FMN
Flour Mills of Nigeria plc

ANNUAL REPORT 2022

Partnering for growth


GOLDEN
FERTILIZER
NPK


Emir
FLY BET


GOLDEN PENNY
PRIME F
50kg
FLOUR MILLS OF

As one of Nigeria's largest and most diverse groups, we recognise that we can actually make a difference in the lives of individuals and society. This kind of thinking informs everything we do, including how we source our raw materials, where we site our factories, our relationships with our partners, the rural communities, and the environment.

Ultimately, our local content strategy at FMN is focused on supporting the economic well-being of the millions of Nigerians who interact with our businesses on a daily basis, through sustainable partnerships, because we realise that this is the only way we can genuinely secure our company's future.

We are partnering for growth.

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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 - second (62nd) **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 7 September 2022 at 2 pm to transact the following business:

ORDINARY BUSINESS:

1. To lay the Audited Financial Statements for the year ended 31 March 2022 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 appointment of Ms. Yewande Sadiku, appointed as Director since the last Annual General Meeting.

   3.2 To re-elect the following Directors retiring by rotation:
   - Mr. Ioannis Katsaounis
   - Mr. Thanassis Mazarakis
   - Alhaji Rabiu M. Gwarzo, OON
   - Dr. (Mrs.) Salamatu Hussaini Suleiman
   - Mr. Foluso O. Phillips

   3.3 To re-elect by Special Notice, Alhaji Rabiu M. Gwarzo, OON and Mr. Ioannis Katsaounis who are over 70 years but 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. 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 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 2022 prior to the date of this meeting are hereby ratified."

SPECIAL BUSINESS BY SPECIAL RESOLUTION:

To consider and if thought fit, approve the cancellation of the Company's unissued shares.

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

Shareholder representatives:
- Mr. Adesina Olalekan Oladepo
- Sir Sunny Nwosu
- Mr. Olayiwola T.O
- Mr. Yekini Adisa
- Mr. Robert Igwe
- Mr. S. O. Ogunnowo
- Mr. Ayoola Gilbert Olufemi
- Mr. Kolawole Ibiyemi
- Mr. Taiwo Onifade
- Mrs. Adebisi Oluwayemisi Bakare
- Mrs. Ganiat Adetutu Siyonbola
- Mr. Boniface Okezie
- Mr. U. I. Nornah Awoh
- Mrs. Obideyi Efunyemi Olatunde
- Chief Timothy Adesiyan
- Mrs. Esther Augustine

A proxy form is attached to the Annual Report and is also available at this url: https://bit.ly/2022FMNAGMproxyform

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 N2.15k (2021 – N1.65) 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 8 September 2022 to shareholders, whose names appear in the Register of Members at the close of business on Friday 12 August 2022. 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 15 August to Friday 19 August 2022 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://bit.ly/3vDKhw9

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.

7. 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://bit.ly/3PVmUqc

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://bit.ly/2022FMNAGM-SUM

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.

SPECIAL BUSINESS BY SPECIAL RESOLUTION

To consider and if thought fit, pass the following as special resolution:

a. "That the Directors be and are hereby authorized to take all necessary steps to comply with the requirements of the Companies and Allied Matters Act 2020 and the Companies Regulations 2021 regarding the unissued shares of the Company, including the cancellation of 899,604,394 units of unissued ordinary shares of the Company.

b. That the Directors be and are hereby authorized to amend the Memorandum and Articles of Association of the Company in line with Resolution 'a' above.

c. That the Directors be and are hereby authorized to enter into and execute any agreements, deeds, notices, or any other documents, and to perform all acts and to do all such other things necessary for or incidental to giving effect to the Resolutions above, including without limitation, appointing such professional parties, consultants and advisers and complying with the directives of the regulatory authorities".

Following the successful commencement of the strategic review of Flour Mills of Nigeria Plc's (the "Company") business operations for the purpose of improving value and efficiency, the following resolutions are hereby proposed for consideration and approval by the shareholders:

a. "To remove and/or separate all the manufacturing businesses and/or undertakings currently being carried on by Flour Mills of Nigeria Plc and transfer same to a new entity to be constituted and to be wholly owned by Flour Mills of Nigeria Plc subject to all necessary corporate and regulatory approvals.

b. To remove and or separate all the power assets of Flour Mills of Nigeria Plc and transfer same to a new entity to be constituted and to be wholly owned by Flour Mills of Nigeria Plc subject to all necessary corporate and regulatory approvals.

c. To consider and, if approved, authorize the Directors to raise additional capital for the Company to the tune of N200,000,000,000.00 (Two Hundred Billion Naira)."

