285,512	441,660	606,274	-
Fair value (loss)/gain on derivatives	(1,773,789)	3,768,660	(449,716)	2,971,472
Rental income	197,977	646,183	202,954	241,200
Insurance claim	72,148	389,843	14,573	62,592
Sundry loss	(2,783,623)	(2,305,837)	(288,478)	(698,468)
Bad debts recovered	202,154	98,699	-	7,300
Write-off/Impairment of PPE	(4,641,907)	-	(594,523)	-
Government grants (Note 35)	4,291,923	4,082,033	571,828	207,611
(Loss)/profit on disposal of property, plant and equipment	(490,811)	(8,710)	(495,716)	20,889
Loss on exchange difference	(12,222,083)	(3,646,495)	(8,478,813)	(2,339,750)
Fair value changes in biological assets (Note 24)	334,048	1,439,647	-	-
	(15,528,451)	4,905,683	(8,911,617)	472,846

10. Selling and distribution expenses

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Employee costs	3,971,931	3,017,793	3,308,605	2,485,979
Advertisement	3,082,283	1,900,864	1,957,828	1,818,411
Selling expenses	5,025,320	4,359,737	3,139,870	3,057,439
	12,079,534	9,278,394	8,406,303	7,361,829

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

11. Administrative expenses

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Auditors remuneration	403,150	470,660	211,734	248,585
Bank charges	1,361,528	1,408,016	1,057,160	1,109,900
Legal and professional fees	1,410,870	942,622	539,507	538,041
Depreciation	2,463,839	2,016,072	1,517,523	2,165,187
Employee costs	9,112,815	8,750,849	6,576,266	6,232,958
Non income taxes, fines and penalty	2,789,354	1,119,908	351,481	552,532
Insurance	504,136	422,261	192,953	225,013
Computer related expenses	1,353,645	940,171	878,321	644,616
Medical, canteen and welfare expenses	1,038,515	1,164,592	765,085	949,666
Motor vehicle expenses	210,700	185,883	122,072	134,777
Fuel, gas and oil	235,913	322,677	133,536	192,780
General administrative expenses	1,632,423	1,866,722	581,244	218,078
Postages, telephone and cables	239,360	193,961	174,508	147,517
Printing and stationery	109,076	106,802	48,962	52,473
Rent and rate	138,708	323,126	182,106	183,428
Repairs and maintenance	1,176,281	753,481	490,915	361,212
Subscriptions and donations	3,762,170	1,419,649	2,579,964	1,111,526
Security services	294,224	410,834	107,860	90,497
Travelling expenses	809,114	527,916	737,071	407,146
	29,045,821	23,346,202	17,248,268	15,565,932

12. Employee Information

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Employee cost comprise:				
Salaries, wages and other benefits	29,446,444	24,810,923	20,518,520	16,829,742
Pensions	1,123,600	2,152,889	853,504	1,891,200
Long service awards	1,140,820	694,983	912,383	510,019
Gratuity	1,743,686	1,619,965	1,308,029	1,126,205
	33,454,550	29,278,760	23,592,436	20,357,166
Total employee costs recognised in profit or loss:				
Cost of sales	20,369,804	17,510,118	13,707,565	11,638,229
Administrative expenses	9,112,815	8,750,849	6,576,266	6,232,958
Selling and distribution expenses	3,971,931	3,017,793	3,308,605	2,485,979
	33,454,550	29,278,760	23,592,436	20,357,166

Average number of persons	Group		Company	
	31- MAR-21	31- MAR-20	31- MAR-21	31- MAR-20
Managerial	930	910	788	724
Non- managerial staff	4,153	4,117	3,021	2956
	5,083	5,027	3,809	3,680

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

Total Employee Cost	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
N.100,001 - N.200,000	160	164	160	164
N.200,001 - N.300,000	30	37	16	18
N.300,001 - N.400,000	138	212	128	104
N.400,001 - N.500,000	83	88	50	53
N.500,001 - N.600,000	170	181	136	119
N.600,001 - N.700,000	300	358	176	292
N.700,001 - N.800,000	180	301	152	248
N.800,001 - N.900,000	202	279	134	143
N.900,001 - N.1,000,000	300	355	135	127
N.1,000,001 and above	3,520	3,052	2,722	2,412
Total	5,083	5,027	3,809	3,680

13.Investment Income

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Dividend income				
Dividend income	-	-	4,514,183	3,975,000
Interest income				
Interest income from short term investments and bank deposits	3,652,138	2,392,649	3,308,738	2,108,842
Interest income from loans to related companies	-	-	3,223,577	8,670,193
Total Investment Income	3,652,138	2,392,649	11,046,498	14,754,035

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

14. Finance Cost

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Interest expense on loans from related parties	-	-	238,487	1,611,616
Interest on bond and commercial papers	7,488,629	3,381,180	7,488,629	3,381,180
Interest expense on lease liabilities	1,281,434	1,417,199	71,520	389,523
Interest on bank loans and overdrafts	9,885,135	15,177,091	2,233,825	6,910,958
Total finance costs	18,655,198	19,975,470	10,032,461	12,293,277

15. Taxation

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Per profit or loss				
Income tax charged	7,873,361	3,739,099	4,039,577	1,974,954
Tertiary education tax	1,445,393	1,016,142	648,547	590,651
Capital gain tax	613	-	584	-
Police Trust Fund Levy	3,111	1,229	1,409	876
Under/(over) provision in prior year	46,988	(699,359)	36,756	(273,451)
Current tax expense	9,369,466	4,057,111	4,726,873	2,293,030
Origination and reversal of temporary differences	2,198,494	1,819,739	3,284,239	2,662,084
Net income tax expense as per profit or loss	11,567,960	5,876,850	8,011,112	4,955,114

Corporation tax is calculated at 30% (2020: 30%) of the estimated taxable profit for the year while tertiary education tax is calculated at 2% (2020: 2%) of the estimated assessable profit for the year. The deferred tax charges recognised in the year relates to the origination and reversal of temporary differences.

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Per statement of financial position				
At 1 April	5,531,160	4,104,046	2,566,482	775,961
Charge for the period	9,369,466	4,057,111	4,726,873	2,293,031
Minimum tax	(91,216)	243,222	-	-
Payment during the year				
Cash	(2,942,872)	(2,562,378)	(610,894)	(336,250)
Withholding tax utilised	(2,384,853)	(310,841)	(1,992,347)	(166,260)
Current tax payable	9,481,685	5,531,160	4,690,116	2,566,482

Minimum Tax

Minimum tax was computed for the Group subsidiaries with no total profits, or tax payable which was less than minimum tax. On 31 December 2020, the President signed the Finance Act, 2020 into law, which provides for a reduced minimum tax rate of 0.25% of gross turnover. The reduced rate of 0.25% applies to corporate tax returns due on any date between 1 January 2020 and 31 December 2021. In this regard, minimum tax for the current year was computed at 0.25% of gross turnover and this amounted to ₦25.4million (2020: ₦243 million). Furthermore, due to the temporary reduction in minimum tax rate, the Group is entitled to a minimum tax credit of ₦116.57million arising from minimum tax paid for the financial year ended 31 March

2020 which gives a net minimum tax credit of ₦91.2million.

Reconciliation of effective tax rate

The Group and Company

Reconciliation of effective tax rate	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Profit before tax on continuing operations (A)	37,284,883	17,253,593	28,183,601	17,537,685
Tax at the statutory corporation tax rate of 30% (2020: 30%)	11,185,465	5,176,078	8,455,080	5,261,306
Effect of police trust fund levy	3111	1,229	1,409	877
Effect of capital gains tax	613	-	584	-
Effect of income that is exempt from taxation	(3,083,177)	(1,334,988)	(2,488,084)	(1,267,679)
Effect of expenses that are not deductible in determining taxable profit	1,817,293	1,712,143	565,027	944,489
Effect of other non deductible expenses	196,988	(559,883)	-	-
Effect of investment allowance and other incentives	(277,277)	(430,254)	(201,021)	(301,079)
Education tax at 2% of assessable profit	1,445,393	1,016,142	648,547	590,651
Current year losses for which no deferred tax was recognised	264,072	1,388,552	-	-
Derecognition of previously recognised deferred tax	1,219,603	1,068,881	992,815	-
(Over) or under provision in prior year	46,989	(699,359)	36,755	(273,451)
Effect of previously unrecognised deferred tax now recognised	(1,251,113)	-	-	-
Effect of multiple tax due to commencement rule (Effect of the transition to Finance Act on current year deferred tax)	-	(1,461,691)	-	-
Income tax expenses recognised in profit or loss (relating to continuing operations) (B)	11,567,960	5,876,850	8,011,112	4,955,114
Effective tax rate (B/A)	31.0%	34.1%	28.4%	28.3%

The Finance Act 2020 introduced changes to certain sections of the Companies Income Tax Act (CITA), which have been considered in determining the estimated income tax charge for the year.

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

16. Deferred tax

	Group		Company	
Analysis of deferred tax balances	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Deferred tax asset	6,974,435	3,578,421	-	-
Deferred tax liability	(16,857,129)	(11,848,855)	(13,498,453)	(10,665,100)
Net deferred tax liability	(9,882,694)	(8,270,434)	(13,498,453)	(10,665,100)

The Group has unutilized capital allowance and unrelieved tax losses amounting to ₦4.3billion and ₦8billion (2020: ₦3.6 billion and ₦17.5 billion) respectively. No deferred tax assets have been recognised in respect of these amounts due to the unpredictability of the amount and timing of future taxable profit against which they would be utilised. The Group would re-assess the timing and availability of future taxable profit against which the asset can be utilised in subsequent years. Previously unrecognised deferred tax assets were recognised on the basis of probability of future taxable profits based on the Group's improved business outlook and forecast of growth. The capital allowances and tax losses can be carried forward indefinitely.

Deferred tax assets and liabilities

The following are the major deferred tax liabilities and assets recognised by the Group and Company and movements thereon during the current and prior reporting periods.

Group as at 31 March 2020	Opening Balance	Recognised in Profit & loss	Recognised in Other comprehensive income	Closing Balance
Deferred tax (assets)/liabilities in relation to	N '000	N '000	N '000	N '000
Property, plant and equipment	22,113,115	2,698,499	-	24,811,614
Tax losses	(2,384,619)	2,297,620	-	(86,999)
Exchange difference	1,124,126	(2,195,591)	-	(1,071,465)
Employee benefits	(2,716,026)	(1,166,901)	(586,234)	(4,469,161)
Inventories and trade and other receivables	(8,246,817)	307,680	-	(7,939,137)
Right of use assets	(480,792)	(1,135,238)	-	(1,616,030)
Fair valuation of derivatives instrument	(1,184,851)	1,352,765	-	167,914
Gain on fair valuation of biological assets	46,298	39,660	-	85,958
	8,270,434	2,198,494	(586,234)	9,882,694

Group as at 31 March 2020	Opening Balance	Recognised in Profit & loss	Recognised in Other comprehensive income	Closing Balance
Deferred tax (assets)/liabilities in relation to	N '000	N '000	N '000	N '000
Property, plant and equipment	19,052,568	3,060,547	-	22,113,115
Tax losses	(3,695,876)	1,311,257	-	(2,384,619)
Exchange difference	(217,286)	1,341,412	-	1,124,126
Employee benefits	(2,795,397)	252,365	(172,994)	(2,716,026)
Inventories and trade and other receivables	(5,680,219)	(2,566,598)	-	(8,246,817)
Right of use assets	-	(480,792)	-	(480,792)
Fair valuation of derivatives instrument	(63,368)	(1,121,483)	-	(1,184,851)
Gain on fair valuation of biological assets	23,267	23,031	-	46,298
	6,623,689	1,819,739	(172,994)	8,270,434

Company as at 31 March 2021	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing Balance
Deferred tax (assets)/liabilities in relation to	N '000	N '000	N '000	N '000
Property, plant and equipment	19,055,091	1,629,808	-	20,684,899
Exchange difference	744,365	(1,685,446)	-	(941,081)
Fair valuation of derivative instrument	(930,082)	1,113,269	-	183,187
Employee benefits	(2,536,508)	(566,402)	(450,886)	(3,553,796)
Inventories and trade and other receivables	(5,619,216)	2,753,353	-	(2,865,863)
Right of use assets	(48,550)	39,657	-	(8,893)
	10,665,100	3,284,239	(450,886)	13,498,453

Company as at 31 March 2020	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing Balance
Deferred tax (assets)/liabilities in relation to	N '000	N '000	N '000	N '000
Property, plant and equipment	15,551,034	3,504,057	-	19,055,091
Exchange difference	(205,649)	950,014	-	744,365
Fair valuation of derivative instrument	(63,368)	(866,714)	-	(930,082)
Employee benefits	(2,368,765)	(20,233)	(147,510)	(2,536,508)
Inventories and trade and other receivables	(4,762,726)	(856,490)	-	(5,619,216)
Right of use assets	-	(48,550)	-	(48,550)
	8,150,526	2,662,084	(147,510)	10,665,100

17. Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

	Group		Company	
Profit or loss for the year attributable to equity holders of the parent	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Profit or loss for the year from continuing operations	26,148,786	10,467,673	20,172,489	12,582,571
	26,148,786	10,467,673	20,172,489	12,582,571
Weighted average number of shares ('000)	4,100,394	4,100,394	4,100,394	4,100,394
Basic earning per share				
From total operations (kobo per share)	638	255	492	307
From continuing operations (kobo per share)	638	255	492	307

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

18 Property, plant and equipment (Group)

The reconciliation of carrying amounts of property, plant and equipment is given as follows:

Cost	Land and building N '000	Plant & Machinery N '000	Furniture, fittings and office equipment N '000	Motor Vehicles N '000	Bearer plants N '000	Berth Rehabilitation N '000	Capital work-in-progress N '000	Total N '000
Balance at 1 April 2019	79,369,833	241,067,473	8,662,174	12,616,225	1,495,398	763,547	12,710,137	356,684,787
Additions	186,414	2,996,254	316,421	1,868,922	-	-	10,848,186	16,216,197
Disposals	(389,520)	(356,775)	(1,681)	(498,317)	-	-	-	(1,246,293)
Reclassification	-	(13,849)	2,449	11,400	-	-	-	-
Transfer to intangible assets	-	-	-	-	-	-	(45,686)	(45,686)
Transfer of ROU asset (Note 40)	-	-	-	-	-	-	(33,095)	(33,095)
Transfer - capital work in progress	2,100,791	12,726,161	188,818	6,971	49,262	-	(15,072,003)	-
Write off/ impairment	-	(342,487)	-	(35,521)	-	-	(73,063)	(451,071)
Balance at 31 March 2020	81,267,518	256,076,777	9,168,181	13,969,680	1,544,660	763,547	8,334,476	371,124,839
Balance at 1 April 2020	81,267,518	256,076,777	9,168,181	13,969,680	1,544,660	763,547	8,334,476	371,124,839
Additions	897,667	3,178,724	383,130	2,082,193	-	-	12,884,077	19,425,792
Disposals	(129,946)	(2,320,198)	(2,668)	(250,564)	-	-	-	(2,703,376)
Transfer - capital work in progress	545,349	9,152,417	816,689	185,025	-	-	(10,699,481)	-
Transfer to intangible assets	-	-	-	-	-	-	(77,197)	(77,197)
Write off /impairment	(3,715,509)	(1,628,132)	(41,572)	(565,707)	(271,400)	-	(303,961)	(6,526,281)
Balance at 31 March 2021	78,865,079	264,459,588	10,323,760	15,420,627	1,273,260	763,547	(10,137,914)	381,243,776
Accumulated depreciation and impairment:								
Balance at 1 April 2019	13,304,235	105,911,279	6,251,766	8,840,807	391,461	269,914	250,000	135,219,462
Charge for the year	2,473,973	15,395,730	859,487	1,161,855	177,087	41,667	-	20,109,799
Disposals	(278,346)	(290,320)	(1,393)	(470,572)	-	-	-	(1,040,631)
Write off/impairment	-	(53,886)	-	-	-	-	-	(53,886)
Balance at 31 March 2020	15,499,862	120,962,803	7,109,860	8,840,807	568,548	311,581	250,000	154,234,744
Balance at 1 April 2020	15,499,862	120,962,803	7,109,860	9,532,090	568,548	311,581	250,000	154,234,744
Charge for the year	2,499,720	16,842,580	853,053	1,435,638	167,263	39,478	-	21,837,732
Disposals	(8,588)	(1,427,074)	(2,564)	(227,590)	-	-	-	(1,665,815)
Write off /impairment	(229,807)	(906,366)	(29,796)	(558,573)	(159,832)	-	-	(1,884,374)
Balance at 31 March 2021	17,761,187	135,471,943	7,930,553	10,181,565	575,979	351,059	250,000	172,522,286
Carrying amount								
Balance as at 1 April 2019	66,065,598	135,156,194	2,410,408	3,775,418	1,103,937	493,632	12,460,137	221,465,324
Balance as at 31 March 2020	65,767,656	135,113,974	2,058,321	4,437,590	976,112	451,966	8,084,476	216,890,095
Balance as at 31 March 2021	61,103,892	128,987,645	2,393,207	5,239,062	697,281	412,488	9,887,914	208,721,490

18b Property, plant and equipment (Company)

The reconciliation of carrying amounts of property, plant and equipment is given as follows:

Cost	Land and building N '000	Plant & Machinery N '000	Furniture, fittings and office equipment N '000	Motor Vehicles N '000	Capital work-in- progress N '000	Total N '000
Balance at 1 April 2019	31,318,350	120,984,961	5,597,008	9,461,266	7,504,114	174,865,699
Additions	45,683	1,370,770	183,471	1,345,928	8,794,962	11,740,814
Disposals	-	(48,234)	(562)	(322,054)	-	(370,850)
Transfer- capital work in progress	1,371,600	8,574,688	134,365	-	(10,080,653)	-
Transfer to subsidiaries	-	(30,513)	-	(26,972)	(472,685)	(530,170)
Transfer to intangible assets (Note 20)	-	-	-	-	(45,686)	(45,686)
Transfer to ROU Asset (Note 40)	-	-	-	-	(33,095)	(33,095)
Reclassification	-	(13,849)	2,449	11,400	-	-
Write off/ impairment	-	(338,542)	-	(21)	(32,861)	(371,424)
Balance at 31 March 2020	32,735,633	130,499,281	5,916,731	10,469,547	5,634,096	185,255,288
Balance at 1 April 2020	32,757,920	130,499,281	6,002,663	10,469,547	5,525,877	185,255,288
Additions	64,600	1,947,994	265,900	1,608,326	9,952,940	13,839,760
Transfer - capital work in progress	99,066	6,059,886	768,975	116,803	(7,044,730)	-
Disposals	(129,946)	(1,712,021)	(125)	(202,368)	-	(2,044,459)
Transfer to subsidiaries	-	-	(311)	(27,263)	(32,175)	(59,749)
Transfer to Intangible assets	-	-	-	-	(77,197)	(77,197)
Write off/impairment	-	(862,783)	(476)	(563,430)	(127,651)	(1,554,340)
Balance at 31 March 2021	32,791,640	135,932,357	7,036,626	11,401,615	8,197,064	195,359,303
Accumulated depreciation and impairment:						
Balance at 1 April 2019	7,116,128	68,164,683	4,081,279	6,450,401	250,000	86,062,491
Charge for the year	1,136,542	7,782,436	594,825	919,255	-	10,433,058
Disposals	-	(48,224)	(456)	(299,261)	-	(347,941)
Write off/ impairment	-	(36,326)	-	-	-	(36,326)
At 31 March 2020	8,252,670	75,862,569	4,675,648	7,070,395	250,000	(36,326)
Balance at 31 March 2020	8,133,065	75,969,927	4,683,432	7,074,858	250,000	96,111,282
Charge for the year	1,155,439	9,064,999	644,604	1,113,269	-	11,978,311
Disposals	(8,588)	(830,289)	(20)	(179,227)	-	(1,018,124)
Transfer to related parties	-	-	(65)	(3,850)	-	(3,915)
Write off/ impairment	-	(402,505)	-	(557,312)	-	(959,817)
Balance at 31 March 2021	9,279,916	83,802,131	5,327,951	7,447,738	250,000	106,107,737
Carrying amount						
Balance as at 1 April 2019	24,202,222	52,820,278	1,515,729	3,010,865	7,254,114	88,803,208
Balance as at 31 March 2020	24,482,963	54,636,712	1,241,083	3,399,152	5,384,096	89,144,006
Balance as at 31 March 2021	23,511,724	52,130,226	1,708,675	3,953,877	7,947,064	89,251,566

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

Analysis of bearer plants

31-Mar-21

	Cost (N'000)	Accumulated depreciation (N'000)	Carrying Amount (N'000)
Mature bearer plants	1,273,260	(575,979)	697,281
	1,273,260	(575,979)	697,281

31-Mar-20

	Cost (N'000)	Accumulated depreciation (N'000)	Carrying Amount (N'000)
Mature bearer plants	1,564,520	(568,548)	995,972
	1,564,520	(568,548)	995,972

Included in the group property, plant and equipment movement schedule is berth rehabilitation, which represents the cost of leasehold improvement at Apapa Bulk Terminal Limited.