8. RIGHT OF SHAREHOLDERS TO ASK QUESTIONS

Pursuant to Rule 19.12 (c) of the Nigerian Exchange Limited'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 2022 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 2022 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

JOSEPH ODION UMOLU
COMPANY SECRETARY
FRC/2013/NBA/00000003687
25 July 2022
1, Golden Penny Place,
Wharf Road,
Apapa, Lagos.

Board Directors, Officers and other Corporate Information

Board of Directors		
	Mr. John G. Coumantaros	Chairman (US Citizen)
	Mr. Paul Miyonmide Gbededo	Vice-Chairman
	Mr. Omoboyede Oyebolanle Olusanya	Group Managing Director
	Prof. Jerry Gana, CON	
	Mr. Alfonso Garate	(Spanish)
	Alhaji Rabiu M. Gwarzo, OON	
	Mr. Ioannis Katsaounis	(Greek)
	Mr. Thanassis Mazarakis	(Greek)
	Mr. Foluso O. Phillips	
	Alhaji Y. Olalekan A. Saliu	
	Mr. Folarin R. A. Williams	
	Dr (Mrs.) Salamatu Hussaini Suleiman	
	Mrs. Juliet Anammah	
	Mr. Muhammad K. Ahmad OON	
	Ms Yewande Sadiku	Appointed 16 February 2022
Company Secretary	Joseph Odion Umolu	
Tax identification number	00136700-0001	
Registration number	RC 2343	
Date of incorporation	29 September, 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	Nova Merchant Bank Limited
	Citibank Nigeria Limited	Stanbic IBTC Bank Plc
	Ecobank Nigeria Limited	Union Bank of Nigeria Plc
	Fidelity Bank Plc	United Bank for Africa Plc
	First Bank of Nigeria Limited	Zenith Bank Plc
	First City Monument Bank Limited	Wema Bank Plc
	Globus Bank	
	Guaranty Trust Bank Plc	
	Heritage Bank Plc	

GROUP PERFORMANCE HIGHLIGHT

Continuing operations	31-Mar-22	31-Mar-21	Increase / (Decrease) %
Revenue	1,163,802,851	771,607,880	51%
Profit before minimum tax	41,118,148	37,193,667	11%
Minimum tax	(1,902,530)	91,216	(2,186)%
Profit after minimum tax	39,215,618	37,284,883	5%
Net income tax	(11,200,392)	(11,567,960)	(3)%
Profit from continuing operations	28,015,226	25,716,923	9%
Other comprehensive income net of tax	(33,050)	(1,240,646)	(97)%
Profit attributable to:			
Owners of the Company	25,676,035	26,148,786	(2%)
Non-controlling Interest	2,339,191	(431,863)	(642)%
Share Capital	2,050,197	2,050,197	0%
Shareholders' Fund	195,904,691	174,613,950	12%
Market capitalisation	127,317,234	118,091,347	8%
Proposed Dividend	8,815,847	6,765,650	30%
Weighted average number of shares ('000)	4,100,394	4,100,394	0%
Per share data (kobo)			
Basic earnings per share	626	638	(2)%
Diluted earnings per share	626	638	(2)%
Dividend	215	165	30%
Dividend cover	2.91	3.86	(25)%
Stock Exchange quotation at 31 March	3,105	2,880	8%
Other Data			
Number of employees (Group)	5,190	5,083	2%
Number of employees (Company)	3,778	3,809	(1)%

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". FMN creates value along the entire value chain with its "farm - to - table" model. With the second largest single flour milling site in Apapa, other manufacturing sites in Iganmu, Agbara, Calabar etc and the Corporate headquarters in Apapa, the company continues to produce world-class quality food products including diverse Flour Brands, Ball Foods, Pasta and Noodles, Sweetners, Edible oil and fats, Amaizing Day breakfast cereal and other quality food products.

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.

Documents are available at this url: https://bit.ly/3Q1l4m2

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.