Pledged as security

There are negative pledges over the Group's property, plant and equipment and floating assets, which have been given in relation to the group's borrowings.

Capital commitments

The total capital commitments of the Group as at 31 March 2021 amounted to N1.87 billion (2020: N1.86 billion) in respect of various capital projects.

Capital work in progress

Capital work in progress comprises building and plant and machinery under construction as at the year end as well as uninstalled intangibles assets as at the year end. Included in the amount are capitalised borrowing cost of approximately N357 million (2020: N357 million) calculated using an average capitalization rate of 14%.

	Group		Company	
Closing Capital WIP is analysed as follows:	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Buildings	1,364,519	933,538	569,235	585,390
Plant and machinery	8,523,395	7,023,137	7,377,829	4,690,487
	9,887,914	7,956,675	7,947,064	5,275,877

19. Investment property

Group	Building (N'000)	Company	Building (N'000)
Cost		Cost	
Balance at 1 April 2019	2,189,057	Balance at 1 April 2019	87,750
Addition	-	Addition	-
Balance at 31 March 2020	2,189,057	Balance at 31 March 2020	87,750
Balance at 1 April 2020	2,189,057	Balance at 1 April 2020	87,750
Addition	4,195	Addition	-
Balance at 31 March 2021	2,193,252	Balance at 31 March 2021	87,750
Accumulated depreciation		Accumulated depreciation	
Balance at 1 April 2019	451,498	Balance at 1 April 2019	28,851
Charge for the year	104,418	Charge for the year	2,055
Balance at 31 March 2020	555,916	Balance at 31 March 2020	30,906
Balance at 1 April 2020	555,916	Balance at 1 April 2020	30,906
Charge for the year	104,783	Charge for the year	2,055
Balance at 31 March 2021	660,699	Balance at 31 March 2021	32,961
Carrying amount		Carrying amount	
Balance as at 31 March 2021	1,532,553	Balance as at 31 March 2021	54,789
Balance as at 31 March 2020	1,633,141	Balance as at 31 March 2020	56,844
Balance as at 1 April 2019	1,737,559	Balance as at 1 April 2019	58,899

The Company applies the cost model in accounting for its investment property.

Measurement of fair value- fair value hierarchy

The fair value of the Group's and Company 's investment property as at 31 March 2021 is N7.2 billion (31 March 2020: N7.1 billion) and N636 million (31 March 2020: N579.8 million) respectively. The fair value of the Group's investment property has been arrived at on the basis of valuation carried out on the respective date by Messrs. Godwin Kalu & Co.(FRC registration number: FRC/2012/NIESV/00000000470) and Messrs Jide Taiwo & Co. Estate Surveyors & Valuers (FRC registration number: FRC/2012/00000000254). Messrs. Godwin Kalu & Co and Messrs Jide Taiwo & Co. are members of the Nigeria Institute of Estate Surveyors and Valuers and are not related to the Group. The fair value was determined based on the market comparable approach that reflects the recent transaction price of similar properties within a reasonable time frame.

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Abuja residential property	507,400	450,000	507,400	450,000
Ibadan residential property	128,600	129,800	128,600	129,800
Lagos residential property	6,600,000	6,500,000	-	-
	7,236,000	7,079,800	636,000	579,800

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

Investment property comprise of a number of commercial properties that are leased to third parties. Each of the leases contains the lease period as well as the rental charge for the duration of the lease. Rental income earned by the Group amounted to N198 million (2020: N646 million) and direct operating expenses amounted to N69 million (2020: N241 million). The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The valuation has been done using the market comparison approach. The fair values are based on market price of similar properties adjusted for relevant estimated costs of construction. This is based on the economic principle that a buyer will pay no more for an asset than what it will cost the buyer to own an equivalent asset of equal utility either through purchase or outright construction.	Adjusted cost of construction per floor area N3.26 million per square meter (2020: N2.25 million per square meter)	The estimated fair value will increase (decrease) if: estimated adjusted cost of construction per square meter were higher (lower)
The cost of construction is determined by reference to the current construction rate of a similar property to the gross floor area including other associated costs which is further depreciated to reflect present physical conditions, functional and economic obsolescence on the property before including the value of the bare site at the date of the valuation.	Adjusted forced sale cost of construction per floor area N2.38 million per square meter (2020: N1.65 million per square meter)	The estimated fair value will increase (decrease) if: estimated adjusted forced sale cost of construction per square meter were higher (lower)

20. Intangible assets

Group	Computer Software (N'000)	Company	Computer Software (N'000)
Cost		Cost	
Balance at 1 April 2019	2,415,178	Balance at 1 April 2019	1,962,296
Addition	2,142	Addition	2,142
Transfer from Property , Plant and equipment (Note 18)	45,685	Transfer from Property , Plant and equipment (Note 18)	45,685
Write-off	(15,722)	Write-off	(15,722)
Balance at 31 March 2020	2,447,283	Balance at 31 March 2020	1,994,401
Balance at 1 April 2020	2,447,283	Balance at 1 April 2020	1,994,401
Addition	19,191	Addition	-
Transfer from Property plant and equipment (Note 18)	77,197	Transfer from Property plant and equipment (Note 18)	77,197
Balance at 31 March 2021	2,543,671	Balance at 31 March 2021	2,071,598
Accumulated depreciation		Accumulated depreciation	
Balance at 1 April 2019	1,098,508	Balance at 1 April 2019	939,620
Charge for the year	394,920	Charge for the year	320,734
Balance at 31 March 2020	1,493,428	Balance at 31 March 2020	1,260,354
Balance at 1 April 2020	1,493,428	Balance at 1 April 2020	1,260,354
Charge for the year	403,839	Charge for the year	310,138
Balance at 31 March 2021	1,897,267	Balance at 31 March 2021	1,570,492
Carrying amount		Carrying amount	
Balance as at 31 March 2021	646,404	Balance as at 31 March 2021	501,106
Balance as at 31 March 2020	953,855	Balance as at 31 March 2020	734,047
Balance as at 1 April 2019	1,316,670	Balance as at 1 April 2019	1,022,676

Computer software relates to acquired software license and other costs directly attributable to the preparation of the computer software for its intended use. Amortization of computer software is calculated based on useful life of 5 years.

Amortisation of intangible assets is recognised in administrative expenses in profit or loss.

21. Goodwill

	31-Mar-21			31-Mar-20		
Group	Cost	Accumulated Impairment	Carrying Value	Cost	Accumulated Impairment	Carrying Value
	4,148,022	-	4,148,022	4,148,022	-	4,148,022
Company						
	1,876,816	-	1,876,816	1,876,816	-	1,876,816

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

The carrying amount of goodwill was allocated to the cash generating units as follows:

Group	31-MAR-21 (N'000)	31-MAR-20 (N'000)
Goodwill on acquisition of Premium Edible Oil Products Limited (formerly ROM Oil Mills Company Limited) - allocated to Golden Fertilizer Company Limited	1,351,067	1,351,067
Goodwill on acquisition of Premium Cassava Products Limited (formerly Thai Farms International Limited) - allocated to Golden Fertilizer Company Limited	920,139	920,139
Goodwill on acquisition of Quilvest through New Horizon Flour Mills Limited - allocated to Flour Mills of Nigeria Plc.	1,876,816	1,876,816
	4,148,022	4,148,022

Company	31-MAR-21 (N'000)	31-MAR-20 (N'000)
Goodwill on acquisition of Quilvest through New Horizon Flour Mills Limited	1,876,816	1,876,816
	1,876,816	1,876,816

Goodwill has been assessed for impairment as part of the annual mandatory impairment testing in line with the requirements of the International Financial Reporting Standards. Goodwill was apportioned to identified Cash Generating Units (CGUs) expected to benefit from the respective business combinations on the basis of management expectation of the benefit to be derived from their synergies.

As at 31 March 2021, the adjusted carrying values of the assets of the CGUs to which the Goodwill was allocated were lower than their recoverable amounts. As a result, no impairment loss on Goodwill has been recognized (31 March 2020; Nil).

Goodwill has been allocated for impairment test purposes to the following cash-generating units:

- Flour Mills of Nigeria Plc.
- Premier Feed Mills Company Limited
- Nigerian Eagle Flour Mills Limited

Cash Generating Units

For identified CGUs, the recoverable amount of the cash generating units was determined based on a value in use calculation which uses cash flow projections based on five (5) year projections of current year free cash flows from operations and a weighted average cost of capital (WACC) of 11.06% - 14.51% per annum (2020: 13.71% - 17.26% per annum).

Key forecast assumptions

The key inputs and assumptions used in the value in use calculations for the cash generating units are as follows.

- Discount rate (WACC): 11.06% - 14.51 per annum (2020: 13.71% - 17.26% per annum)
- Net cash flow: The Net cash flow is based on 5-year forecast using 2021 as the base year.
- Terminal growth rate of 3-8%.
- Inflation rate: Inflation rate is based on forecast consumer price indices during the period for the country. An inflation rate of 12.5% has been applied for the current year (2020: 11.5%). The value assigned to the key assumption is consistent with external sources of information.

The discount rate was based on computed WACC using the Capital Asset Pricing Model (CAPM). The net cash flows were then discounted using this rate to estimate their present values inclusive of a terminal growth value discounted to its present value thereafter. The terminal growth rate was determined based on the average Gross Domestic Product (GDP) growth rate of Nigeria for the past three (3) Decades.

Revenue growth was projected taking into account the average growth levels experienced over the past five (5) years and the estimated sales volume and price growth for the next five years. It was assumed that sales prices would grow at a constant margin above forecast inflation over the next five years.

The estimated recoverable amounts of all CGU’s exceeded their carrying amount in the period under review (2020; same). Management has identified that a reasonably possible change in one (1) key assumption, the discount rate of 13.9% utilized in the period under review could cause the carrying amount to exceed the recoverable amount. The following shows the amount in percentages by this key assumption would need to charge per CGU for the estimated recoverable amount to equal the carrying amount:

FMN Company (20%), Nigerian Eagle Flour Mills (21%), Premier Flour Mills (16%).

In the prior period, management had assessed that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of each CGU.

22. Investment in subsidiaries

(a) Investment in subsidiaries are stated at cost and analysed as follows:

	Group		Company	
Unquoted	31- MAR-21 (N)	31- MAR-20 (N)	31- MAR-21 (N)	31- MAR-21 (N)
Apapa Bulk Terminal Limited	-	-	50,000	50,000
Golden Shipping Company Nigeria Limited	-	-	26,000	26,000
Nigerian Eagle Flour Mills Limited	-	-	510,000	510,000
Crestview Towers Limited	-	-	10,000	10,000
Golden Sugar Company Limited*	-	-	61,408,888	43,817,193
	-	-	62,004,888	44,413,193
Quoted				
Northern Nigeria Flour Mills Plc	-	-	303,441	303,441
			62,308,329	44,716,634
Impairment (Note 8)	-	-	(50,000)	(50,000)
	-	-	62,258,329	44,666,634

*During the year, the board of directors approved additional investment amounting to N17.6 billion made as a quasi equity contribution to Golden Sugar Company Limited (2020: N661.5million)

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

(b)

Shareholding in Subsidiaries	Ordinary Shares	31-Mar-21	31-Mar-20	Principal Activity
Apapa Bulk Terminal Limited	380,000,000 ordinary shares of 50 kobo per shares	100	100	Port Operations
Golden Shipping Company Nigeria Limited	260,000,000 ordinary shares of N1 per shares	100	100	Shipping agency
Golden Sugar Company Limited	20,000,000 ordinary shares of 50 kobo per shares	100	100	Manufacturing of Sugar
Northern Nigeria Flour Mills Plc	178,200,000 ordinary shares of 50 kobo per shares	53	53	Flour milling
Crestview Towers Limited	20,000,000 ordinary shares of 50k each	100	100	Real estate
Nigeria Eagle Flour Mills Limited	510,000,000 ordinary shares of N1 per shares	51	51	Flour milling
Golden Penny Power Limited (*)	2,000,000 ordinary shares of 50k each	100	100	Power generation
Premier Poultry Processors Limited (*)	20,000,000 ordinary shares of 50 kobo each	100	100	Livestock Farming
Premier Chicks Limited (*)	10,000,000 ordinary shares of 50 kobo each	100	100	Livestock Farming
Iganmu Power Company Limited (*)	2,000,000 ordinary shares of 50 kobo each	100	100	Power generation
Kaboji Farms Limited	1,030,000,000 ordinary shares of N1 each	-	-	Farming
Agri Palm Limited	420,000,000 ordinary shares of 50k each	-	-	Agriculture
Agri Estates Limited	20,000,000 ordinary shares of 50k each	-	-	Agriculture
Sunflag Farms Limited (Agro Allied Farms Sunti Limited)	220,000,000 ordinary shares of 50k each	-	-	Agriculture
Shao Golden Farms Limited (Agro Allied Syrups Limited)	420,000,000 ordinary shares of 50k each	-	-	Agriculture
Premium Edible Oil Products Limited (Rom Oil Mills Limited)	4,010,000,000 ordinary shares of 50k each	-	-	Manufacturing of edible oil
Premium Cassava Products Limited (Thai Farm international Limited)	749,650,135 ordinary shares of 50k each	-	-	Manufacturing of cassava flour
Best Chickens Limited	20,000,000 ordinary shares of 50k each	-	-	Agriculture
Premier Feed Mills Company Limited	50,000,000 ordinary shares of 50 kobo per share	-	-	Livestock feed
Golden Fertilizer Company Limited	100,000,000 ordinary shares of N1 per shares	-	-	Agriculture

The shareholdings in the subsidiaries above represents the Company's voting rights in the subsidiaries.

* These are dormant companies. The share capital for these subsidiaries have not been issued or paid up by the Company, hence no investment has been recorded as at 31 March 2021.

*Golden Penny Power Limited and Iganmu Power Company Limited were incorporated to carry out independent power projects, while Premier Poultry Processors Limited and Premier Chicks Limited were incorporated for livestock farming and processing. The entities where the Company has no shareholding are indirect subsidiaries of the Company.

The place of business of the subsidiaries is Nigeria.

(c)

	Group		Company	
Movement in investment in subsidiaries	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-21 (N'000)
At 1 April			44,666,634	44,005,134
Loan receivables converted to equity	-	-	17,591,695	661,500
At 31 March	-	-	62,258,329	44,666,634

During the year, investments in subsidiaries were assessed for impairment considering the future cashflows and net assets of each subsidiary. Impairment indicators were identified relating to the carrying value of the Company’s investment in subsidiaries. For the purpose of impairment testing, the subsidiaries identified for impairment testing have been identified as a cash generating unit (CGU).

The recoverable amounts of the identified subsidiaries have been determined on a value-in-use basis.

The key inputs and assumptions used in the value in use calculations for the cash generating units are as follows.

- Discount rate (WACC): 11.06% - 14.51 per annum (2020: 13.71% - 17.26% per annum)
- Net cash flow: The Net cash flow is based on 5-year forecast using 2021 as the base year.
- Terminal growth rate of 3-8%.
- Inflation rate: Inflation rate is based on forecast consumer price indices during the period for the country. An inflation rate of 12.5% has been applied for the current year (2020: 11.5%). The value assigned to the key assumption is consistent with external sources of information.

The discount rate was based on computed WACC using the Capital Asset Pricing Model (CAPM). The net cash flows were then discounted using this rate to estimate their present values inclusive of a terminal growth value discounted to its present value thereafter. The terminal growth rate was determined based on the average Gross Domestic Product (GDP) growth rate of Nigeria for the past three (3) Decades.

Revenue growth was projected taking into account the average growth levels experienced over the past five (5) years and the estimated sales volume and price growth for the next five years. It was assumed that sales prices would grow at a constant margin above forecast inflation over the next five years.

(d) Quasi equity investment

In prior years, the Company granted Golden Fertilizer Company N5 billion quasi equity investment to meet its working capital requirement. During the year, the company granted Golden Sugar Company Limited additional N17.6 billion quasi equity investment. Quasi equity instruments are loan instruments for which the principal are payable at the discretion of the issuer, and therefore classified as equity. No interest is charged on quasi equity instruments and they do not carry any voting rights.

(e) Subsidiaries with material non-controlling interests

The following information is provided for subsidiaries with non controlling interests which are material to the reporting company. The summarised financial information is provided prior to intercompany eliminations.

	% Ownership interest held by non-controlling interest	
	31- MAR-21	31- MAR-20
Northern Nigeria Flour Mills Plc.	47%	47%
Premier Feed Mills Company Limited.	38%	38%
Nigerian Eagle Flour Mills Limited	49%	49%

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

31 March 2021

Summarised consolidated and separate statement of financial position	NCI %	Non current assets	Current assets	Total assets	No current liabilities	Current liabilities	Total liabilities	Net assets	Carrying amount of non-controlling interest
		N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Northern Nigeria Flour Mills Plc	47%	3,575,327	3,786,800	7,362,127	739,648	3,833,781	4,573,429	2,788,698	1,310,688
Premier Feeds Mills Company Limited	38%	8,818,378	33,638,756	42,457,134	11,188,989	14,979,795	26,168,784	16,288,350	6,189,573
Nigerian Eagle Flour Mills Limited	49%	5,853,894	12,653,093	18,506,987	8,223,015	6,142,229	14,365,244	4,141,743	2,029,454
Total		18,247,599	50,078,649	68,326,248	20,151,652	24,955,805	45,107,457	23,218,791	9,529,715
Intra-group eliminations									(3,141,164)
Non-controlling interest per consolidated statement of financial position									6,388,55

Summarised statement of profit or loss and other comprehensive income	NCI %	Revenue	Profit/(loss) before tax	Tax expense	Profit/(loss) for the year	Other	Total	Profit/(loss) allocated to NCI	OCI	Total
		N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Northern Nigeria Flour Mills Plc	47%	8,667,751	134,342	(64,428)	69,914	(24,414)	45,500	21,385	(11,475)	9,910
Premier Feeds Mills Company Limited	38%	69,353,426	1,282,776	(1,113,258)	169,518	(30,356)	139,162	52,882	(11,535)	41,346
Nigerian Eagle Flour Mills Limited	49%	39,341,402	(1,143,372)	150,924	(992,448)	(40,470)	(1,032,918)	(506,130)	(19,830)	(525,960)
Total		117,362,579	273,746	(1,026,762)	(753,016)	(95,240)	(848,256)	(431,863)	(42,840)	(474,703)
Intra-group eliminations									-	-
Non-controlling interest per consolidated statement of financial position								(431,863)	(42,840)	(474,703)

Summarised statement of cash flows	NCI %	Cash flow operating activities	Cash flow investing activities	Cash flow financing activities	Net increase (decrease) in cash flow
		N '000	N '000	N '000	N '000
Northern Nigeria Flour Mills Plc	47%	(265,337)	(64,398)	(1,460,158)	(1,789,893)
Premier Feeds Mills Company Limited	38%	(6,322,477)	(1,044,588)	6,158,264	(1,208,801)
Nigerian Eagle Flour Mills Limited	49%	(6,286,444)	6,881,911	(111,862)	483,605
Total		(12,874,258)	5,772,925	4,586,244	(2,515,089)

Introduction	Chairman's Statement	Report of the Directors	Financial Statements	CSR Report	Other Information
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Summarised consolidated and separate statement of financial position	NCI %	Non current assets	Current assets	Total assets	No current liabilities	Current liabilities	Total liabilities	Net assets	Carrying amount of non-controlling interest
Northern Nigeria Flour Mills Plc	47%	N '000 3,732,892	N '000 4,763,186	N '000 8,496,078	N '000 939,787	N '000 4,787,298	N '000 5,727,085	N '000 2,768,993	N '000 1,301,427
Premier Feeds Mills Company Limited	38%	9,333,733	18,784,631	28,118,364	3,162,042	10,370,295	13,532,337	14,586,027	5,542,690
Nigerian Eagle Flour Mills Limited	49%	5,871,058	5,147,965	11,019,023	829,852	5,014,510	5,844,362	5,174,661	2,535,584
Total		18,937,683	28,695,782	47,633,465	4,931,681	20,172,103	25,103,784	22,529,681	9,379,701
Intra-group eliminations									(2,516,447)
Non-controlling interest per consolidated statement of financial position									6,863,254

The difference between the carrying amount of the Non-controlling interest and the non-controlling interest's proportionate share of the net assets of the subsidiary is represented by goodwill.

Summarised statement of profit or loss and other comprehensive income	NCI %	Revenue	Profit/(loss) before tax	Tax expense	Profit/(loss) for the year	Other	Total	Profit/(loss) allocated to NCI	OCI	Total
Northern Nigeria Flour Mills Plc	47%	N '000 8,667,751	N '000 120,675	N '000 (56,040)	N '000 64,635	N '000 (186,359)	N '000 (121,724)	N '000 30,378	N '000 (87,589)	N '000 (57,211)
Premier Feeds Mills Company Limited	38%	53,891,448	1,408,055	(451,899)	956,156	17,652	973,808	363,339	6,708	370,047
Nigerian Eagle Flour Mills Limited	49%	36,580,760	1,579,219	(527,478)	1,051,741	(2,555)	1,049,187	515,353	(1,252)	514,101
Total		99,313,343	3,107,949	(1,035,417)	2,072,532	(171,262)	1,901,271	909,070	(82,133)	826,937
Intra-group eliminations									-	-
Total profit or loss allocated to non-controlling interest								909,070	(82,133)	826,937

Summarised statement of cash flows	NCI %	Cash flow operating activities	Cash flow investing activities	Cash flow financing activities	Net increase (decrease) in cash flow
Northern Nigeria Flour Mills Plc	47%	N '000 3,768,733	N '000 (72,234)	N '000 (1,483,301)	N '000 2,213,198
Premier Feeds Mills Company Limited	38%	7,780,359	(1,020,940)	(4,991,912)	1,767,507
Nigerian Eagle Flour Mills Limited	49%	(3,240,367)	3,574,001	(123,685)	209,949
Total		8,308,725	2,480,827	(6,598,898)	4,190,654

Dividend paid to shareholders with non controlling interest during the year amounted to 26.73 million.



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when quality bakers get
their hands on quality flour.**

Keep your customers coming back
for that quality experience with
bread made with Golden Penny
Flour.



Notes to the Financial Statements for the year ended 31 March 2021 (continued)

23. Other Investments

Investments held by the Group which are measured at fair value, excluding derivatives are as follows:

Equity instruments at fair value through other comprehensive income

The specific investments which are measured at fair value through other comprehensive income are as follows:

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Quoted equity investments				
Transnational Corporation Plc	127,500	127,500	127,500	127,500
Less fair value gain/(loss)	(99,960)	(105,060)	(99,960)	(105,060)
	27,540	22,440	27,540	22,440
	27,540	22,440	27,540	22,440

The Group's investment in Transnational Corporation Plc was fair valued using the market price of N1 per share (2020: N0.66) as at year end which resulted in fair value increase of N5.1 million (2020: fair value decrease of N(18.70) million). The fair value changes have been recognised in other comprehensive income with no income tax impact. The valuations have been categorised as Level 1 in the fair value hierarchy as there are no unobservable input to the valuation. The valuation was done on the same basis as in prior year and there has been no transfers between levels during the year.

The Group designated the equity securities at FVOCI because the equity securities represent investments that the Group intends to hold for the long term for strategic purposes.

24. Biological Assets

	Livestock (a)	Oil palm (b)	Cassava (c)	Sugar cane (d)	Total
	N'000	N'000	N'000	N'000	N'000
Balance at 1 April 2019	39,076	2,915	15,582	72,709	130,282
Addition	1,454	-	162,108	-	163,562
Fair value gain/(loss) due to remeasurement	8,940	23,002	96,773	1,310,932	1,439,647
Harvested during the year	(21,081)	-	(146,127)	(1,261,961)	(1,429,169)
Balance at 31 March 2020	28,389	25,917	128,336	121,680	304,322
Balance at 1 April 2020	28,389	25,917	128,336	121,680	304,322
Addition	3,510	-	27,540	877,962	881,472
Fair value gain/(loss) due to remeasurement	15,229	34,177	96,773	310,201	334,048
Harvested during the year	(16,197)	-	(146,127)	(993,500)	(1,112,473)
Balance at 31 March 2020	30,930	60,094	-	316,345	407,369
Analysed into:				31- MAR-20 (N'000)	31- MAR-21 (N'000)
Current				376,439	147,599
Non-current				30,930	156,723
				407,369	304,322

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

(a) Livestock relates to poultry used for poultry eggs production at Best Chickens Limited and are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in the profit or loss. Point-of-sale costs include all costs that will be necessary to sell the assets. The fair value of livestock is determined based on valuations using the market prices of livestock of similar age, breed and generic merit.

(b) Oil palm refers to growing fresh fruit bunches at Agri Palm Limited and are stated at fair value less cost-to-sell with any resultant gain or loss recognised in profit or loss. Selling costs include all costs that would be necessary to sell the fresh fruit bunches (including cost of harvest). The fair value is determined based on valuations using the market prices of fresh fruit bunches per tonne of similar weight and quality. Oil Palm trees are classified as bearer plants (See Note 18).

(c) Cassava is cultivated at Shao Golden Farms Limited and Kaboji Farms Limited and the harvested cassava tubers are used for starch extraction and production of high quality cassava flour. They are stated at fair value less estimated cost-to-sell. Cost-to-sell include costs that would be necessary to sell the cassava tubers (including the cost of harvest). Fair value is determined based on valuation using market prices per tonne of cassava tubers of similar weight and quality, adjusted for stage of maturity.

(d) Growing sugarcane refers to sugarcane plants at the plantation owned by Sunti Golden Sugar Estates Limited. The initial sugarcane suckers has a cane-production life of seven years (See Note 18). The cost of the suckers, the related land preparation cost and other directly associated cost such as those of fertilizer have been capitalised as bearer plants and are being depreciated over seven years. The canes which are harvested from the suckers annually for sugar milling are classified as biological assets. The biological assets are carried at fair value less estimated cost to sell. The fair value is based on market prices of sugarcane per tonne and stage to maturity.

Methods and assumptions used in determining fair value

Fair value is determined using market-based evidence by appraisal. Valuation of biological assets is carried out at sufficient regularity to identify any material movement and any material differences are adjusted accordingly to ensure that the carrying value of the assets does not differ materially from the fair values determined as at the reporting date.

Measurement of fair values

Fair value hierarchy

The fair value measurement for the oil palm fresh fruit bunch, livestock, sugarcane and cassava have been categorised as Level 2 fair values based on observable market sales data.

The following table shows the valuation techniques used in measuring fair values as well as the valuation variables used:

Type	Valuation techniques	Valuation variables	Inter-relationship between key valuation variables and fair value measurement
Oil Palm	Market comparison technique: The fair values are based on market price per tonne of similar palm fruit bunches adjusted for age of maturity.	Estimated plantation size 1,330 hectares (2020: 4,342 hectares) Estimated market price per tonne N63,444 (2020: N35,000) Number of trees 215,636 (2020: 195,753). Estimated yield per tree 4 bunches per year (2020: 4). Estimated cost to sell per bunch N190 (2020: N120).	The estimated fair value would increase/ (decrease) if: a. the estimated price per tonne of fresh fruit bunch were higher/(lower). b. If the estimated yield per tree were higher/(lower). c. If the estimated cost to sell were lower/ (higher)

Livestock	Market comparison technique: The fair values are based on market price of livestock of similar age, weight and breed.	Estimated number of birds as at 2021: 20,620 (2020: 21,092). Average age ranges between 5 and 20 weeks. Average price per bird is N1,500 (2020: N1,300).	The estimate fair value would increase/ (decrease) if: a. the estimated price per birds were higher/(lower) b. the estimated number of birds were higher/ (lower)
Cassava	Market comparison technique: The fair values are based on market price per tonne of cassava tubers of similar quality.	Estimated hectares of cultivated land in the year was nil hectares (2020: 798.48 hectares). Also the estimated yield per hectare was 10.52 tonnes (2020: 16.53 tonnes). Estimated market price N7,207 per metric tonne (2020: N9,957 per metric tonne).	The estimated fair value would increase/ (decrease) if: a. the estimated price per tonne were higher/ (lower) b. If the estimated yield per hectare were higher/(lower)
Sugarcane	Market comparison technique: The fair values are based on market price of similar cane sugar per tonne adjusted for estimated cost to sell and discounted for stage of maturity.	Estimated plantation size 1,946 hectares (2020: 2,490 hectares) Estimated market price per metric tonne is N16,000 per metric tonnes (2020: N9,060 per metric tonnes). Estimated yield per hectare 50 metric tonnes (2020: 60 metric tonnes).	The estimated fair value would increase/ decrease if: (a) Price per metric tonne were higher/ (lower) (b) Estimated yield per hectare were higher/ (lower)

Risk management strategy related to agricultural activities

The Group is exposed to the following risks relating to its biological assets:

a. Regulatory and environmental risks

The Group is subject to laws and regulations in the states in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

b. Supply, demand and yield risks

The Group is exposed to risks arising from fluctuations in the prices of agricultural produce, birds and seedlings for cultivation as well as yield volumes. When possible, the Group manages these risks by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing. The Group manages yield volume risks by employing latest technology and sourcing for optimally viable seedlings.

c. Climate, disease and other risks

The Group's biological assets are exposed to the risks of damage from climatic conditions, diseases, forest fires and other natural forces. The Group has processes in place aimed at monitoring and mitigating those risks, including insurance, regular health inspections for the poultry, poultry vaccinations, use of environmentally friendly pesticides for the crops and leveraging on industry pest and disease surveys as well as other agricultural best practices.

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

25. Long term loans and receivables

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Premium Cassava Products Limited	-	-	1,291,755	-
Agri Palm Limited	-	-	741,318	200,627
Premium Edible Oil Products Limited	-	-	11,356,634	5,092,601
Northern Nigeria Flour Mills Plc	-	-	1,234,583	-
Port Harcourt Flour Mills Limited	166,974	404,012	-	-
Golden Agri Inputs Limited	-	-	1,068,028	332,492
Premier Feed Mills Limited	-	-	5,002,655	-
Golden Sugar Company Limited	-	-	32,843,373	36,911,501
Apapa Bulk Terminal Limited	-	-	-	3,008,660
Golden Fertilizer Company Limited	-	-	4,144,957	9,823,158
Nigerian Eagle Flour Mills Limited	-	-	7,656,541	-
Sunti Golden Sugar Estate	-	-	-	-
Eastern Premier Feed Mills Limited	-	-	-	359,496
Agro Allied Syrups Limited	-	-	719,552	391,448
Independent Grain Handling and Storage Limited	-	-	362,028	-
Servwell Agricultural Services Limited	-	-	384,730	-
Upland Grain Production Company Limited	-	-	362,535	-
Receivable from ABCML	38,852	27,957	-	-
Impairment of Long term receivables	(166,974)	(73,280)	(4,745,604)	(7,255,455)
Total long term loans and receivables	38,852	358,689	62,423,085	48,864,528

Credit quality on long term receivables

The Company granted intercompany loans with a carrying amount of N62.42 billion as at 31 March 2021 (2020: N48.86 billion) to related parties within the Group. The loan is receivable in tranches within Seven years, with the possibility of early refund (partial; or whole) with 30 days notice, without penalty payments and the loans are unsecured. The Company and the Group are faced with the risk that there might be a shortfall in the repayment of these receivables. Adequate agreements are put in place as well as ensuring that the business activities of these entities are monitored closely on a monthly basis and interest are charged based on the weighted average cost of group borrowing facilities.

	Group		Company	
Movement in Long term receivables	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Opening balance	358,689	1,402,210	48,864,528	33,617,060
Additions during the year	11,989	4,396	94,116,111	10,051,568
Transfer from trade and other receivables	-	-	21,739,510	28,005,000
	370,678	1,406,606	164,720,149	71,673,628
Repayments in the year	(238,132)	(974,637)	(87,215,220)	(19,172,138)
Transfer to Quasi equity	-	-	(17,591,695)	-
Writeback/(impairment loss) in the year	(93,694)	(73,280)	2,509,851	(3,636,962)
Total long term loans and receivables	38,852	358,689	62,423,085	48,864,528

26. Inventories

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-21 (N'000)	31- MAR-21 (N'000)	31- MAR-21 (N'000)
Raw materials and components	154,034,446	85,108,529	53,460,296	42,934,295
Work in progress	7,537,746	3,951,144	2,556,003	2,609,987
Finished goods	10,021,726	11,703,331	5,282,806	7,017,993
Consumable stores and maintenance spares	26,351,901	17,674,671	16,150,260	11,345,872
	197,945,819	118,437,675	77,449,365	63,908,147
Inventories (write-downs)	(2,496,783)	(2,841,490)	(469,237)	(2,214,241)
	195,449,036	115,596,185	76,980,128	61,693,906

The cost of inventories recognised as an expense during the year in the Group was N584 billion (2020: N435 billion), while in the Company it was N436 billion (2020: N318 billion).

Inventory write down during the period for the Group was N2.49 billion (2020: 2.84 billion), Company N469 million (2020: N2.21 billion). This has been recognised in the cost of sales.

27. Trade and other receivables

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-21 (N'000)	31- MAR-21 (N'000)	31- MAR-21 (N'000)
Trade receivables	18,982,962	17,085,386	9,028,280	7,091,166
Trade receivables - related parties net (Note 42)	-	-	4,784,477	9,917,318
Allowance for trade doubtful receivables	(4,134,993)	(6,322,210)	(2,672,306)	(3,033,128)
Trade receivables at amortised cost	14,847,969	10,763,176	11,140,451	13,975,356
Staff debtors	2,941,038	2,692,477	2,438,318	2,494,163
Sundry debtors*	8,036,604	12,275,793	9,581,637	12,001,804
Total trade and other receivables	25,825,611	25,731,446	23,160,406	28,471,323

* Sundry debtors relate majorly to Group and Company's withholding tax of N4.8 billion and N2.7 billion (2020: N5.8 billion and N4.2 billion) respectively, interest receivable on initial deposit made for derivative contracts with the banks for the Group, of

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

N493 million and N493 million respectively (2020: N4.2 billion and N2.8 billion). Included in sundry debtors is an amount of N5.7 billion (2020: N4.0 billion) relating to Company's dividend receivable from subsidiaries.

Exposure to credit risk

The average credit period on sale of goods is 30 days. The Group uses an allowance matrix to measure the Expected Credit Losses (ECLs) of trade receivables from customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - geographic region, age of customer relationship and type of product purchased and industry sector.

The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the inflation rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in this factor. Scalar factor of 1.49 applied are based on inflation forecast and national economic outlook.

The Group has recognised an allowance for doubtful debts of 100% against all receivables over 365 days because historical experience has been that receivables that are past due beyond 365 days are not recoverable. Allowances for doubtful debts are recognised against trade receivables between 30 and 365 days.

Before accepting a new customer the Group initially trades with the customer on a cash basis to assess the customer's ability and also determine the customer's transaction volumes. This enables a reasonable credit limit to be set. Once these are determined the customer is then allowed to apply for a credit facility from the Company through a rigorous process with several levels of approval. Also certain categories of credit customers provide bank guarantees before being accepted as credit customers of the Group. Credit sales form a small portion of overall sales. The concentration of credit risk is limited due to this fact and the large and unrelated customer base. The Group has pledged no trade receivables during the year. The Group disaggregated its receivables based on customers' risk profiles. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles.