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: Sunti Golden Sugar Estates and Golden Sugar Company Limited; Olympic Towers Ltd and Apapa Bulk Terminal Limited.
- Concluded acqusition of Honeywell Flour Mills Plc (HFMP) with 71.69% stake.
- Launch of new Golden Penny Jollof (Chicken flavour, Goat meat pepper soup flavour and Amazing Day breakfast cereal) Noodles Brand, Dawavita and Mai Kwabo brands.
- Recognition of Golden Sugar Company Limited with Global Food Safety Initiative Award for Africa at the

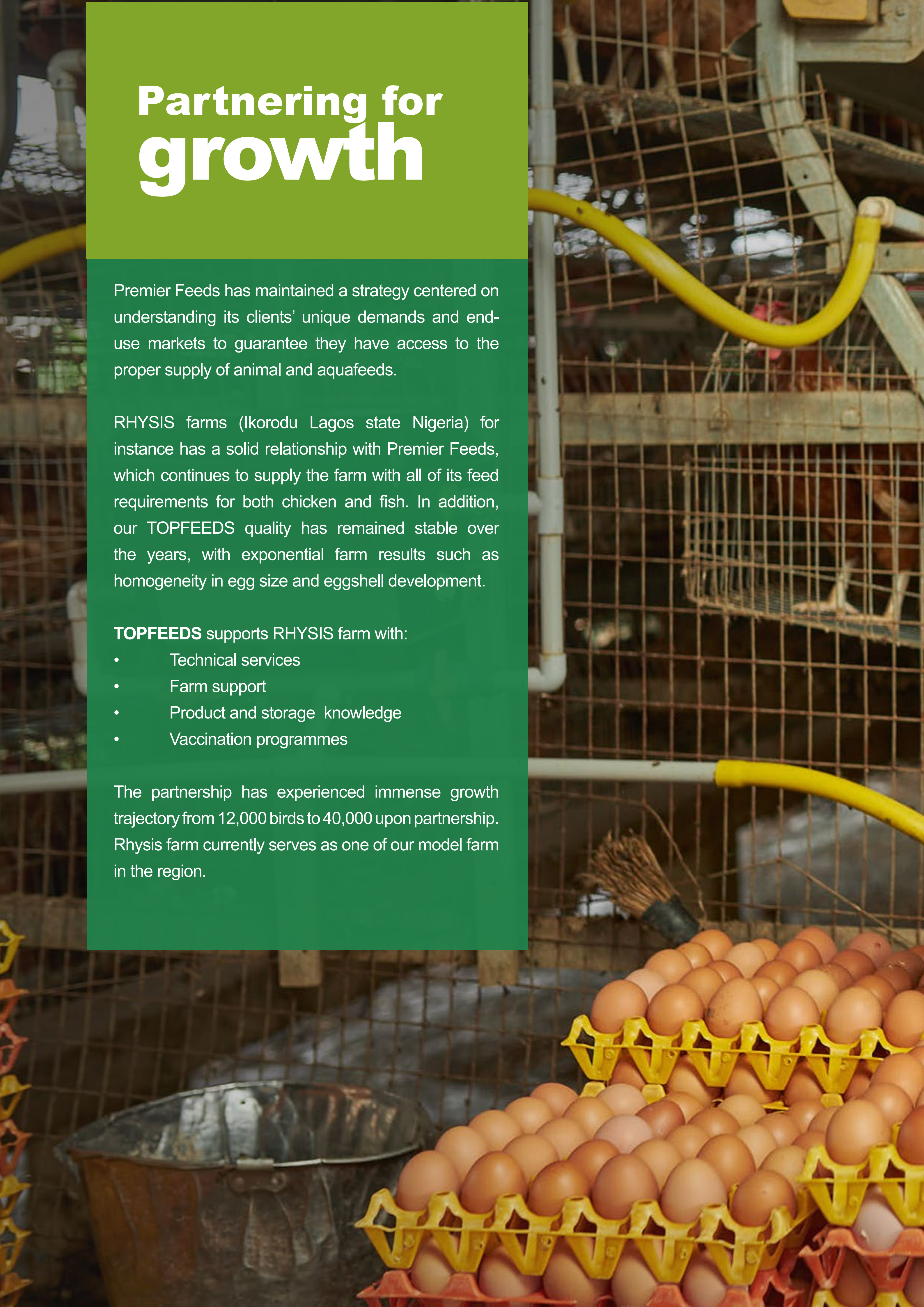
Annual FSSC meeting in Nice, France.

- 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.
- FMN became the first Nigerian company to be ISO 27001:2013 certified.
- 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 wellbeing 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.



Partnering for growth

Premier Feeds has maintained a strategy centered on understanding its clients' unique demands and end-use markets to guarantee they have access to the proper supply of animal and aquafeeds.