Group

		31- MAR-21 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-20 (N'000)
	Weighted average loss rate	Gross carrying amount	Loss allowance (Lifetime expected credit loss)	Gross carrying amount	Loss allowance (Lifetime expected credit loss)
1- 30 days	9%	11,214,467	957,045	5,223,943	250,093
31- 60 days	16%	4,574,148	739,606	4,889,657	308,721
61 - 90 days	39%	1,046,327	412,584	1,006,961	108,510
91 - 180	65%	307,711	200,789	450,401	168,430
181 - 365	92%	195,703	180,362	187,617	159,649
Over 365 days	100%	1,644,606	1,644,606	5,326,807	5,326,807
		18,982,962	4,134,993	17,085,386	6,322,210

Company

		31- MAR-21 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-20 (N'000)
	Weighted average loss rate	Gross carrying amount	Loss allowance (Lifetime expected credit loss)	Gross carrying amount	Loss allowance (Lifetime expected credit loss)
1- 30 days	6%	4,619,563	290,691	2,452,811	258,346
31- 60 days	31%	2,086,043	653,710	2,008,993	280,055
61 - 90 days	42%	957,907	407,096	145,147	64,230
91 - 180	85%	211,052	179,769	143,993	92,377
181 - 365	93%	181,275	168,600	86,358	84,256
Over 365 days	100%	972,439	972,439	2,253,864	2,253,864
		9,028,279	2,672,305	7,091,166	3,033,128

Reconciliation of expected loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for intercompany and trade receivables and 12 months expected credit loss for loan receivables:

Group 2021

	Long term receivables	Trade receivables	Total
	N'000	N'000	N'000
Opening Balance	73,280	6,322,210	6,395,490
Impairment loss/(write-back)	93,694	(2,187,217)	(2,093,523)
Closing balance	166,974	4,134,993	4,301,967

Company 2021

	Intercompany receivable	Long term receivables	Trade receivables	Total
	N'000	N'000	N'000	N'000
Opening Balance	1,408,889	7,255,455	3,033,128	11,697,472
Write back of impairment	(1,149,602)	(2,509,851)	(360,822)	(4,020,275)
Closing balance	259,287	4,745,604	2,672,306	7,677,197

Group 2020

	Long term receivables	Trade receivables	Total
	N'000	N'000	N'000
Opening Balance	-	3,406,862	3,406,862
Impairment loss/(write-back)	73,280	2,915,348	2,988,628
Closing balance	73,280	6,322,210	6,395,490

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

Company 2020

	Intercompany receivable	Long term receivables	Trade receivables	Total
	N'000	N'000	N'000	N'000
Opening Balance	2,869,242	3,618,492	2,810,104	9,297,838
Write back of impairment	(1,460,353)	3,636,963	223,024	2,399,634
Closing balance	1,408,889	7,255,455	3,033,128	11,697,472

28. Derivatives

Refer to note 46 fair value information for details of valuation policies and processes.

Refer to Financial instruments and risk management for further details

Group

	31-MAR-21		31-MAR-20	
	Assets (N'000)	Liabilities (N'000)	Assets (N'000)	Liabilities (N'000)
Foreign exchange futures contracts	621,780	97,049	3,702,659	-
	621,780	97,049	3,702,659	-

Company

	31-MAR-21		31-MAR-20	
	Assets (N'000)	Liabilities (N'000)	Assets (N'000)	Liabilities (N'000)
Foreign exchange futures contracts	621,780	49,322	2,906,508	-
	621,780	49,322	2,906,508	-

There are no significant unobservable inputs, thus the valuation is categorised as level 2 in the fair value hierarchy. Holding all other variables constant, a change by 100 basis point in exchange rates will result in the following variations in the derivative assets and liabilities.

Group

	31-MAR-21		31-MAR-20	
	Assets (N'000)	Liabilities (N'000)	Assets (N'000)	Liabilities (N'000)
Base derivative asset/ (liabilities)	621,780	97,049	3,702,659	-
	621,780	97,049	3,702,659	-
	Derivative forward net (N'000)	Derivative forward net (N'000)	Derivative forward net (N'000)	Derivative forward net (N'000)
100 basis point increase in NIBOR rates	624,914	97,538	3,721,320	-
100 basis point increase in USD NIBOR rates	620,955	96,920	3,697,746	-
100 basis point increase in NIBOR rates	618,646	96,560	3,683,999	-
100 basis point increase in USD NIBOR rates	622,606	97,178	3,707,580	-

Company

	31-MAR-21		31-MAR-20	
	Assets (N'000)	Liabilities (N'000)	Assets (N'000)	Liabilities (N'000)
Base derivative asset/ (liabilities)	621,780	49,322	2,906,508	-
	621,780	49,322	2,906,508	-
	Derivative forward net (N'000)	Derivative forward net (N'000)	Derivative forward net (N'000)	Derivative forward net (N'000)
100 basis point increase in NIBOR rates	624,773	49,559	2,920,498	-
100 basis point increase in USD NIBOR rates	621,048	49,264	2,903,085	-
100 basis point increase in NIBOR rates	618,788	49,085	2,892,521	-
100 basis point increase in USD NIBOR rates	622,514	49,380	2,909,941	-

The Group and Company’s derivative asset and liability represents the fair value change on Non-Deliverable Forward (NDF) contracts with the intention of hedging against exchange rate volatility of foreign payables from various vendors. At the end of the year, the Group and Company had a total payable of USD 140 million (2020: USD116 million).

The full fair value of a derivative is classified as a non-current asset or liability if the remaining maturity of the derivative is more than 12 months and, as a current asset or liability, if the maturity of derivative is less than 12 months.

The fair value of the futures and forward contracts have been determined using market-related input as follows:

- *Exchange rate of N482/ USD
- *Average discount rate of 12.56% determined based on the NIBOR and LIBOR rates.
- *The value of the forward is the discounted value of the cash flow to be obtained using the difference between the strike price and the estimated foreign exchange rate at maturity date.

29. Prepayments

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Deposit for imports (Letters of credit	19,174,997	5,207,001	15,350,286	5,116,596
Deposit for FX relating to forward and futures contracts	5,512,203	4,123,926	3,361,081	3,539,980
Advance payment to suppliers	19,461,331	7,072,840	12,067,463	5,979,860
Prepaid rent on operating premises*	152,673	171,795	27,577	51,883
Prepaid expenses	2,363,700	1,814,691	2,051,155	1,438,198
	46,664,904	18,390,253	32,857,562	16,126,517
Analyses into				
Current	46,568,933	18,342,824	32,772,245	16,079,088
Non-Current	95,971	47,429	85,317	47,429
	46,664,904	18,390,253	32,857,562	16,126,517

*Prepaid rent represents advance payment on short term leases.

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

30. Cash and cash equivalents

Cash and cash equivalents consist of:

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Cash on hand	955,076	655,673	852,726	583,977
Bank balances and fixed deposits	36,208,268	25,555,301	26,771,989	15,448,420
Cash and cash equivalents per statement of financial position	37,163,344	26,210,974	27,624,715	16,032,397
Bank overdraft	(4,000,896)	(5,542,528)	-	(1,553,349)
	33,162,448	20,668,446	27,624,715	14,479,048

Cash and cash equivalents comprise cash and bank balances, net of outstanding bank overdrafts. The carrying amount of these assets approximate their fair values. See note 43 for additional information on exposure to credit and currency risk. Included in the cash balance is an amount of N998.59million held on behalf of Flour Millers Association of Nigeria.

Included in cash and cash equivalents are short term deposits for unclaimed dividends amounting to N3.48 billion (2020: N2.6 billion) and N3.48 billion (2020: N2.6 billion) for the Group and Company respectively . The Group and Company are restricted from use of these balances.

31. Cash generated from (used in) operations profit for the year

		Group		Company	
		31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Profit for the year		25,716,923	11,376,743	20,172,489	12,582,571
Adjustments for:					
Depreciation	18	21,837,732	20,109,799	11,978,311	10,433,058
Amortisation of intangible assets	20	403,839	394,920	310,138	320,734
Depreciation of investment property	19	104,783	104,418	2,055	2,055
Gain on loan modification	33,36	(48,938)	-	(41,079)	-
Gain on lease modification	40,41	-	-	(144,212)	-
Losses/(gains) on disposals of property, plant and	9	490,811	9,417	495,716	(20,889)
Depreciation ROU	40	1,562,814	2,530,609	275,782	1,274,415
Net losses/ (gain) on foreign exchange		2,654,738	1,237,985	(268,667)	(79,753)
Investment income	13	(3,652,138)	(2,392,649)	(11,046,498)	(14,754,035)
Finance costs	14	18,655,198	19,975,470	10,032,461	12,293,277
Fair value gain on biological assets	24	(334,048)	(1,439,647)	-	-
Fair value loss/(gain) on derivatives	9	1,773,789	(3,768,660)	449,716	(2,971,472)
Provision for retirement benefit obligations	34	1,743,686	1,619,965	1,308,029	1,126,205
Write-off/impairment of property plant and equipment	18	4,641,907	397,185	594,523	335,098
Write-off of intangible assets	20	-	15,722	-	15,722
Income tax charge/(credit)	15	11,567,960	5,876,850	8,011,112	4,955,114
Provision for long service award	35	1,140,820	695,983	912,383	510,019
Impairment- long term loans and trade receivables	27	(2,093,523)	2,988,628	(4,020,275)	2,399,634
Minimum tax	15	(91,216)	243,222	-	-
		86,075,136	59,975,960	39,021,984	28,421,753
Changes in working capital:					
Inventories		(79,852,851)	4,700,170	(15,286,222)	6,536,108
Trade and other receivables		451,714	(1,902,082)	(16,861,427)	(5,214,398)
Prepayments		(28,274,651)	(1,579,533)	(16,731,045)	(2,484,884)
Trade and other payables		36,538,609	4,573,518	9,250,545	1,783,604
Deferred income		(2,006,029)	(283,583)	239,809	1,861,070
Customer deposit		18,955,875	4,575,069	10,014,611	1,754,490
Derivative assets		1,307,090	264,027	1,835,012	262,990
Derivative liability		97,049	-	49,322	-
		33,291,942	70,323,546	11,532,588	32,920,733

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

(a) The changes in property, plant and equipment have been adjusted for transfers to leases, intangible assets, and fixed assets transferred to related parties as disclosed in Note 1.

(b) The changes in trade and other receivables for the Company has been adjusted for transfer to long term receivables and loans converted to equity as disclosed in Note 25. Also, changes in trade and other receivables for the Group and Company have been respectively adjusted for withholding tax utilized as disclosed in Note 15.

(c) The changes in inventory for the Group has been adjusted for biological assets harvested during the year as disclosed in Note 24.

(d) The changes in derivative asset for the Group and Company has been adjusted for fair value gains disclosed in Note 9.

(e) The changes in trade and other payables for the Company have been adjusted for related party transfers of retirement benefit obligations and long service awards as disclosed in Note 34 and Note 35 respectively.

(f) Included in the proceeds from loans and borrowings are transaction costs related to loans and borrowings.

32. Share capital

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
(a) Authorised				
5,000,000,000 (2020: 5,000,000,000) ordinary	2,500,000	2,500,000	2,500,000	2,500,000
Reconciliation of number of shares issued				
Reported as at 1 April 2020	4,100,395,606	4,100,395,606	4,100,395,606	4,100,395,606
Reported as at 31 March 2021	4,100,395,606	4,100,395,606	4,100,395,606	4,100,395,606
(b) Issued and fully paid				
4,100,395,606 (2020: 4,100,395,606) ordinary shares of 50 kobo each	2,050,197	2,050,197	2,050,197	2,050,197
	2,050,197	2,050,197	2,050,197	2,050,197
Share Premium	75,377,444	75,377,444	75,377,444	75,377,444
	77,427,641	77,427,641	77,427,641	77,427,641

33. Borrowings

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Unsecured borrowings				
Bank of Industry Loan - CBN intervention fund (a)	24,375,552	23,175,203	5,542,558	1,321,835
Commercial Agricultural Credit Scheme- Agricultural loans (b)	4,062,492	5,046,152	-	-
RSSF-Real Sector Support Facility (c)	24,984,720	20,199,275	8,426,635	6,748,650
Other Bank Loans (d)	5,029,545	5,751,091	-	-
Intra Group Loan	-	-	-	96,376
Commercial papers and Bond issue (e)	68,632,677	47,853,825	68,632,677	47,853,825
Power and Airline Intervention fund (f)	1,593,030	1,993,681	1,017,044	996,352
	128,678,016	104,019,227	83,618,914	57,017,038

Analyses into				
Current	26,913,425	23,343,851	15,020,385	10,275,267
Non-Current	101,764,591	80,675,376	68,598,529	46,741,771
	128,678,016	104,019,227	83,618,914	57,017,038
Borrowing movement				
Opening balance	104,019,227	117,284,161	57,017,038	77,220,512
Additions	88,503,452	126,950,415	73,216,237	76,384,800
Gain on loan modification	(551,782)	(610,452)	(543,923)	(382,619)
Repayment	(63,292,881)	(139,604,897)	(46,070,438)	(96,205,655)
Closing Balance	128,678,016	104,019,227	83,618,914	57,017,038

(a) Flour Mills of Nigeria Plc obtained funds from the CBN/BOI Power and Aviation Intervention Fund and Manufacturing Intervention Fund in different tranches, with tenors of 10 to 15 years. Principal repayment commenced in September 2013. Principal and interest are repaid quarterly in arrears. The facilities have fixed interest rates between 7% and 9% per annum. The loans were granted to finance or refinance the construction of the group's power plants and expansion of existing manufacturing plants.

In addition, various subsidiaries within the Group have obtained Long-term and Working capital loans directly from the Bank of Industry at rates between 10% and 12%. Tenors range between 3 and 7 years.

(b) FMN's subsidiaries have a total of N11.0 billion (2020: N5.0 billion) outstanding in the Central Bank of Nigeria - Commercial Agricultural Credit Scheme (CACS). The loans were obtained by some subsidiaries at interest rates ranging from 7% - 9% per annum.

Medium-term loans under the scheme have a moratorium of 18 to 24 months and a 5-7 years tenor (with principal and interest payable quarterly in arrears), while short-term loans under the scheme have a tenor of one year.

(c) The Central Bank of Nigeria, as part of the efforts to unlock the potential of the real sector to engender output growth, value added productivity and job creation established the Real Sector Support Facility (RSSF) and the Differentiated Cash Reserve Ratio Programme. Various subsidiaries have obtained funds under this facility at 9%, with quarterly repayment of principal and interest for medium-term loans. Short-term loans under the scheme have a tenor of one year, with principal repayment at the end of the period.

(d) Other bank loans (amounting to N5.0 billion for the Group), refers to debt obtained by FMN subsidiaries from commercial banks in Nigeria. This loan has tenor of 3 years. This is repayable at 2023 with interest rates at 7%.

(e) On November 1, 2018, Flour Mills of Nigeria Plc completed a corporate bond issue, having raised a total amount of N20.11 billion from investors. The issue was in two Series- N10 billion of Series 1 at 15.5% with a tenor of 3 years (bullet repayment of principal at the end of the tenor) and Series 2 of N10.11 billion at 16% with a tenor of 5 years (semi-annual repayments of principal after a 1 year moratorium).

Also, in February 2020, Flour Mills of Nigeria Plc completed another corporate bond issue, having raised a total amount of N20.00 billion from investors. The issue was in two Series - N12.5 billion of Series III A at 10.0% with a tenor of 3 years (bullet repayment of principal at the end of the tenor) and Series 3B of N7.5 billion at 11.1% with a tenor of 5 years (bullet repayment of principal at the end of the tenor).

In December 2020, Flour Mills of Nigeria Plc completed another corporate bond issue, having raised a total amount of N29.89 billion from investors. The issue was in two Series - N4.9 billion of Series IV A at 5.5% with a tenor of 5 years (bullet repayment of principal at the end of the tenor) and Series IV B of N25.0 billion at 6.25% with a tenor of 7 years (bullet repayment of principal at the end of the tenor).

(f) In a bid to catalyze financing of the real sector of the Nigeria economy, the Central Bank of Nigeria has set aside N300 billion to fast-track the development of electric power projects and provide leverage for additional private sector investment in the power and aviation sectors. The Group obtained the loan to acquire and construct a combined heat and power system with two 15MW gas turbines each connected to its own waste heat system generator. The funds from this facility was obtained at 9%, with quarterly repayment of principal and interest.

Loans obtained under (a-c) were obtained at below market interest rate and were hence recorded at their fair value at inception, using the appropriate market rate at date of draw down. Due to the nature of the lending and the providers, the benefit of the below market rate has been treated as government grants and included in deferred income (Note 36).

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

34. Retirement benefit obligation

Defined benefit plan

The Group operates unfunded defined benefit plans for qualifying employees of the Group. Under the plans, the employees are entitled to retirement benefits on attainment of a retirement age ranging from 50 to 60 years.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 31 March 2021 by EY Nigeria (Rotimi Okpaise, FRC/2012/00000000738). The present value of the defined benefit obligation, and the related current service cost, were measured using the Projected Unit Credit Method.

Carrying Value

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Present value of the defined benefit obligation-wholly unfunded	(10,396,790)	(7,135,477)	(8,067,744)	(5,648,770)
Movements for the year				
Opening balance	7,135,477	5,848,372	5,648,770	4,798,945
Transfers	-	-	(6,778)	(134,270)
Benefit paid during the period	(332,576)	(940,525)	(291,297)	(603,078)
Net expenses recognised in profit or loss and other comprehensive income	3,575,666	2,227,630	2,717,049	1,587,173
At the period end	10,378,567	7,135,477	8,067,744	5,648,770
Current service cost	785,298	780,120	552,076	445,768
Interest cost	958,388	839,845	755,950	680,437
Recognised in profit or loss	1,743,686	1,619,965	1,308,026	1,126,205
Actuarial losses recognised in other comprehensive income	1,831,980	607,665	1,409,020	460,968
	3,575,666	2,227,630	2,717,049	1,587,173
Actuarial gains and losses due to:				
Changes in assumptions	1,532,352	656,441	1,147,331	547,502
Changes in experience	299,628	(48,776)	261,689	(86,534)
	1,831,980	607,665	1,409,020	460,968

key financial assumptions used

	Group		Company	
	31- MAR-21	31- MAR-20	31- MAR-21	31- MAR-20
Interest credit	8.00%	6.50%	8.00%	6.50%
Discount rates (per annum)	12.57%	13.50%	12.29%	13.50%
Average rate of inflation (per annum)	12.00%	11.00%	12.00%	11.00%
Expected increase in salaries (per annum)	12.75%	12.00%	13.00%	12.00%
Average duration of the plan (years)	11.92	11.80	10.91	10.70

Demographic assumption

Mortality in service

The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK due to unavailability of published reliable demographic data in Nigeria.