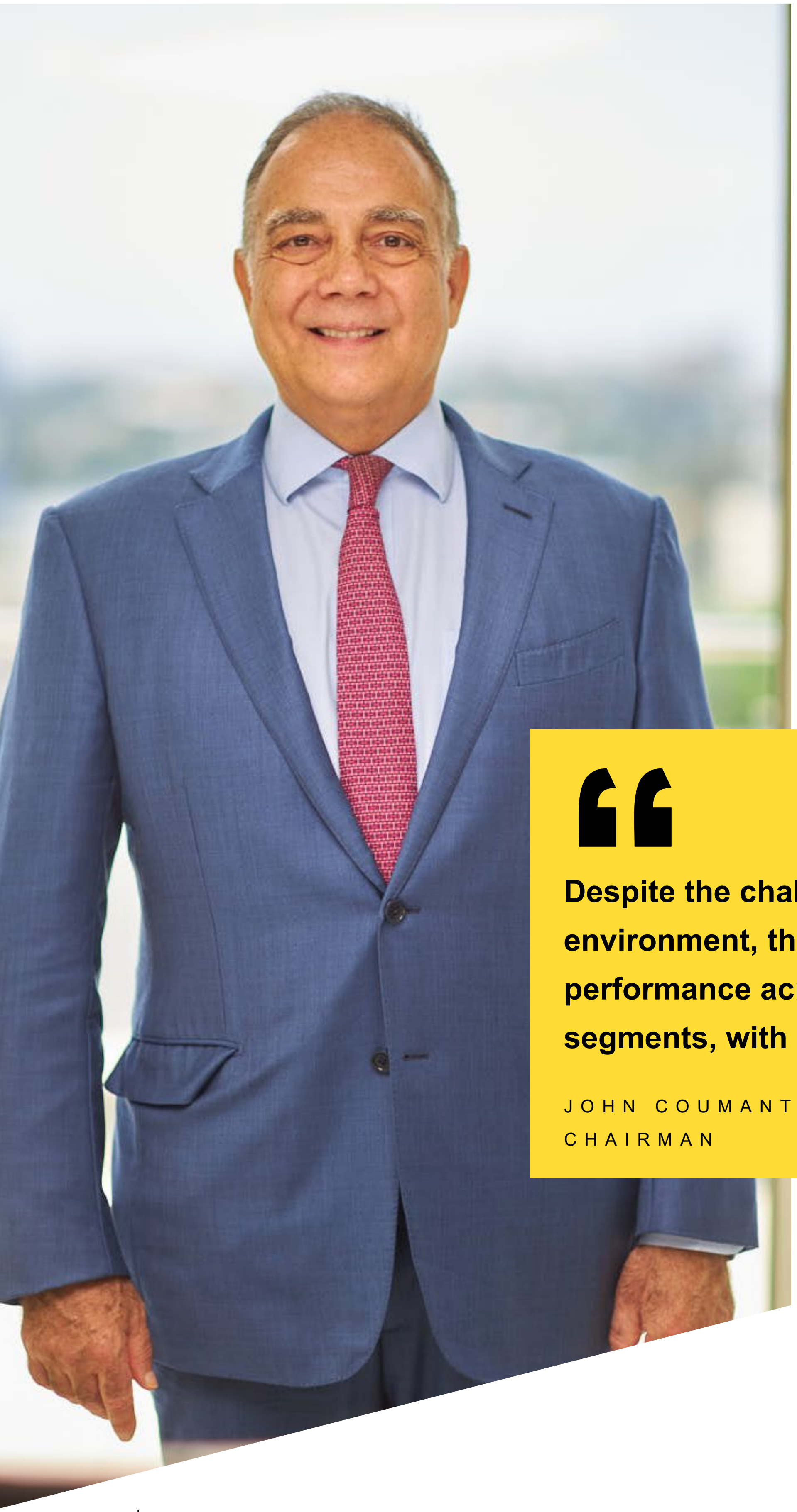
RHYSIS farms (Ikorodu Lagos state Nigeria) for instance has a solid relationship with Premier Feeds, which continues to supply the farm with all of its feed requirements for both chicken and fish. In addition, our TOPFEEDS quality has remained stable over the years, with exponential farm results such as homogeneity in egg size and eggshell development.

TOPFEEDS supports RHYSIS farm with:

- Technical services
- Farm support
- Product and storage knowledge
- Vaccination programmes

The partnership has experienced immense growth trajectory from 12,000 birds to 40,000 upon partnership. Rhysis farm currently serves as one of our model farm in the region.

The Chairman's Statement



Distinguished Shareholders, Members of the Board of Directors, Business Partners, and Loyal Customers, it is my pleasure to welcome you to our 62nd Annual General Meeting and the presentation of our Annual Report and Accounts for the financial year ended 31 March 2022.

Despite the prevailing challenges around the world, especially as global economies struggled to recover amidst supply chain disruptions caused by the prolonged effect of the COVID-19 pandemic and worsened by the ongoing conflict between Ukraine and Russia, our Group has continued to demonstrate its resilience and has delivered yet another impressive performance. This feat was made possible by the unwavering support of you, our stakeholders, who continue to rally round our purpose of ***feeding the nation, everyday***. I am profoundly grateful for this and would like to say thank you.

> **Despite the challenging macroeconomic environment, the Group delivered solid performance across key business segments, with revenue growing by 51%.**
>
> JOHN COUMANTAROS
> CHAIRMAN

Business Environment

The Nigerian economy recovered faster than expected in 2021. Aggregate Gross Domestic Product (GDP) grew 3.4% in real terms in 2021, the fastest since 2014 when it grew at 6.22%. A lot of the growth reflected significant statistical rebounds in the logistics sectors – transport (growth rate: 16.3%) and Distributive Trade (8.6%) – which had severely contracted in 2020 on account of COVID-related movement restrictions. Manufacturing which, like the aggregate economy, recorded its fastest growth (3.55%) since 2014. On the other hand, agriculture, the economy's largest sector, had a moderate growth, recording a 2.13% growth, barely changing from 2.17% in 2020. The sectors, as mentioned earlier, incidentally form the core of our Group-wide operations.

Meanwhile, inflation moderated, but only slightly, in 2021. After peaking at 18.72% in March (with Food Inflation at nearly 23%), inflation began to moderate, albeit remaining in double digits. Driving this was a slight deceleration in the rate of increase in food prices as the country's land borders were reopened, but these moderations provided minimal respite for the Nigerian consumer whose wallets remained under pressure as they continued to be confronted with rising food prices.

The balance of improved economic growth (which proxies business volume growth) and high but somewhat slower inflation resulted in a slight enhancement in corporate margin conditions across the economy. However, large businesses continued to confront the consequence of Nigeria's large external deficits, which worsened foreign exchange scarcity and persistent depreciation of the Naira in unofficial markets.

The Year at FMN

Despite the challenging macroeconomic environment, the Group delivered solid performance across key business segments, with revenue growing by 51%. The Food, Agro-Allied, and Support Segments showed impressive top-line growth of 57%, 53% and 56%, respectively, in FY '22 on the back of robust volume growth and a favourable product mix.

Investments in local content continued to yield the desired results for our agro-allied business. Following an increase in local demand and export operations, the segment achieved significant improvements, contributing as much as 47% (N19bn) to the Group's Profit Before Tax. Overall, Profit Before Tax was up by 11% from N37 billion in 2020/21 to N41 billion, while Profit After Tax increased by 9% from N26 billion to N28bn in the year under review.

The Group was also able to initiate and complete, through the course of the outgone year, the acquisition of Honeywell Flour Mills Plc., obtaining regulatory approvals to complete the transaction just as the financial year wrapped up. This acquisition creates a more resilient national champion for Nigeria in the foods industry, setting the conditions for long-term job creation and strengthening food security. In addition to expanding our presence in the market, broadening our customer base, and strategically positioning our business to capitalise on the potentials presented by the African Continental Free Trade Area, the acquisition will create a rise in shareholder value for both organisations.

Dividend

In keeping with our corporate culture of delivering consistent value to our esteemed shareholders, the Board of Directors will propose to shareholders at the Annual General Meeting a dividend of N2.15 per ordinary share of 50 kobo, a 30% increase over the previous year.

Board and Management changes

The Board made some strategic changes to its composition during the last financial year. Ms. Yewande Sadiku, a seasoned investment professional with over 28 years of cognate experience in banking and public service, joined the Board as an independent, Non-Executive Director. Her appointment brings the total number of women on the Board to three, in line with the Group's ongoing commitment to gender diversity and inclusion. .

Business Review

Food Division

Our strategic priorities in the food division are motivated by the need to become the leading Consumer and B2B Food brand in Africa, with the goal of more than doubling EBITDA. The continued execution of the strategic pillars, in pursuit of this, is fuelling growth and change.

At the heart of the strategy is accelerating the expansion of the consumer branded portfolio, focusing on three imperatives. Firstly, to drive the existing key categories of Pasta, Ball Food and Noodles, both under the Golden Penny Brand and other regional offerings in different segments. We have further refined the consumer value proposition and have communicated via various campaigns throughout the year. This has resulted in share gain, improvement in brand health and upward movement in household penetration and purchase frequency.