Sample age	Number of deaths in year out of 10,000 lives	Age band	Withdrawal from Service
25	7	</=30	2.5%
30	7	31-39	1.5%
35	9	40-44	1.0%
40	14	45-59	0.0%
45	26		0.0%

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions,holding other assumptions constant,would have affected the defined benefits obligation by the amount shown below:

Group

31-Mar-21		N'000
Base		10,378,567
Discount rate	1%	9,016,992
	-1%	11,173,402
Salary increase	1%	10,622,273
	-1%	9,468,776
12 months deposit rate (Central Bank of Nigeria)	1%	512,343
	-1%	466,975
Mortality experience	Age rated up by 1 year	10,004,514
	Age rated down by 1 year	10,017,981
31-Mar-20		
Base		7,135,477
Discount rate	1%	6,460,108
	-1%	7,886,514
Salary increase	1%	7,535,808
	-1%	6,750,178
12 months deposit rate (Central Bank of Nigeria)	1%	7,030,634
	-1%	6,975,778
Mortality experience	Age rated up by 1 year	7,121,171
	Age rated down by 1 year	7,118,950

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

Company

31-Mar-21		(N'000)
Base		8,067,744
Discount rate	1%	7,267,625
	-1%	9,001,649
Salary increase	1%	8,547,475
	-1%	7,640,236
12 months deposit rate (Central Bank of Nigeria)	1%	N/A
	-1%	N/A
Mortality experience	Age rated up by 1 year	8,062,175
	Age rated down by 1 year	8,072,737
31-Mar-20		
Base		5,648,770
Discount rate	1%	5,184,531
	-1%	6,315,045
Salary increase	1%	6,020,127
	-1%	5,429,385
12 months deposit rate (Central Bank of Nigeria)	1%	5,736,330
	-1%	5,681,574
Mortality experience	Age rated up by 1 year	5,708,707
	Age rated down by 1 year	5,706,982

35. Long service award

Long service award is granted at first to employees that have spent a minimum of ten years in service and for every multiple five years the employee remains in service. Payments to employees are both in cash and in kind.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out on 31 March 2021 by EY Nigeria (Rotimi Okpaise, FRC/2012/00000000738). The present value of the defined benefit obligation, and the related current service cost, were measured using the Projected Unit Credit Method.

Carrying Value

The amount included in the statement of financial position arising from the Group's obligations in respect of its long service awards is as follows:

	Group			Company
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Long service award	3,713,272	2,737,787	3,037,869	2,277,821
The movement in the account during the year was as follows:				
At the beginning of the year	2,737,787	2,183,131	2,277,821	1,881,868
Transfer	-	-	-	(72,480)
Net expense recognised in profit or loss	1,140,820	694,983	912,383	510,019
Benefits paid	(165,335)	(140,327)	(152,335)	(41,586)
At the end of the year	3,713,272	2,737,787	3,037,869	2,277,821
Net expenses recognised in profit or loss				
Service cost	578,067	352,156	462,315	243,120
Interest cost	506,868	308,782	405,373	265,180
Acturial (gains)/losses	55,885	34,045	44,695	1,719
	1,140,820	694,983	912,383	510,019
The actuarial gains and losses on long service awards are analyzed as follows:				
Changes in economic assumptions	96,056	167,960	79,367	145,223
Change in demographic assumptions	(40,171)	(133,915)	(34,672)	(143,504)
At 31 March	55,885	34,045	44,695	1,719

The principal assumptions used for the purpose of the actuarial valuations were as follows:

Group	31- MAR-21	31- MAR-20	Company	31- MAR-21	31- MAR-20
Discount rate (per annum)	12.01%	13.5%	Discount rate (per annum)	11.99%	13.5%
Expected rate(s) of salary increases (per annum)	13%	12%	Expected rate(s) of salary increases (per annum)	13%	12%
Average rate on inflation (per annum)	12%	11%	Average rate on inflation (per annum)	12%	11%
Benefit inflation rate (per annum)	6%	6%	Benefit inflation rate (per annum)	6%	6%
Average duration of the plan (years)	8.33	9.27	Average duration of the plan (years)	8.2	8.0

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

Demographic assumption

Mortality in service

The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK due to unavailability of published reliable demographic data in Nigeria.

Sample age	Number of deaths in year out of 10,000 lives	Age band	Withdrawal from Service
25	7	<=30	2.5%
30	7	31-39	1.5%
35	9	40-44	1.0%
40	14	45-50	0.0%
45	26	45-59	0.0%

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefits obligation by the amount shown below:

Group

31-Mar-21		(N'000)
Base		3,708,568
Discount rate	1%	2,828,949
	-1%	3,283,434
Salary increase	1%	3,261,987
	-1%	2,836,437
Benefit escalation rate	1%	3,049,308
	-1%	3,026,971
Mortality experience	Age rated up by 1 year	3,025,080
	Age rated down by 1 year	3,049,407
31-Mar-20		
Base		2,737,787
Discount rate	1%	2,556,569
	-1%	2,935,049
Salary increase	1%	2,929,097
	-1%	2,559,654
Benefit escalation rate	1%	2,752,192
	-1%	2,718,513
Mortality experience	Age rated up by 1 year	2,723,940
	Age rated down by 1 year	2,744,541

Company

31-Mar-21		(N'000)
Base		3,037,869
Discount rate	+1%	2,828,949
	-1%	3,283,434
Salary increase	+1%	3,261,987
	-1%	2,836,437
Benefit escalation rate	+1%	3,049,308
	-1%	3,026,971
Mortality experience	Age rated up by 1 year	3,025,080
	Age rated down by 1 year	3,049,407
31-Mar-20		
Base		2,277,821
Discount rate	+1%	2,146,106
	-1%	2,457,579
Salary increase	+1%	2,451,438
	-1%	2,149,772
12 months deposit rate (Central Bank of Nigeria)	+1%	2,309,247
	-1%	2,277,810
Mortality experience	Age rated up by 1 year	2,283,933
	Age rated down by 1 year	2,300,928

36. Deferred income

	Group			Company
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Non Current liabilities	12,901,940	14,787,589	1,735,080	1,650,826
Current liabilities	3,997,200	4,117,580	1,093,978	435,579
	16,899,140	18,905,169	2,829,058	2,086,405

The deferred income relates to government grants arising from the benefit received from below-market-interest rate government assisted loans (BOI, CACS, PAIF and RSSF loans) granted to date. The income is recognised in profit or loss at an amount proportionate to the additional finance costs incurred from amortisation of the loan.

At 1 April	18,905,169	19,188,752	2,086,405	225,335
Additions	2,285,894	3,798,450	1,314,481	2,068,681
Release of deferred income from government grant (Note 8)	(4,291,923)	(4,082,033)	(571,828)	(207,611)
At 31 March	16,899,140	18,905,169	2,829,058	2,086,405

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

37. Trade and other payables

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Trade payable	78,782,131	64,255,163	58,128,996	50,866,921
Trade payables-related parties	-	-	2,291,922	7,962,168
Other accrued expenses	35,355,301	13,819,101	15,573,953	7,908,268
Sundry creditors	1,793,286	2,072,645	840,246	1,454,424
Non- financial liabilities				
Statutory payables	4,221,754	3,466,954	749,072	141,863
	120,152,472	83,613,863	77,584,189	68,333,644

The average credit period on purchases is 28 days. No interest is charged on trade payables. The Group and Company have financial risk management policies in place to ensure that all payables are paid within a reasonable time of the credit time frame. The Group's major supplier, Star Trading Company Limited, accounts for over 70% of the inventory purchases and the Group does not default in the payment to the suppliers.

38. Dividend payable

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
At 1 April	3,984,940	2,566,783	2,370,330	2,177,173
Declared during the year	5,753,101	6,145,475	5,740,554	4,920,475
Payment during the year	(5,453,991)	(4,669,639)	(5,441,444)	(4,669,639)
Unclaimed dividends transferred to reserves	(83,003)	(57,679)	(83,003)	(57,679)
Unclaimed dividends returned to the company	6,494	-	-	-
	4,207,541	3,984,940	2,586,437	2,370,330

Unclaimed dividends transferred to retained earnings represent dividends which have remained unclaimed and are therefore no longer recoverable or actionable by the shareholders in accordance with Section 429 of Companies and Allied Matters Act (CAMA), 2020.

Recognised dividends per share during the year amounted to 1.40 per share (2020: 1.20 per share). The Board of Directors have proposed a dividend of 1.65 per share (2020: 1.40 per share).

39. Customer deposits

Customer deposits are contract liabilities which represents deposit made for products which will be recognised at the point the control of the products are transferred to the customers. The amount of N440.21 billion included in contract deposits have been recognised as revenue (2020: N405.98 billion)

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Customer deposits	38,926,118	19,970,243	23,805,256	13,790,645
	38,926,118	19,970,243	23,805,256	13,790,645

No information is provided about remaining performance obligations at 31 March 2021 that have an original expected duration of one year or less as allowed by IFRS 15.

40. Right of use asset

	Group			Company	
Cost	Equipment (N'000)	Property (N'000)	Total (N'000)	Property (N'000)	Total (N'000)
At 1 April 2019 (recognition of right of use on initial application of IFRS 16)	1,130,638	15,137,034	16,267,672	4,885,286	4,885,286
Additions	-	1,163,182	1,163,182	27,128	27,128
Transfers from PPE (Note 18)	-	33,095	33,095	33,095	33,095
At March 2020	1,130,638	16,333,311	17,463,949	4,945,509	4,945,509
At 1 April 2020	1,130,638	16,333,311	17,463,949	4,945,509	4,945,509
Additions	1,050,697	1,766,728	2,817,425	110,391	110,391
Derecognition during the year	-	-	-	(2,062,019)	(2,062,019)
Lease modification	101,269	222,253	323,522	222,253	222,253
At March 2021	2,282,604	18,322,292	20,604,896	3,216,134	3,216,134
Accumulated depreciation					
At 1 April 2019 (recognition of right of use on initial application of IFRS 16)	-	-	-	-	-
Depreciation charge	(57,293)	(2,473,316)	(2,530,609)	(1,274,415)	(1,274,415)
At March 2020	(57,293)	(2,473,316)	(2,530,609)	(1,274,415)	(1,274,415)
At 1 April 2020	(57,293)	(2,473,316)	(2,530,609)	(1,274,415)	(1,274,415)
Depreciation charge	(57,032)	(1,505,782)	(1,562,814)	(275,782)	(275,782)
Derecognition during the year	-	-	-	1,018,766	1,018,766
At March 2021	114,325	(3,979,098)	(4,093,423)	(531,431)	(531,431)
Carrying amount					
At March 2021	2,168,279	14,343,194	16,511,473	2,684,703	2,684,703
At March 2020	1,073,345	13,859,995	14,933,340	3,671,094	3,671,094

The Group and the Company leases silos, warehouses, office buildings, flats and apartments.

Extension and termination options are included in a number of property and equipment leases across the Group. The extension options are used to maximise operational flexibility of managing assets in the Group operations. The extension options are exercisable only by the Group and not the lessors.

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

41. Lease liabilities

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Balance as at 1 April	13,356,822	12,784,790	1,640,586	2,589,094
Additions	524,100	787,295	97,891	32,658
Modification	324,218	-	222,253	-
Derecognition during the year	-	-	(1,187,465)	-
Interest expenses	1,281,434	1,417,368	71,520	389,523
Exchange difference	2,962,727	909,034	-	-
	18,449,301	15,898,487	844,785	3,011,275
Less: payments	(1,740,546)	(2,541,665)	(168,412)	(1,370,689)
	16,708,755	13,356,822	676,373	1,640,586
Non- current liabilities	14,789,031	10,702,733	439,742	341,612
Current liabilities	1,919,724	2,654,089	236,631	1,298,974
	16,708,755	13,356,822	676,373	1,640,586

The incremental borrowing rates of the naira and dollar denominated lease liabilities are 6%-16% and 7.73% respectively.

Variable Lease

The Group and Company's motor vehicle lease arrangements are based on variable payment terms linked to the usage of the trucks. Variable payment terms are used for a number of reasons including; minimising fixed cost, and optimising operational flexibility.

The overall financial effect of using variable payment terms is that increased usage of the vehicle would increase total lease payments made under the motor vehicle lease arrangement.

Total expense incurred by the Group in relation to variable leases of motor vehicle lease contract was N704.31 million (2020: N598.04 million).

The total expenses incurred by the Group and Company in relation to short term leases which were not included in the measurement of lease liability amounts to N113.62 million and N126.66 million (2020: N622.13 million and N108.64 million) respectively.

Group as lessor

The Group leases out its investment property. All leases are classified as operating from a lessor perspective. The Group recognised lease payments (rental income) received from third party leases as income on a straight-line basis over the lease term. The total amount of rental income received in the year is N197.98 million (2020: N646.18 million).

Lease payments are received in-advance from third party lessees.

42. Related parties transactions

Name of related party	Relationships	Nature of transaction
Apapa Bulk Terminal Limited	Subsidiary	Cargo handling services to the Company
Golden Shipping Company Nigeria Limited	Subsidiary	Custom clearing and forwarding services for the Company
Golden Sugar Company Limited	Subsidiary	Purchase of packaging materials from the Company
Northern Nigeria Flour Mills Plc	Subsidiary	Purchase of wheat grain from the Company
Golden Fertilizer Company Limited	Sub-Subsidiary	Provision of business support services
Kaboji Farms Limited	Sub-Subsidiary	Provision of business support services
Premier Feed Mills Company Limited	Sub-Subsidiary	Purchase of packaging materials from the Company
Nigerian Eagles Flour Mills Limited	Subsidiary	Purchase of packaging materials from the Company
Crestview Towers Limited	Subsidiary	Sold residential apartments to the Company
Olympic Towers Limited	Sub-Subsidiary	Rental of residential apartments to the Company
Agri Palm Limited	Sub-Subsidiary	Provision of business support services
Agri Estates Limited	Sub-Subsidiary	Provision of business support services
Sunflag Farms Limited	Sub-Subsidiary	Provision of business support services
Shao Golden Farms Limited	Sub-Subsidiary	Provision of business support services
Premium Edible Oil Products Limited	Sub-Subsidiary	Sale of edible oil to the Company
Premium Cassava Products Limited	Sub-Subsidiary	Purchase of packaging materials from the Company
Best Chickens Limited	Sub-Subsidiary	Provision of business support services
Sunti Golden Sugar Estates Limited	Sub-Subsidiary	Provision of business support services
Golden Agri Inputs Limited	Sub-Subsidiary	Provision of business support services
Eastern Premier Feeds Mills Limited Sub-subsidiary	Sub-Subsidiary	Purchase of raw material and packaging

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

Related party balances

	Group		Company	
Trade and other receivables	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Golden Fertilizer Company Limited	-	-	493,034	-
Apapa Bulk Terminal Limited	-	-	-	15
Agri Estates Limited	-	-	26,812	6,550
Golden Sugar Company Limited	-	-	1,230,356	6,203,153
Kaboji Farms Limited	-	-	-	11,660
Nigerian Eagle Flour Mills Limited	-	-	438,657	84,818
Premier Feed Mills Company Limited	-	-	1,175,593	415,955
Northern Nigeria Flour Mills Plc	-	-	70,425	2,037,582
Premium Cassava Products Limited	-	-	254,553	1,968
Crestview Towers Limited	-	-	2,467	
Premium Edible Oil Products Limited	-	-	279,453	69,882
Agri Palm Limited	-	-	10,032	47,487
Shao Golden Farms Limited	-	-	-	72,095
Sunflag Farms Limited	-	-	-	2,199
Best Chickens Limited	-	-	30,354	6,904
Golden Agri Inputs Limited	-	-	311,727	438,191
Eastern Premier Feed Mill Limited	-	-	680,084	297,749
Independent Grain Handling and Storage Limited	-	-	5,417	84,487
Upland Grains Production Company Limited	-	-	10,026	136,623
Servewell Agriculture Services Limited	-	-	9,787	-
Other related parties	-	-	14,987	-
Impairment of intercompany receivables	-	-	(259,287)	-
			4,784,477	9,917,318
			4,784,477	9,917,318

Related party balances

	Group		Company	
Trade and other payables	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Premium Cassava Products Limited	-	-	-	408,925
Premium Edible Oil Products Limited	-	-	-	254,518
Apapa Bulk Terminal Limited	-	-	691,003	3,296
Premier Feed Mills Company Limited	-	-	-	2,891,553
Golden Agri Inputs Limited	-	-	-	5,175
Crestview Towers Limited	-	-	-	28,377
Golden Shipping Company Nigeria Limited	-	-	389,781	79,486
Golden Sugar Company Limited	-	-	712,605	1,422,321
Northern Nigerian Flour Mills Plc	-	-	-	300,000
Nigerian Eagle Flour Mills Plc	-	-	-	1,913,486
Shao Golden Farms Limited	-	-	5,127	-
Sunflag Farms Limited	-	-	4,655	-
Olympic Towers Limited	-	-	14,571	-
Kaboji Farms Limited	-	-	474,180	655,031
Others	-	-	-	-
Total (Note 37)	-	-	2,291,922	7,962,168
Long term loans receivables (Note 25)	-	-	62,423,085	48,864,528

The following transactions were carried out with related parties during the year;

	Group		Company	
Purchase of goods and services	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Golden Shipping Company Nigeria Limited	-	-	164,884	161,206
Apapa Bulk Terminal Limited	-	-	6,480,476	-
Premium Edible Oil Products Limited	-	-	7,768,099	4,920,350
Premium Cassava Products Limited	-	-	633,672	374,154
Golden Agri Inputs Limited	-	-	-	70,676
Golden Sugar Company Limited	-	-	3,747,957	3,842,340
Nigerian Eagle Flour Mills Limited	-	-	18,093,114	4,529,739
Northern Nigerian Flour Mills Plc	-	-	989,561	21,571,631
Eastern Premier Feed Mills Co Limited	-	-	-	1,365,140
	-	-	37,877,763	36,835,236

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

	Group		Company	
Sale of goods and services	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Golden Agri Inputs Limited	-	-	3,765	2,281
Eastern Premier Feed Mills Limited	-	-	3,241,820	1,870,990
Premier Feed Mills Company Limited	-	-	3,193,176	2,432,713
Northern Nigeria Flour Mills Plc	-	-	4,967,875	5,977,589
Nigerian Eagle Flour Mills Limited	-	-	43,108,360	30,640,296
Golden Sugar Company Limited	-	-	3,078,668	3,650,611
Kaboji Farms Limited	-	-	-	35,523
Shao Golden Farms Limited	-	-	468	37,854
Premium Edible Oil Products Limited	-	-	528,232	466,178
Agri Palm Limited	-	-	631	810
Golden Fertilizer Company Limited	-	-	1,113,619	-
Premium Cassava Products Limited	-	-	49,773	35,198
Apapa Bulk Terminal Limited	-	-	-	35,700
	-	-	59,286,387	45,185,743

	Group		Company	
Interest income from related parties	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Golden Fertilizer Company Limited	-	-	411,064	-
Agri Palm Limited	-	-	39,808	2,368
Shao Golden Farms Limited (Agro Allied Syrup	-	-	47,666	11,411
Upland Grains Production Company Limited	-	-	845	-
Eastern Premier Feed Mills Limited	-	-	497	3,361
Golden Agri Inputs Limited	-	-	55,744	143,487
Golden Sugar Company Limited	-	-	2,177,126	6,443,937
Nigerian Eagle Flour Mills Limited	-	-	1,625	-
Independent Grains Handling and Storage Limited	-	-	844	-
Servewell Agricultural Services Limited	-	-	897	-
Northern Nigeria Flour Plc Limited	-	-	2,877	32,907
Apapa Bulk Terminal Limited	-	-	103,682	1,589,757
Premier Feed Mills Company	-	-	11,667	118
Premium Cassava Products Limited	-	-	7,557	-
Premium Edible Oil Products Limited	-	-	361,678	442,847
			3,223,577	8,670,193

	Group		Company	
Interest expense to related parties	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Apapa Bulk Terminal Limited	-	-	22,072	67,775
Crestview Towers Limited	-	-	488	266
Eastern Premier Feed Mills Limited	-	-	3,487	16,483
Nigerian Eagle Flour Mills Limited	-	-	66,481	298,468
Premium Edible Oil Products Limited	-	-	166	390,417
Premier Feed Mills Company Limited	-	-	140,866	684,246
Sunflag Farms Limited	-	-	2,940	11,810
Agri Palm Limited	-	-	-	5,277
Golden Sugar Company Limited	-	-	1,987	136,874
			238,487	1,611,616

Related party transactions disclosed is inclusive of the inclusive of the relevant Value Added Tax applicable on the transactions.