Secondly, we continued to invest behind our route to consumer infrastructure and capability to expand our distribution and outlet coverage. We added 188 vans in the year, bringing the total to 386. Of these, 98% have been enabled with sales force automation providing data and insight. The van coverage services a third of B2C volume; this offers more efficiency in generating and meeting consumer demand. In addition, we have expanded channel coverage, mapping 1,850 wholesalers and opening 250 modern trade accounts and 15 new rural depots. The partnership with our dealers is a critical factor, as well as continued investment in sales capability development. In all, over 300,000 new points of sales have been added to both the key categories and the broader portfolio of Golden Penny sugar, oils, spreads, garri and, of course, Amaizing Day breakfast cereal.

Thirdly, we are growing our consumer business by accessing new and adjacent categories and optimizing existing ones with local content-based innovation. To enable this, we have upweighted our R&D capability, opened a state-of-the-art Innovation Centre which is a proactive expression of FMN's unification of vision in establishing an ideal innovation centre where transformational ideas will be developed and utilised for the organization's holistic development. We will continue to invest in our consumer marketing innovation capability. The year saw Amazing Day breakfast cereal establish itself, packaging innovation behind Goldenvita and Aunti B Semo, and launching a new noodle flavour. Two new launches in adjacent categories were developed for launch in H1 22/3.

Moving on to the B2B business, we saw strong growth for both Bread Flour and Corporate, again in line with our strategy, clear and compelling value propositions with differentiated regional plans. The year also saw progress in other parts of Food, notably supply chain optimization covering delivery of our gold standard quality, efficiency gains and the performance of our manufacturing assets. Finally, regarding the strategic pillar of inorganic expansion, the Honeywell transaction provides an opportunity for further growth.

Sugar Division

Our reputation in the sugar value chain is not just a result of our commercial performance but also a reflection of a sound strategy supported by best practices and the highest industry operational standard. Consequently, Golden Sugar successfully renewed its Food Safety Certification (FSSC 22000), Quality Management System (ISO 9001:2015), and Halaal recertification during the last financial year. In addition, Golden Sugar also successfully implemented and received accreditation for the Energy Management System (EMS 50001), which will increase our energy efficiency and ultimately lower our carbon footprint.

Esteemed Shareholders, I am delighted to announce that, despite a challenging year for the sugar value chain, which included a jump in raw material costs and other exigencies that negatively impacted our operating performance, we have begun to witness recovery. In keeping with this trend, ***I am pleased to report that we have introduced a 100% wholly made-in-Nigeria brown sugar to market.*** In addition to being the sole manufacturer of brown sugar in Nigeria, Sunti Brown Sugar is a product that reflects the close collaboration with Nigerian farmers and our communities.

Furthermore, our continuing emphasis on operational excellence, enhancing equipment dependability and usage, and smart Capex deployment yield improved efficiency and significant business savings.

Agro-allied Division

Our agro-allied businesses continued to implement a long-term plan to sustain growth and profitability through meaningful partnerships within the different value chains and by expanding our local content framework throughout our five core value chains – Grains, Oils and Fats, Proteins, Sugar, and Starch.

Agri Inputs and distribution (GAIL)

Through initiatives like the YALWA project, we are developing a more sustainable and robust backward integration program for maize and soybean. YALWA is executed as a credit-driven out-grower and commercial farm estate program that aims to increase farmer productivity, address the maize grain supply gap to industry and boost the yield and nutrition quality of maize in the country. Working with the Central Bank of Nigeria (CBN), the State Governments and other developmental partners, this was executed in Kaduna, Niger, Kwara, Gombe, and Adamawa states, respectively, under the scope of over 25,000 hectares and empowering 30,000 farmers.

Recently, we established Golden Fertilizer's new blending plant in Kaduna as part of our expansion strategy. The new, ultra-modern plant was developed according to the latest industry standards blending over 500,000 MT per annum of fertilizer, enabling us to produce about 960,000MT of fertilizer per annum. This facility also serves as a farmer's one-stop hub for agro-inputs, including hybrid seeds and chemicals, agronomy training, soil testing and other laboratory services.

Oils & Fats

As one of the leading Groups in the food industry, our consumers remain at the centre of our business strategy. As a result, we are very particular about building quality brands that create a positive impact and promote social values like nutrition and wellbeing. For example, within the last financial year, Golden Penny Soya Oil received the 'good for the heart' endorsement by the Nigerian Heart Foundation. The approval attests to the fact that our Golden Penny Soya oil has more mono and polyunsaturated fatty acids than saturated fats, making it a healthier option for cooking.

Feeds and Proteins

Premier Feeds Mills (PFM) recently commissioned a brand-new, state-of-the-art feed mill in Kaduna State. The new mill can produce and bag three distinct types of feeds concurrently, contributing to the Group's expansion ambitions in the animal and aqua feeds sectors.

With a focus on the long-term growth of the value chain, PFM continues to invest in strengthening its partnership with its customers. And that is why we recently introduced a Go-To-Market (GTM) initiative to enhance poultry and fish farmers' market awareness and capacity, working with qualified and accredited animal scientists and veterinarians from our sales and technical teams.

Within the year under review, PFM also introduced Broiler Plus, a new and innovative product that was created to considerably enhance feed efficiency and boost the body weight of broilers. Broiler Plus gives poultry farmers access to a solution that can help their birds acquire rapid growth – as much as 2.5 kilos in body weight in as short as 32 to 35 days by providing the correct amounts of amino acids and energy.

Starches

To advance the backward integration strategy of the Group, Premium Cassava Products Limited (PCPL) embarked on direct farming of cassava production during the financial year to augment supplies of raw materials from other farmers and 3rd parties to mitigate risks of raw material sourcing, material price and quality control.

Support Services

The previous financial year saw several expansion projects completed supporting our five-year strategic plan to deliver unrivalled total packaging solutions to customers.

We are extending our activities at Morpack by installing a third printing line and supporting machinery. We believe this expansion will boost the company's manufacturing capacity to accommodate the organic growth of FMN's fast-moving consumer goods and other target market sectors. Also, a significant investment was made in BAGCO to create thin-walled injection-moulded containers with in-mould labelling for Premium Edible Oil's Spread and Margarine packaging. The new plastic tub is a testament to our backward integration strategy and operational synergies within the Group as we became the first organisation in Nigeria to produce the rectangle tub for margarine and butter.

At Apapa Bulk Terminals (ABTL), we continue to prioritise the delivery of input materials to support the Group's business. We have continued to maintain operational excellence at the Ports, as evidenced by a recent award of the best Terminal operator by the Nigerian Port Authority (NPA).

Our People

To maintain a high-performance culture, the Group recently introduced the project Refresh programme to foster a culture of continual feedback and staff performance enhancement. This is in addition to the FMN Executive Leadership Development Programme (ELDP), which was introduced to provide grooming in leadership, innovation, collaboration, and personal development. I am happy to report that the first wave of leaders from the ELDP have already emerged after completing the intensive course.

Similarly, as seen by our ongoing support for FMN Women Network, our dedication to diversity and inclusion remains at the heart of our human resource strategy. In addition, we have remained committed to training and developing our women through structured learning programmes that teach them life skills and prepare them for increased visibility and leadership roles.

Esteemed Shareholders, it should interest you to know that we are building a world-class organisation with a single purpose that boosts excellent talents, nurtures abilities, and rewards hard work on our journey to become the most prominent and most-respected food agro-allied group in Africa.

Sustainability / Corporate Social Responsibility

We remain committed to a systematic and disciplined approach to the developmental requirements of the communities where we operate and the environment. As expected, this has, for the most part, informed the implementation of a more deliberate path toward corporate social investments. Please refer to pages 179 to 189 of this Annual Report to read more about our CSR/ Sustainability journey.

Workplace Health and Safety

In a move that attests to our commitment to health and safety at our facilities, we upgraded our certification from FSSC 22000 V5 to FSSC 22000 V5.1 in the last financial year. We also completed a re-certification audit for ISO 90001:2015 (QMS). Both certifications are ISO management systems certifications demonstrating our resolve to advance towards our goal of becoming the custodian of the nation's most safety-conscious and trusted food brands.

Looking Ahead

Businesses and consumers in Africa are facing significant peculiar and aggregate economic challenges because of the increasing volatility of the global economy. Our Group aims to counteract some of these headwinds by remaining committed to increasing the local content of its inputs and outputs. Undoubtedly, the need to add value further upstream on the supply chain and lessen dependency on imported raw materials has become more crucial. Similarly, following best practices, we are developing a flexible and agile route to market strategy by investing in expanding and improving our group-wide sales, marketing, and distribution capabilities.

Thus, through a carefully structured plan, we will continue to invest in strengthening the capabilities of our local partners, including our network of smallholder farmers, young entrepreneurs, distributors, and the communities in which we operate. In the long-term, our goal is to build an integrated supply chain that gives us a competitive edge and access to high-quality, fair-priced products from cultivation to final consumption. This will speed up food processing, value addition, and the sustainable development of the food sector and ensure our business's continuous profitability and growth.