Compensation of key management personnel			
Short term benefits		191,651	150,202
Long term benefits (Post- employment benefit)		22,013	16,101
		213,664	166,303

43. Directors’ emoluments

The members of the executive management team and all directors are considered to be the key management personnel of the Group. The remuneration of directors and key executive is determined by the remuneration committee having regard to the performance of individuals and market trends.

	Group		Company	
The remuneration paid to Directors was:	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Fees	2,800	2,600	2,800	2,600
Salaries and other emoluments	89,950	87,500	89,950	87,500
	92,750	90,100	92,750	90,100
Fees and other emoluments discussed above include amount paid to:				
Chairman	5,100	4,200	5,100	4,200
Other directors	87,650	85,900	87,650	85,900
	92,750	90,100	92,750	90,100

The number of Directors excluding the Chairman and highest paid director whose emoluments (excluding certain benefits) were within the following ranges:

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

	Group		Company	
	31- MAR-21	31- MAR-20	31- MAR-21	31- MAR-20
190,000- 200,000	13	12	13	12
19,000,001- 20,000,000	1	1	1	1
	14	13	14	13

	Group		Company	
	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Highest paid Director received	36,151	33,250	36,151	33,250

No loan was given to any key management personnel during the year (2020: Nil)

44. Categories of financial instruments

	Group Carrying Amount		Company Carrying Amount	
Non- derivative financial assets Financial assets at amortised cost	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Cash and cash equivalents (Note 30)	37,163,344	26,210,974	27,624,715	16,032,397
Trade and other receivables (Note 27)	14,847,969	10,763,176	11,140,451	13,975,356
Long term loans and receivables (Note 25)	38,852	358,689	62,423,085	48,864,528
Fair value through OCI				
Equity instruments at fair value through OCI (Note 23)	27,540	22,440	27,540	22,440
Fair value through OCI				
Derivative financial assets (Note 28)	621,780	3,702,659	621,780	2,906,508
	52,699,485	41,057,938	101,837,571	81,801,229

	Group Carrying Amount		Company Carrying Amount	
Non- derivative financial assets Financial assets at amortised cost	31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Bank overdraft (Note 30)	4,000,896	5,542,528	Nil	1,553,349
Borrowings (Note 33)	128,678,016	104,019,227	83,618,914	57,017,038
Trade and other payables (excluding statutory deductions) (Note 37)	115,930,718	80,146,909	76,835,117	68,191,782
Dividend payable (Note 38)	4,207,541	3,984,940	2,586,437	2,370,330
Lease liabilities (Note 41)	16,708,755	13,356,822	676,373	1,640,586
	269,525,926	207,050,426	163,716,841	130,773,085

45. Financial instruments and risk management

Capital risk management

The Group and Company manage their capital to ensure that it is able to continue as going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an efficient capital structure to optimise the cost of capital.

In order to maintain the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares by way of right-issue or sell investments to reduce debt. The Group monitors capital on the basis of the debt to equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including overdrafts, bonds and other bank loans as shown in the consolidated statement of financial position) less cash and cash equivalents. Total equity is the equity attributable to owners of Flour Mills of Nigeria Plc. in the consolidated statement of financial position.

The Group and Company are not subject to any externally imposed capital requirements.

Group operates a centralised procurement department in order to take advantage of the benefits of bulk purchase and also the logistics and transportation of products are handled by the Transport division and this creates more efficiency in delivery and thereby reducing cost.

The Group’s risk management committee reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

Ratios

The debt : equity ratio of the Group as at the reporting date was as follows:

		Group		Company	
		31- MAR-21 (N'000)	31- MAR-20 (N'000)	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Borrowings	33	128,678,016	104,019,227	83,618,914	57,017,038
Lease liabilities	41	16,708,755	13,356,822	676,373	1,640,586
Total borrowings		145,386,771	117,376,049	84,295,287	58,657,624
Cash and cash equivalents	30	(33,162,448)	(20,668,451)	(27,624,715)	(14,479,048)
Net borrowings		112,224,323	96,707,598	56,670,572	44,178,576
Equity		174,613,950	155,807,771	159,878,794	146,316,890
Gearing ratio		64%	62%	35%	30%

Financial risk management

Overview

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

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

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

Risk management is carried out by management under policies approved by the board of directors. Management identifies and evaluates the financial risks in co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk credit risk and liquidity risk. The Group's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

Financial risk management is an integral part of the way the Group is managed. The Board of Directors establishes the Group's financial risk management policies and the Group Managing Director establishes objectives in line with these policies. The Chief Finance Officer is then responsible for setting financial strategies, which are executed by the Centralised Treasury department.

The risk management activities are supervised by the Internal Audit Department (Business Assurance) and they provide an independent assurance of the risk framework. The Internal Audit assesses compliance with established controls and recommendations for improvement in processes are escalated to relevant management, Audit Committee and Board of Directors.

45.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and credit limits are set, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses publicly available financial information and its own trading records to rate its major customers. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. Trade and other receivables consist of a large number of customers, spread across diverse industries and geographical areas. It also includes receivables from related parties. Ongoing credit evaluation is performed on the financial condition of customers in respect of trade receivable and, where appropriate, bank credit guarantee is obtained.

Exposures within each credit risk grade are segmented by geographic region and industry classification and an ECL rate is calculated for each segment based on delinquency status and historical credit loss experience. These rates are adjusted for where necessary to reflect the differences between the economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Intercompany loan receivables.

The Company held non-trade receivables from its subsidiaries. The Company uses a general impairment model approach for assessment of ECLs for these receivables. The Group monitors changes in credit risk of the subsidiaries by tracking the published external credit ratings used as a basis in the determination of the subsidiaries credit risk grading.

12-month and lifetime probabilities of default are based on historical data supplied by Fitch ratings for each credit rating. Loss given default (LGD) parameters generally reflect an assumed recovery rate of 48% except when a security is credit-impaired. The exposure to credit risk for long term loan receivable is measured at amortised cost at the reporting date and analysed as follows.

Company**Carrying Amount**

Credit rating	31- MAR-21 (N'000)	31- MAR-20 (N'000)
B- to B+	51,498,137	-
C to CCC+	15,670,553	56,119,983
Gross carrying amounts	67,168,689	56,119,983
Loss allowance	(4,745,604)	(7,255,455)
Amortised cost	62,423,085	48,864,528
Carrying amount	62,423,085	48,864,528

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institution counterparties, which are rated by established rating agencies.

Impairment on cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Trade and other receivables consist of a large number of customers, spread across diverse industries and geographical areas. It also includes receivables from related parties. Ongoing credit evaluations is performed on the financial condition of customers in respect of trade receivables and, where appropriate, bank credit guarantee is obtained.

The Group continuously assesses the recoverability of these receivables. When the assessment reveals an indication of crystallisation of a credit risk, the Company recognizes an impairment loss provision to the extent it deems the amount.

Derivative contracts are entered into with bank and financial institution counterparties which have high quality credit ratings. Following represents the company amounts of financial assets subject to credit risk exposure;

Group

		Amortised cost/ Fair Value	Amortised cost/ Fair Value
		31- MAR-21 (N'000)	31- MAR-20 (N'000)
Trade receivables	27	14,847,969	10,763,176
Staff receivables	27	2,941,038	2,692,477
Loan term loans and receivable	25	38,852	358,689
Non-financial assets	27	8,036,604	12,275,793
Derivatives	28	621,780	3,219,290
Bank balances	30	36,208,268	25,555,301
		62,694,511	54,864,726

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

Company

		Amortised cost/ Fair Value	Amortised cost/ Fair Value
		31- MAR-21 (N)'000	31- MAR-20 (N)'000
Trade receivables	27	9,028,280	4,058,038
Related party receivables	27	4,784,477	9,917,318
Staff receivables	25	2,438,318	2,494,163
Sundry debtors	27	9,581,637	12,001,804
Derivatives	28	621,780	3,702,659
Bank balances	30	26,771,989	15,448,420
		53,226,481	47,622,402

Staff receivables are recovered through payroll deductions. Accordingly, management does not consider any credit risk on staff receivables.

The Group/ Company mitigates its credit risk exposure of its bank balances and derivative financial asset by selecting and transacting with reputable banks with good credit ratings and a history of strong financial performance.

45.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group and Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cashflows, and by matching the maturity profiles of financial assets and liabilities.

Maturity analysis of financial liabilities

The following tables detail the Group and Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Group 2021

		Carrying amount	Total	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
		N '000	N '000	N '000	N '000	N '000	N '000	N '000
Trade and other payables	37	78,782,131	78,782,131	-	-	78,782,131	-	-
Borrowings	33	128,678,016	144,123,408	13,889	5,595,061	17,139,860	74,386,287	46,988,312
Dividend payable	38	4,207,541	4,207,541	-	-	4,207,541	-	-
Bank overdraft	30	4,000,896	4,000,896	-	4,000,896	-	-	-
Derivative liability	28	97,049	97,049	97,049	-	-	-	-
Lease liabilities	41	16,708,755	16,708,755	501,263	1,670,875	3,341,752	4,177,189	7,017,676
		232,474,388	247,919,779	612,201	11,266,832	103,471,283	78,563,476	54,005,988

Group 2020

		Carrying amount	Total	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
		N '000	N '000	N '000	N '000	N '000	N '000	N '000
Trade and other payables	37	64,255,163	64,255,162	-	-	64,255,162	-	-
Borrowings	33	104,019,227	104,019,227	3,542,714	18,883,217	79,048,723	245,563	2,299,010
Dividend payable	38	3,984,940	3,984,940	-	-	3,984,940	-	-
Bank overdraft	30	5,542,528	5,542,523	-	5,542,523	-	-	-
Lease liabilities	41	13,356,822	13,356,823	400,705	1,335,682	2,671,365	3,339,206	5,609,865
		191,158,680	191,158,675	3,943,419	25,761,422	149,960,190	3,584,769	7,908,875

Company 2021

		Carrying amount	Total	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
		N '000	N '000	N '000	N '000	N '000	N '000	N '000
Trade and other payables	37	58,128,996	58,128,996	-	-	58,128,996	-	-
Borrowings	33	83,618,914	85,331,455	-	1,417,799	12,296,066	43,664,430	27,953,159
Dividend payable	38	2,586,437	2,586,437	-	-	2,586,437	-	-
Bank overdraft	30	-	-	-	-	-	-	-
Derivative liability	28	49,322	49,322	49,322	-	-	-	-
Lease liabilities	41	676,373	676,373	20,291	67,637	135,275	169,093	284,077
		145,060,042	146,772,582	69,613	1,485,437	73,146,773	43,833,523	28,237,236

Company 2020

		Carrying amount	Total	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
		N '000	N '000	N '000	N '000	N '000	N '000	N '000
Trade and other payables	37	50,866,921	50,866,928	-	-	50,866,928	-	-
Borrowings	33	57,017,038	77,353,565	65,534	3,048,447	12,506,700	57,638,891	4,093,993
Dividend payable	38	2,370,330	2,370,330	-	-	2,370,330	-	-
Bank overdraft	30	1,553,349	1,553,349	-	1,553,349	-	-	-
Lease liabilities	41	1,640,586	1,640,586	49,217	164,059	328,117	410,146	689,047
		113,448,224	133,784,758	114,751	4,765,855	66,072,075	58,049,037	4,783,040

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

The Group has access to undrawn borrowing facilities amounting to N123.62 billion. The bank overdraft may be drawn at any time and may be terminated by the bank without notice. The Group continues to monitor its access to finance and take appropriate measures to ensure obligations are settled in the normal course of business.

45.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rate, exchange rates and other prices. The Group's activities expose it primarily to financial risks of changes in foreign currency exchange rates, interest rates, equity prices and commodity prices. Market risks exposures are measured using sensitivity analysis. There has been no change to the manner in which these risks are managed and measured.

45.3.1 Foreign currency risk

The Group is mainly exposed to fluctuation in the exchange rate of the American Dollar (USD).

The Group is currently involved in the backward integration of Agro Allied products in order to reduce the foreign exchange risk associated with the high dependence on imported raw materials. The Group has also commenced the export of products to neighbouring African Countries in order to get more inflow of the USD. Effective closing rate as at 31 March 2021 is N482/ US Dollar (2020: N387/ US Dollar).

Foreign currency exposure at the end of the reporting period

The net carrying amounts, in naira, of the various exposures, are denominated in the following currencies. The amounts have been presented in naira by converting the foreign currency amounts at the closing rate at the reporting date:

	Group		Company	
	31- MAR-21 (\$'000)	31- MAR-20 (\$'000)	31- MAR-21 (\$'000)	31- MAR-20 (\$'000)
Cash and bank balance	10,699	5,690	9,639	4,724
Trade receivables	5,901	922	3,532	839
Trade payables	(40,770)	(107,145)	(32,296)	(102,172)
Borrowings	-	-	-	-
Net exposure	(24,170)	(100,533)	(19,125)	(96,609)

Foreign currency sensitivity analysis

The following information presents the sensitivity of the Group 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.

The following table details the Group and Company's sensitivity to a 20% (2020:10%) increase and decrease in the value of naira against USD. Management believes that a 20% (2020:10%) movement in either direction is reasonably possible at the balance sheet date. The sensitivity analysis below include outstanding balances of USD denominated assets and liabilities. A positive number indicates an increase in profit where naira strengthens by 20% (2020:10%) against the USD. For a 20% (2020:10%) weakening of Naira against the USD there would be an equal and opposite impact on profit, and the balances below would be negative.

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

	Group		Company	
	31- MAR-21 (\$'000)	31- MAR-21 (\$'000)	31- MAR-20 (\$'000)	31- MAR-20 (\$'000)
Group Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss				
US Dollar 20% (2020:10%)	2,329,999	(2,329,999)	3,890,627	(3,890,627)
Company Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss				
US Dollar 20% (2020:10%)	1,843,610	(1,843,610)	3,738,768	(3,738,768)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market interest rates. The Group maintains a centralised treasury department and Group borrowing is done in order to obtain lower interest rates. The Group negotiates long term credit facilities and obtains subsidised loans from the Government in order to reduce the risk associated with high cost of borrowing. The Group also takes advantage of the Central Bank of Nigeria intervention funds and grants from the Federal Government at below market rate in order to mitigate this risk.

The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The sensitivity analysis below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. 1000 basis points (BP) increase or decrease are used when reporting interest rate risk internally to key management personnel and these represent management's assessment of the reasonably possible change in interest rates.

Interest rate profile and tenor of borrowings

The terms and conditions and interest rate profile of outstanding loans at the end of the reporting period was as follows:

GROUP	Currency	Nominal Interest Rate	Maturity	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Bank overdraft	Naira	8%-20%	On Demand	4,000,896	5,542,528
Bank of industry Loan- CBN intervention fund	Naira	5%-10%	2021-2026	24,375,552	23,175,203
Commercial Agricultural Credit Scheme- Agriculture loans	Naira	5%	2021-2027	4,062,492	5,046,152
Power and Airline Intervention fund	Naira	5%	2022 - 2026	1,593,030	1,993,681
Commercial papers and bonds	Naira	6%-16%	2021-2027	68,632,677	47,853,825
Term loan	Naira	7%	2023	5,029,545	33,599,652
RSSF-Real Sector Support Facility	Naira	5%	2021-2030	24,984,720	20,199,275
				132,678,913	137,410,316

Interest rate profile and tenor of borrowings

The terms and conditions and interest rate profile of outstanding loans at the end of the reporting period was as follows:

COMPANY	Currency	Nominal Interest Rate	Maturity	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Bank overdraft	Naira	8% -20%	On Demand	-	1,553,349
Bank of industry Loan- CBN intervention fund	Naira	5% -10%	2026	5,542,558	1,321,835
Term loans	Naira	7%	2023		-
Commercial papers and bonds	Naira	6% -16%	2021-2027	68,632,677	47,853,825
RSSF-Real Sector Support Facility	Naira	5%	2026-2028	8,426,635	6,748,650
Power and Airline Intervention fund	Naira	5%	2025-2026	1,017,044	996,352
Intercompany loan	Naira	7% - 8%	2021-2028	-	96,376
				83,618,915	58,570,387

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.

The interest rate profile of the Group’s interest-bearing financial instruments as reported to the management of the Group is as follows.

Group

Variable rate instruments	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Financial assets	Nil	Nil
Financial liabilities	4,000,896	5,542,528
	(4,000,896)	(5,542,528)

Company

Variable rate instruments	31- MAR-21 (N'000)	31- MAR-20 (N'000)
Financial assets	67,168,689	56,119,983
Financial liabilities	Nil	1,553,349
	(67,168,689)	(54,566,634)

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

Fair value sensitivity analysis for fixed-rate instruments

The Group and Company does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Group and Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would have increased or decreased profit or loss by N40,009 (2020: N55,425) and N671,687 (2020: N545,666) for the Group and Company respectively. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

45.3.3 Price risk

The Group is further exposed to commodity price risk. The risk arises from the Group's need to buy specific quantities and qualities of raw materials to meet its milling requirements. These raw materials include wheat and cassava flour. The risk is partly mitigated by buying these raw materials 3 months in advance of use. This is based on management past experience with price movements.

Equity price risk

The Group is exposed to equity price risk which arises from its fair-value-through-other-comprehensive-income equity instruments. The management of the Group monitors the proportion of equity securities based on market indices. The primary goal of the Group's investment strategy is to maximize its returns in general. The maximum exposure to equity price risk at the reporting date is N27.5 million (2020: N22.4 million).

The Group investment carried at FVOCI is listed on the Nigerian Stock Exchange. A 10% increase in the share price would have increased equity by N3.73 million, an equal change in the opposite direction would have decreased equity by N3.73 million.

46. Fair value information

Accounting classification and fair values

The following table shows the carrying amount and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Introduction	Chairman's Statement	Report of the Directors	Financial Statements	CSR Report	Other Information			
		Carrying Amount					Fair Value			
		FVTPL	Financial assets measured at amortised cost	FVOCI Equity Instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
In thousands of Naira										
	23	-	-	27,540	-	27,540	27,540	-	-	27,540
		-	-	27,540	-	27,540	27,540	-	-	27,540
Financial Financial assets at amortised cost										
Long term loans and receivables	25	-	38,852	-	-	38,852	-	38,852	-	38,852
Trade and other receivables	27	-	25,825,611	-	-	25,825,611	-	-	-	-
Cash and cash equivalents	30	-	37,163,344	-	-	37,163,344	-	-	-	-
		-	63,027,807	-	-	63,027,807	-	38,852	-	38,852
Financial assets measured at fair value through profit or loss										
Derivative assets	28	621,780	-	-	-	621,780	-	621,780	-	621,780
		621,780	-	-	-	621,780	-	621,780	-	621,780
Financial liabilities not measured at fair value										
Bank overdrafts	30	-	-	-	(4,000,896)	(4,000,896)	-	-	-	-
Lease liabilities	41	-	-	-	(16,708,755)	(16,708,755)	-	(13,221,606)	-	(13,221,606)
Unsecured bank loans	33	-	-	-	(128,678,016)	(128,678,016)	-	(103,268,531)	-	(103,268,531)
Dividend payable	38	-	-	-	(4,207,541)	(4,207,541)	-	-	-	-
Trade and other payables (excluding statutory deductions)	37	-	-	-	(115,930,718)	(115,930,718)	-	-	-	-
		-	-	-	(269,525,926)	(269,525,926)	-	(116,490,137)	-	(116,490,137)

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

Group - 31 March 2020

		Carrying Amount					Fair Value			
		FVTPL	Financial assets measured at amortised cost	FVOCI Equity Instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
In thousands of Naira										
Other investments	23	-	-	22,440	-	22,440	22,440	-	-	22,440
		-	-	22,440	-	22,440	22,440	-	-	22,440
Financial Financial assets at amortised cost										
Long term loans and receivables	25	-	358,689	-	-	358,689	-	194,569	-	194,569
Trade and other receivables	27	-	10,763,176	-	-	10,763,176	-	-	-	-
Cash and cash equivalents	30	-	26,210,974	-	-	26,210,974	-	-	-	-
		-	37,332,839	-	-	37,332,839	-	194,569	-	194,569
Financial assets measured at fair value through profit or loss										
Derivative assets	28	3,702,659	-	-	-	3,702,659	-	3,702,659	-	3,702,659
		3,702,659	-	-	-	3,702,659	-	3,702,659	-	3,702,659
Financial liabilities not measured at fair value										
Bank overdrafts	30	-	-	-	(5,542,528)	(5,542,528)	-	-	-	-
Lease liabilities	41	-	-	-	(13,356,822)	(13,356,822)	-	(4,718,317)	-	(4,718,317)
Unsecured bank loans	33	-	-	-	(104,019,227)	(104,019,227)	-	(80,708,062)	-	(80,708,062)
Dividend payable	38	-	-	-	(3,985,940)	(3,985,940)	-	-	-	-
Trade and other payables (excluding statutory deductions)	37	-	-	-	(80,146,909)	(80,146,909)	-	-	-	-
		-	-	-	(207,051,426)	(207,051,426)	-	(85,426,379)	-	(85,426,379)

		Introduction	Chairman's Statement	Report of the Directors	Financial Statements	CSR Report	Other Information			
		Carrying Amount					Fair Value			
In thousands of Naira		FVTPL	Financial assets measured at amortised cost	FVOCI Equity Instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	23	-	-	27,540	-	27,540	27,540	-	-	27,540
		-	-	27,540	-	27,540	27,540	-	-	27,540
Financial assets at amortised cost										
	25	-	62,423,085	-	-	62,423,085	-	56,127,466	-	56,127,466
	27	-	23,160,406	-	-	23,160,406	23,160,406	-	-	23,160,406
	30	-	27,624,715	-	-	27,624,715	27,624,715	-	-	27,624,715
		-	113,208,206	-	-	113,208,206	50,785,121	-	-	27,624,715
Financial assets measured at fair value through profit or loss										
	28	621,780	-	-	-	621,780	-	621,780	-	621,780
		621,780	-	-	-	621,780	-	621,780	-	621,780
Financial liabilities not measured at fair value										
	30	-	-	-	-	-	-	-	-	-
	41	-	-	-	(676,373)	(676,373)	-	(603,470)	-	(603,470)
	33	-	-	-	(83,618,914)	(83,618,914)	-	(69,392,479)	-	(69,392,479)
	38	-	-	-	(2,586,437)	(2,586,437)	(2,586,437)	-	-	(2,586,437)
	37	-	-	-	(76,835,117)	(76,835,117)	(76,835,117)	-	-	(76,835,117)
		-	-	-	(163,716,841)	(163,716,841)	(79,421,554)	(69,995,949)	-	(149,417,503)

Notes to the Financial Statements for the year ended 31 March 2021 (continued)

Company - 31 March 2020

		Carrying Amount					Fair Value			
		FVTPL	Financial assets measured at amortised cost	FVOCI Equity Instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
In thousands of Naira										
Other investments	23	-	-	22,440	-	22,440	22,440	-	-	22,440
		-	-	22,440	-	22,440	22,440	-	-	22,440
Financial assets at amortised cost										
Long term loans and receivables	25	-	48,864,528	-	-	48,864,528	-	26,506,346	-	26,506,346
Trade and other receivables	27	-	50,312,189	-	-	50,312,189	-	-	-	-
Cash and cash equivalents	30	-	16,032,397	-	-	16,032,397	-	-	-	-
		-	115,209,114	-	-	115,209,114	-	26,506,346	-	26,506,346
Financial assets measured at fair value through profit or loss										
Derivative assets	28	2,906,508	-	-	-	2,906,508	-	2,906,508	-	2,906,508
		2,906,508	-	-	-	2,906,508	-	2,906,508	-	2,906,508
Financial liabilities not measured at fair value										
Bank overdrafts	30	-	-	-	(1,553,349)	(1,553,349)	-	-	-	-
Lease liabilities	41	-	-	-	(57,017,038)	(57,017,038)	-	(44,329,270)	-	(44,329,270)
Unsecured bank loans	33	-	-	-	(2,370,330)	(2,370,330)	-	-	-	-
Dividend payable	38	-	-	-	(1,640,586)	(1,640,586)	-	(579,539)	-	-
Trade and other payables (excluding statutory deductions)	37	-	-	-	(68,191,782)	(68,191,782)	-	-	-	-
		-	-	-	(129,132,499)	(129,132,499)	-	(44,329,270)	-	(44,329,270)

Fair value hierarchy

Financial instruments in Level 1

The fair value of financial instruments traded in active markets (quoted equity) is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis. The quoted market price used for quoted equity investment held by the Company is the bid price at the reporting date. These instruments are included in level 1. There were no transfers between levels during the year.

Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (loans and borrowings) is determined by using discounted cash flow valuation techniques. This valuation technique maximize the use of observable market data by using the market related interest rate for discounting the contractual cash flows. There are no significant unobservable inputs. There were no transfers between levels during the year. The basis of measurement has remained the same between current and prior years.

The fair value of future and forward exchange contracts is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

Financial instruments in Level 3

The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee and the expected revenue and EBITDA of the investee. The estimate is adjusted for the effect of non- marketability of the equity securities.

Financial instruments not measured at fair value

The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.

47. Non-audit fees paid to the Auditors

In the current year the total amount of non-audit fees paid to our auditors amounted to N55.5 million (2020: N40.3 million).

This is in respect of Tax and IT project advisory services rendered during the year.

48. Substantial interest in shares

Excelsior Shipping Company Limited has 2,597,314,890 (2020: 2,581,286,589) ordinary shares of 50k each, representing 63.34% (2020: 62.95%) of the issued and paid-up share capital of the Company.

49. Commitments

Guarantees and other financial commitments

The Company has committed itself to providing continued financial support to all subsidiaries in the Group with net liability position. The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the Company’s state of affairs have been taken into consideration in the preparation of the financial statements under review.

50. Contingencies

The Group and the Company are involved in litigation suits in the ordinary course of business. In addition, the Group and Company undergo periodic tax regulatory reviews in the normal course of business. There are no contingent liabilities with respect to cases and contingencies from these tax regulatory reviews against the Group and Company as at year end (31 March 2020: N16.5 billion and N2.86 billion respectively). The actions are being contested and the Directors are of the opinion that none of the aforementioned cases or tax regulatory reviews are likely to have a material adverse effect on the Group and Company.

51. Events after the reporting period

Subsequent to year end, the Nasarawa State Government has signed a Memorandum of Understanding (MoU) with Flour Mills of Nigeria Plc (FMN) to establish a sugar company in Toto Local Government Area (LGA) of the state. Except as disclosed above, there are no other significant events after the reporting period which could have a material effect on the financial position of the Company as at 31 March 2021, and its financial performance for the year then ended, that have not been adequately provided for or disclosed in these financial statement.

Other National Disclosures

Other National Disclosures

Consolidated and Separate Statement of Value Added

Group

	31- MAR-21 (N'000)	31- MAR-21 %	31- MAR-20 (N'000)	31- MAR-21 %
Turnover	771,607,880		573,774,356	
Investment income	3,652,138		2,392,649	
Other operating income	-		4,905,683	
Local	(25,411,337)		(34,034,194)	
Foreign	(636,384,394)		(458,471,064)	
Total Value Added	113,464,287	100	88,567,430	100
Distribution of value added				
To Pay Employees				
Salaries, wages, medical and other benefits	33,454,550		29,278,760	
	33,454,550	29	29,278,760	33
To Pay Providers of Capital				
Finance costs	18,655,198		19,975,470	
	18,655,198	16	19,975,470	23
To Pay Government				
Income Tax	9,369,466		4,057,111	
	9,369,466	8	4,057,111	5
To be retained in the business for expansion and future wealth creation:				
Depreciation and amortisation (for the replacement of fixed asset)	24,069,656		22,059,608	
Deferred tax	2,198,494		1,819,739	
	26,268,150	23	23,879,347	27
Value retained				
Retained profit	26,148,786		10,467,673	
Non-controlling interest	(431,863)		909,069	13
	25,716,923	23	11,376,741	13
	113,464,287	100	88,567,430	100

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

Other National Disclosures (continued)

Consolidated and Separate Statement of Value Added

Company

	31- MAR-21 (N'000)	31- MAR-21 %	31- MAR-20 (N'000)	31- MAR-20 %
Turnover	535,881,585		394,884,217	
Investment income	11,046,498		14,754,035	
Other operating income	-		472,846	
Local	(31,970,171)		(39,567,473)	
Foreign	(440,583,132)		(306,317,929)	
Total Value Added	74,374,780	100	64,225,696	100
Distribution of value added				
To Pay Employees				
Salaries, wages, medical and other benefits	23,592,436		20,126,688	
	23,592,436	32	20,126,688	31
To Pay Providers of Capital				
Finance costs	10,032,461		12,293,277	
	10,032,461	13	12,293,277	19
To Pay Government				
Income Tax	4,726,873		2,293,031	
	4,726,873	7	2,293,031	4
To be retained in the business for expansion and future wealth creation:				
Depreciation and amortisation (for the replacement of fixed asset)	12,566,282		14,429,895	
Deferred tax	3,284,239		2,662,084	
	15,850,521	21	17,091,979	27
Value retained				
Retained profit	20,172,489		12,420,721	
	20,172,489	27	12,420,721	19
	74,374,780	100	64,225,696	100

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

Other National Disclosures (continued)

Group 2021 (Five Year Financial Summary)						
Consolidated Statement of Financial Position	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17	
Assets	N '000	N '000	N '000	N '000	N '000	
Non-current assets	238,727,670	242,722,155	236,552,221	234,102,289	227,719,991	
Current assets	306,005,143	189,731,687	180,269,383	174,245,628	254,883,266	
Total assets	544,732,813	432,453,842	416,821,604	408,347,917	482,603,257	
Liabilities						
Non-current liabilities	160,422,753	127,887,817	81,220,607	57,943,133	72,562,013	
Current liabilities	209,696,110	148,758,253	184,628,802	199,788,076	307,496,900	
Total liabilities	370,118,863	276,646,070	265,849,409	257,731,209	380,058,913	
Total equity	174,613,950	155,807,772	150,972,195	150,616,708	102,544,344	
	544,732,812	432,453,842	416,821,604	408,347,917	482,603,257	
Consolidated Statement Profit or Loss and Other Comprehensive Income						
Revenue	771,607,880	573,774,356	527,404,569	542,670,410	542,464,448	
Profit before taxation	37,193,667	17,496,815	10,174,275	16,541,767	10,472,847	
Taxation	(11,567,960)	(5,815,148)	(6,174,129)	(2,925,993)	(1,636,395)	
Profit from continuing operations	25,625,707	11,681,667	4,000,146	13,615,774	8,836,452	
Profit for the year	25,716,923	11,376,743	4,000,146	13,615,774	8,836,452	
Non-controlling interest	431,863	(909,070)	108,223	(940,453)	(874,968)	
Retained income for the year	26,148,786	10,467,673	4,108,369	12,675,321	7,961,484	
Per share data						
Earnings per share (Naira)	6.38	2.55	1.00	4.83	3.03	
Net assets per share (Naira)	42.58	38.00	35.00	36.73	39.08	

Earnings per share is based on profit for the year and the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share is based on net assets and the number of issued and fully paid ordinary shares at the end of each financial year

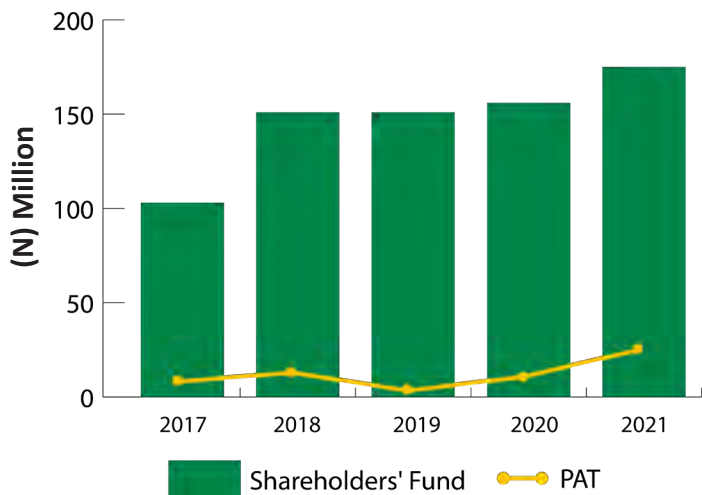
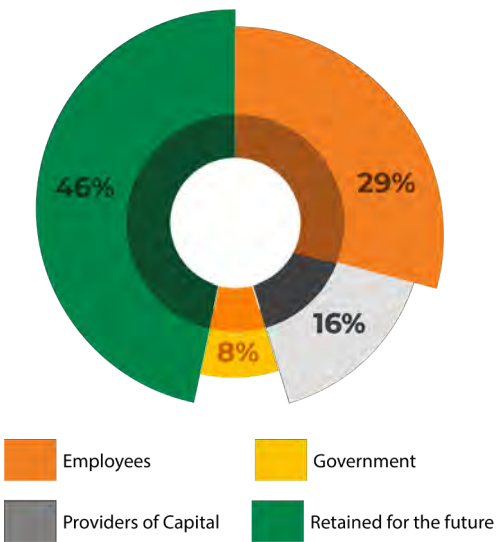
Other National Disclosures
(continued)

Separate Statement of Financial Position	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17
	N '000	N '000	N '000	N '000	N '000
Assets					
Non-current assets	219,163,251	189,083,838	171,481,410	168,223,794	118,058,601
Current assets	161,159,274	125,183,222	142,576,777	154,380,788	225,874,557
Total assets	380,322,525	314,267,060	314,058,187	322,604,582	343,933,158
Liabilities					
Non-current liabilities	95,377,417	67,325,900	36,799,208	31,083,760	18,404,858
Current liabilities	125,066,314	100,624,270	138,329,706	140,074,526	217,412,600
Total liabilities	220,443,731	167,950,170	175,128,914	171,158,286	235,817,458
Total equity	159,878,794	146,316,889	138,929,273	151,446,296	108,115,700
	380,322,526	314,267,060	314,058,187	322,604,582	343,933,158
Separate Statement of Profit or Loss and Other Comprehensive Income					
Revenue	535,881,585	394,884,217	370,205,529	389,397,836	375,225,284
Profit before taxation	28,183,601	17,537,684	18,536,249	14,153,983	10,979,579
Taxation	(8,011,112)	(4,955,115)	(986,742)	(4,909,254)	(1,150,533)
Profit from continuing operations	20,172,489	12,582,570	17,549,507	9,244,729	9,829,046
Discontinued operations			1,768,147		
Profit for the year	20,172,489	12,582,570	19,317,654	9,244,729	9,829,046
Retained income for the year	20,172,489	12,582,570	19,317,654	9,244,729	9,829,046
Per share data					
Earnings per share (Naira)	4.92	3.06	4.28	3.52	3.75
Net assets per share (Naira)	38.99	35.68	33.88	36.93	41.20

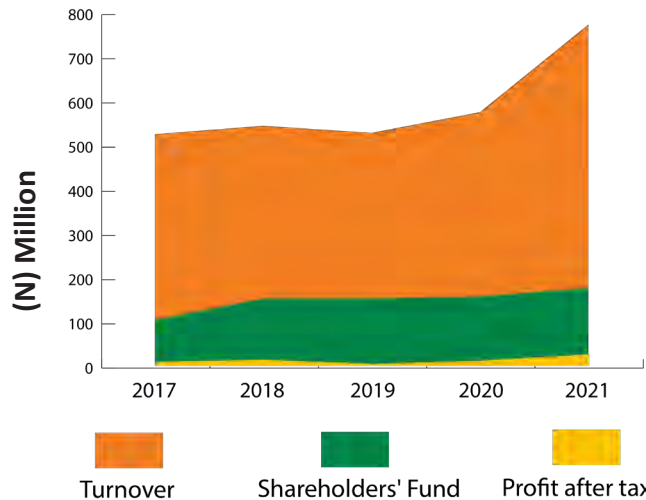
Earnings per share is based on profit for the year and the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share is based on net assets and the number of issued and fully paid ordinary shares at the end of each financial year

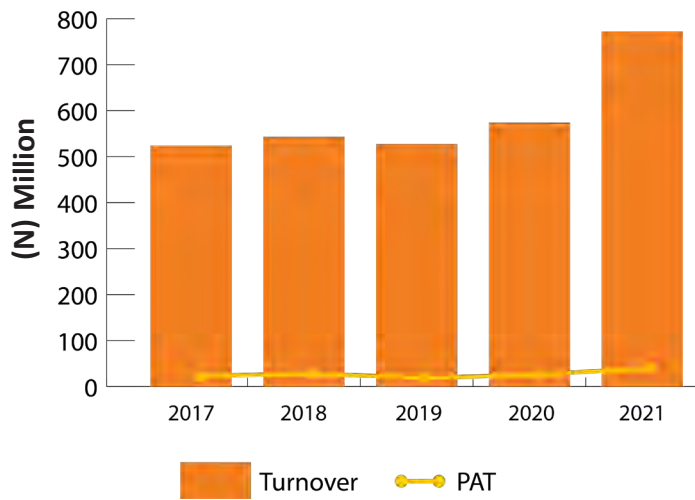
Performance Indicators



STATEMENT OF CONSOLIDATED VALUE ADDED STATEMENT

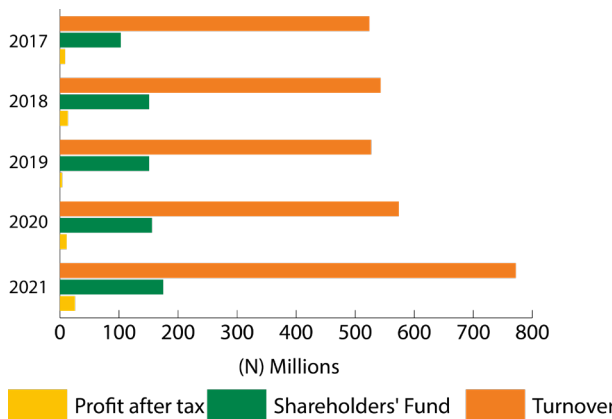


SHAREHOLDERS FUND Vs PAT TREND



5 YEARS PERFORMANCE TREND

TURNOVER Vs PAT TREND



5 YEARS PERFORMANCE TREND

Share Capital History

Date	Authorised (N)		Issued & Fully Paid-up (N=)		Consideration
	Increase	Cumulative	Increase	Cumulative	
26/09/78	0	15,000,000	0	15,000,000	
26/08/80	10,000,000	25,000,000	10,000,000	15,000,000	
21/11/80	0	25,000,000	0	25,000,000	Scrip 2:3
12/11/84	7,500,000	32,500,000	7,500,000	25,000,000	
16/01/85	0	32,500,000	0	32,500,000	Scrip 3:10
09/11/93	65,000,000	97,500,000	65,000,000	32,500,000	
18/02/94	0	97,500,000	0	97,500,000	Scrip 2:1
03/10/96	152,500,000	250,000,000	152,500,000	97,500,000	
01/11/96	0	250,000,000	0	130,000,000	Scrip 1:3
23/11/96	0	250,000,000	0	195,000,000	Scrip 1:2
16/09/99	100,000,000	350,000,000	100,000,000	195,000,000	
04/01/00	0	350,000,000	0	273,000,000	Cash
10/09/02	150,000,000	500,000,000	150,000,000	273,000,000	
27/02/03	0	500,000,000	0	364,000,000	Scrip 1:3
04/02/05	500,000,000	1,000,000,000	0	582,400,000	Rights issue 3 for 5
07/09/06	0	1,000,000,000	0	776,533,334	Scrip 1:3
10/09/08	0	1,000,000,000	0	854,186,668	Scrip 1:10
21/10/10	0	1,000,000,000	0	939,605,334	Scrip 1:10
22/06/11	1,000,000,000	2,000,000,000	1,000,000,000	939,605,334	
15/02/12	0	2,000,000,000	0	1,167,388,000	Right Issue 8 for 33
31/03/13	0	2,000,000,000	0	1,192,842,200	Share Exchange upon BAGCO and Niger Mills Merger
31/03/14	0	2,000,000,000	0	1,192,842,200	
31/03/15	0	2,000,000,000	0	1,312,126,690	Scrip 1:10
13/07/15	500,000,000	2,500,000,000	500,000,000	1,312,126,690	
29/03/18		2,500,000,000		2,050,197,803	Right Issue



CSR Report

Feeding the Nation & Enriching lives through sustainable operations

As a socially responsible organization, we remain committed to our sustainability statement, which states that we will contribute to the preservation of biodiversity by lowering water use, waste, greenhouse gas emissions, energy use, and carbon emissions. We will continue to engage in sustainable business practices through our corporate social responsibility efforts because we understand that the future growth of our business depends on it.

Our sustainability approach is based on respect for our people, cultures, and the natural environment. The livelihood, health and welfare of our employees, host communities and other stakeholders remain a critical concern as we continue to engage in ethical business practices and make great efforts in our environmental, social and governance (ESG) journey.

In promoting current and emerging issues, FMN is dedicated to building strong relationships with our communities by investing in mutually beneficial projects and initiatives, thereby strengthening our leadership roles.

Launch of first stand-alone sustainability report

To reaffirm our commitment towards sustainability and delivering positive impact for stakeholders, we unveiled our first standalone Sustainability report in 2020.

The report which was launched on the “Facts behind the Sustainability report” platform hosted by Nigerian Exchange Group (formerly Nigeria Stock Exchange), consolidates the group’s ESG efforts. The report gives an insight into our contribution to improving the lives of our stakeholders through sustainable production and consumption of natural resources. According to global best practice, this laudable report references the Global Reporting Initiative (GRI) which is the globally acceptable framework for reporting on ESG matters.

Scan QR Code
to Download the
Sustainability Report



United Nations (UN) Global Compact membership

As FMN's contribution to global sustainable development, the Company recently signed up with a letter of commitment (participant tier) to the United Nations Global Compact- global corporate citizenship initiative. In joining the UN Global Compact, FMN shows its commitment to the global achievement of the Sustainable Development Goals (SDGs).



Strategic Areas of Engagement and Impact

FMN's strategic areas of engagement and impact which align with the SDGs remain.

- Education, research, and skills development
- Environmental sustainability
- Health, safety, and welfare
- Infrastructural development
- Security

The different businesses within our Group are given the necessary flexibility to determine the most appropriate Corporate responsibility intervention in their host communities through regular stakeholder engagement and corresponding needs assessment. This strategy guarantees investment in relevant and mutually beneficial activities within our local communities in which we operate. A few of these projects are as follows.

Education, Research and Skills Development

Flour Mills Food Research Center, University of Ibadan

The Flour Mills Food Research Centre was established to promote research and foster the course of food science and technology in Nigeria. This initiative which is in partnership with the University of Ibadan (UI) has been running for seven years.

Through the George Coumantaros Distinguished Professorship chair, FMN is committed to annually providing an endowment of N8million to the university towards George Coumantaros memorial lecture in conjunction with the Flour Mills Food Research Centre, research activities, running of the center and other related programmes.

Five academic staff of UI were fully sponsored from the FMN George Coumantaros Distinguished Professorship endowment to attend the 44th Conference and Annual General Meeting of the Nigerian Institute of Food Science and Technology held at D’Podium International Event Centre, Ikeja, Lagos on 14-15 October, 2020 with the theme “Agro and Food Processing for Wealth Creation- The Nigerian Experience”. FMN was a major partner of the Conference with the current Vice Chairman of FMN, Mr. Paul Gbededo, was the Keynote Speaker.

About 100 postgraduate students are currently registered in the Department of Food Technology and they all benefit from the facilities provided through the George Coumantaros Distinguished Professorship grant. Their research projects are in diverse areas of Food Science and Technology including Post-Harvest Technology, Food Processing, Food Product Development, Food Microbiology and Safety, and Food Engineering.

Our Chairman Mr. John G. Coumantaros, was awarded the prestigious and highly coveted Honorary Degree of Doctor of Letters (D. Letters) of the University of Ibadan at the 72nd Foundation Day Ceremony of the University on 17th November 2020. The award was made in recognition of his outstanding accomplishments and contributions to Nigeria’s industrial growth through his visionary leadership at FMN, one of Nigeria’s most impactful Food and Agro-allied groups.





Vocational Center for Special-needs Children

FMN constructed Vocational Centre at Methodist Primary School, Apapa for children with learning disabilities, annually receives financial support for the running of the center i.e. learning materials, equipment, and allowances for the facilitators.

The onset of Covid19 pandemic interrupted the activities of the center earlier on in the financial year but as the year progressed, learning commenced and the children were tutored in the areas of sewing, barbing and shoe design.



Renovation of Primary Schools



During the year, FMN through its Sugar division in Niger State, renovated several Community Primary Schools at the following host communities:

- Sunti, Batagi, Dzagun, Kanzhi



Environmental Sustainability

FMN remains committed to the preservation of its ecosystem through sustainable design, innovation, energy efficiency and waste management. At our PCPL site in Ogun state, an Effluent Treatment Plant (ETP), was recently commissioned majorly to treat the effluent from the factory and channel the treated wastewater for reuse or to the outside drain. Another advantage of the ETP, is that freshwater use will be reduced and the natural environment is preserved against pollution.



Environmental Sustainability

At FMN we believe that Safety is our license to operate and in our Journey towards zero accident and achieving our sustainability development goals, we made a couple of milestones including reduction of Lost Time Incident Frequency rate from 0.65 in 2019 to 0.56 in 2020 while reducing our solid waste to landfill by 15%. This was a result of our commitment to protecting people, environment, and equipment by complying with all statutory requirements and standards, and even going beyond those standards wherever possible.



Community Outreach Programs

During the year, FMN through Niger mills & EPFM, Calabar lent it support to the fight against the spread of Covid-19 by embarking on a social campaign to sensitize its employees, vendors and host communities about the second wave of the epidemic, the campaign was titled “We care about your safety and won’t tolerate those who don’t”



COVID-19 Response by Niger Mills, Calabar



Niger Mills supported Cross-River state with products as palliative during the outbreak of the pandemic and lock down to ameliorate the people of the state.



Other community development outreach initiatives carried out at the host communities of our various sites are as follows.

- PFM**- Food products donation to the Youths of Oluyole LGA Ibadan.
- PEOPL**- Repair of Bore-Hole Machine earlier donated to Ogundele Community, Idi Ayunre, Ibadan.
- PEOPL** - Donation of a Refrigerator to Motor Traffic Dept. of the Nigerian Police Idi Ayunre, Ibadan.
- PEOPL** - Donation of Company Products to Winnies Castle Orphanage Home.
- PEOPL** - Medical Outreach Partnership with donation of BP machines and Accucheck Machine at the Abanla Community, Oyo State. Support to Kamarise Landlord Association, Alomaja, Ibadan towards the Purchase of Transformer Stopper.
- GSC**- Donation of palliatives to Sunti community, Niger State. Donation of products to Modupe Cole and Little Saints Orphanages.



Images 1: Charity donations
 Images 2 -4: Charity donations

Infrastructural Development



During the year, FMN through PCPL constructed and commissioned the Customary Court for the Ososa Community in Ogun state.



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The FMN Group



www.fmnplc.com



Feeding the Nation, Everyday

Company Events

International Women's Day



FMN commemorated the 2021 International Women's Day with a virtual event that brought together key stakeholders in the company and esteemed speakers from various sectors. The session, which was hosted by the FMN Women's Network, a gender equity initiative of FMN, featured a panel of distinguished personalities with years of business and leadership experience from different sectors.



Scan QR Code to Watch video.

SERAS Awards

FMN won the best company in supply chain at the 14th edition of the prestigious Sustainability, Enterprise & Responsibility Awards (SERAS)



Scan QR Code
to Read More



YALWA

Golden Agri Inputs Ltd (GAIL) launched a Maize and Soybean Value Chain Development Programme for farmers called YALWA (Abundance) in Kaduna State following an official MoU signing ceremony with the State Government



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to Read More

Fertilizer Customers Forum



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to Read More



2020 Annual General Meeting



Scan QR Code
to Read More





GREAT DISHES EVERYTIME!



cookitspreadit

 fmnfoods.com

E-Mandate Activation Form

Affix
Current
Passport
Photo



Please write your name at the back of your passport

E-MANDATE ACTIVATION FORM

Instruction

Please complete all sections of this form to make it eligible for processing and return to the address below.

The Registrar,

Atlas Registrars Limited

34, Eric Moore Road, Iganmu (Bagco Building) surulere

P.O.Box 3554, Surulere, Lagos State

Only Clearing Banks are acceptable

Kindly tick & quote your shareholders account no. in the box below

Tick	Name of Company	Shareholder's Account No.
	FLOUR MILLS OF NIG.PL.C	
	NORTHERN NIG. FLOURMILLS	

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my/our bank detailed below:

Bank Verification Number

Bank Name	
Bank Account Number	
Account Opening Date	

* Please ensure that the name on your Bank Account corresponds with that in our records as any contrary Name(s) would void your request.

Shareholder Account Information

Surname/Company Name	First Name	Other Names

Address:

City	State	Country

Previous Address (if any)

--

CHN (if any)

--

Mobile Telephone 1

--

Mobile Telephone 2

--

Email Address

--

Signature(s)

--	--

The signature(s) must correspond with your specimen held in our records as any contrary signature(s) or non-existence in our records would void your request.

Joint/Company's Signatories

	(CORPORATE BODIES) PLEASE ATTACH BOARD RESOLUTION IN RESPECT OF BANK MANDATE
--	--

AUTHORISED SIGNATORY AND STAMP OF BANKERS

The Bank stamp and signature of the authorised signatory of your bank is required to confirm that the Bank details and signature(s) is/are that of the shareholder(s) or an authorised signatory, before returning to the Registrars.

I/We confirm that all information supplied is to best of my/our knowledge correct and hereby covenant to indemnify and forever keep indemnified the Security issuer, the directors, the security registrar, the directors and officers of the security registrar from and against all losses in respect thereof and all claims, actions, proceedings, demands, cost, expenses whatsoever which may be made or brought against them by reason of compliance with this request

Help Desk Telephone No/Contact centre information for issue resolution or clarification: +2348175425054, 08108724445

Atlas Registrars Limited

website: atlasregistrars.com email: atlasregistrars@yahoo.com registrars@atlasregistrars.com

Atlas Registrars Limited hereby disclaims liability or responsibility for any errors/omissions in any document transmitted electronically.

Shareholder's Data Update Form



Shareholders Data Update Request Form

To:

The Registrars,
Atlas Registrars Limited,
34, Eric Moore Road, Iganmu,
P.O. Box 3554, Surulere
Lagos.
Nigeria.

Important! The form should be completed in CAPITAL LETTER.

Please fill in the form and return to the address above

Surname	<input type="text"/>
First Name	<input type="text"/>
Other Name	<input type="text"/>
Email	<input type="text"/>
Mobile Phone	<input type="text"/> Date of Birth (DD/MM/YYYY)
CHN Number	<input type="text"/>
Stockbroker's Name	<input type="text"/>
Bank Verification Number	<input type="text"/>
Old Address	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
New Address	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
Next of Kin	<input type="text"/>
Next of Kin Mobile Number	<input type="text"/>
Authorized Signatory	<input type="text"/>

Atlas Registrars Ltd
34, Eric Moore Road
Iganmu, (BAGCO
Building), P.O. Box
341 Apapa Lagos
State Nigeria

Proxy Form

Proxy Form

FLOUR MILLS OF NIGERIA PLC
61ST ANNUAL GENERAL MEETING TO BE HELD BY 2PM
ON WEDNESDAY 8TH SEPTEMBER, 2021
AT THE GRAND BALL ROOM, EKO HOTEL & SUITES,
ADETOKUNBO ADEMOLA STREET, VICTORIA ISLAND,
LAGOS.

I/We*
 of

being member(s) of Flour Mills of Nigeria Plc hereby appoint

.....
 of.....
 or failing him, the Chairman of the meeting as my/our proxy to
 vote for me/us at the Annual General Meeting of the company to
 be held on 8th September, 2021 and at any adjournment
 thereof.

Dated this.....day of.....2021

Signature

Notes:

1. Please sign this proxy card and post it to reach the Registrars not less than 48 hours before the time for holding the meeting.
2. If executed by a corporation, the proxy card should be sealed with the common seal.
3. This proxy card will be used both by show of hands and in the event of a poll being directed or demanded
4. In the case of joint holders the signature of any one of them will suffice, but the names of all joint holders should be shown.

RESOLUTIONS	FOR	AGAINST	ABSTAIN
Ordinary business			
1. To declare a dividend			
2.(i) To re-elect the following Directors: - Mr. John Coumantaros - Prof. Jerry Gana, CON - Mr. Alfonso Garate ii) To confirm the appointment of the following Directors: - Mrs. Juliet Anammah - Mr. Muhammad Ahmad			
3. Disclose the remuneration of Managers of Flour Mills of Nigeria Plc.			
4. To authorize the Directors to fix Auditors' remuneration.			
5. To elect members of the Audit committee.			
Special Business			
6. To fix the remuneration of Directors.			
7. To renew the resolution on the general mandate of shareholders to the company to enter into recurrent transactions with related parties.			

Please indicate with "x" in the appropriate box how you wish your vote to be cast on the resolution set out above

Unless otherwise instructed, the Proxy will vote or abstain from voting at his / her discretion.

List of Proposed Proxies

- | | |
|-------------------------------|----------------------------------|
| -Mr. John Coumantaros | - Mr. Adesina Olalekan Oladepo |
| -Mr. Paul M. Gbededo | - Dr. Anthony Omojola |
| -Mr. Omoboyede Olusanya | - Alhaja Sarata Balogun |
| -Dr. (Mrs.) Salamatu Suleiman | - Mrs. Obideyi Efunyemi Olatunde |
| -Sir Sunny Nwosu | - Chief Timothy A. Adesiyen |
| -Mr. U.I Nornah Awoh | |

Before posting the above, Please tear off this part and retain it for admission to the meeting

ADMISSION CARD
FLOUR MILLS OF NIGERIA PLC
61ST ANNUAL GENERAL MEETING TO BE HELD BY 2 PM
ON WEDNESDAY 8TH SEPTEMBER, 2021
AT THE GRAND BALL ROOM, EKO HOTEL & SUITES,
ADETOKUNBO ADEMOLA STREET, VICTORIA ISLAND, LAGOS.

NAME OF SHAREHOLDER*

IF YOU ARE UNABLE TO ATTEND THE MEETING

A member (shareholder) who is unable to attend the annual general meeting is allowed by law to vote by proxy. A proxy need not be a member of the Company. The above proxy card has been prepared to enable you exercise your right to vote if you cannot personally attend.

Following the normal practice, the Chairman of the Company has been entered on the form to ensure your representation at the meeting, but if you wish, you may insert in the blank space on the form (marked**) the name of any person who will attend the meeting and vote on your behalf instead.

IMPORTANT* Please insert your name in BLOCK CAPITALS on both proxy and admission card where marked*.

FLOUR MILLS OF NIGERIA PLC 2021 ANNUAL REPORT AND ACCOUNTS



**Feeding the
Nation Everyday.**