To conclude, permit me to thank my colleagues on the Board of Directors, members of the Audit Committee, our management team, staff, and all our stakeholders. You have made us one of the country's leading and most diverse food groups in our quest to enhance lives and create a better future.

We will continue to confront the future with optimism and self-assurance, executing with discipline and investing judiciously to ensure we are well-positioned for the upcoming challenges.

Thank you.

John Coumantaros.
Chairman

Demonstrating Resilience Amidst Rising Inflation and Strains in the Global Supply Chain

Q&A WITH BOYE OLUSANYA,

GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

> I am pleased with our full-year results. Despite an increasingly challenging business climate, including rising international food prices and input costs that reduced gross margins by 5% to N108 billion, our business continued to show its resilience.

Q

How would you summarise FMN's performance in the last financial year?

I am pleased with our full-year results. Despite an increasingly challenging business climate, including rising international food prices and input costs that reduced gross margins by 5% to N108 billion, our business continued to show its resilience. The group had outstanding top-line growth across all business segments for the year, with revenue increasing by 51% and Profit Before Tax reaching N41 billion, up from N37 billion in the prior year. Our food segment grew by N270 billion due to higher B2B volumes and growth in core B2C categories as we continued to expand our focus on local content.

I must point out that we couldn't have achieved the level of performance we reached in the last financial year without our team's relentless dedication. So, I want to take this opportunity to express my gratitude to my FMN family. I feel fortunate to work with some of our industry's most brilliant and driven individuals. In keeping with our purpose of feeding the nation every day and our operational expectations, I can happily say that our businesses are geared towards achieving profitability and cash flow generation in the future.

Q

Despite the challenges in the global supply chain due to COVID-19 and, recently, the ongoing Russian/Ukrainian conflict, FMN recorded an impressive performance. What are the key drivers of this success?

As a customer-focused business, we have always sought to provide our consumers and stakeholders with the highest quality products and services consistent with their immediate demands and budget, regardless of the inflationary climate. To ensure that we can satisfy these duties and keep the trust of the millions of Nigerian families who depend on us for their daily nutrition, we have continued to invest in and develop a supply chain infrastructure of the highest calibre.

I am happy to say that through a well-defined backward integration plan, our group is increasing its access to locally sourced raw materials and establishing long-lasting partnerships with Nigerian farmers and associated partners in the agriculture sector. This is, without a doubt, a priority for us. And we are doing something similar with our downstream supply chain operations. With our downstream, our objective has always been to ensure that high-quality, competitively priced products can reach our end consumers. And we are doing this by bolstering our already robust route-to-market infrastructure. For example, we expanded our B2C redistribution system in the financial year under review by enhancing our channel coverage. In addition, we continued to invest in innovation, particularly in adopting new technology and methods for manufacturing new products that meet our consumers' expectations.

In general, I am happy to say that our success indicators are, for the most part, guided by our ability to be agile, proactive, and strategic in our reaction to the economic and operating environment. So, for example, whereas the Russian/ Ukrainian conflict is unfortunate and has dire consequences on the global economy, businesses like ours must continue to focus on increasing operational efficiency with accelerated plans for cost optimization. We have done this over the last couple of years and will continue to do so..

Q

Recently, FMN acquired a 71.69% stake in Honeywell Flour Mills. What are the key drivers of this strategic business move?

The acquisition is consistent with our short-to-medium-term goal of increasing and solidifying our footprint in the Nigerian market. With the acquisition of Honeywell Flour Mills Plc, the FMN Group has become a more resilient national champion with an ambition of becoming a market leader in Africa.

Given the size of the acquisition, it is fair to say that we have created even more opportunities for our stakeholders, including our consumers across the country, who can now benefit from a broader product range, supported by a robust Pan-Nigeria distribution network. In addition, our employees now have better career development prospects, and our investors can bank on creating a new African giant in the food space positioned to reap the benefits of the growing Nigerian population and leverage opportunities stemming from the AfCFTA. Undoubtedly, the acquisition serves as a catalyst for a more substantial stream of innovation focused on local content offerings, better access to food, improved nutrition, and economic emancipation for local communities. As you can imagine, the combined entity has become a critical provider of the continent's food needs.

Q

Congratulations on the recent launch of Sunti Brown Sugar. Would you say this achievement indicates that your investments in local content promotion and backward integration are yielding the desired results?

I am happy to say that it is. As a leading food manufacturing business, we have always felt the need to be involved in all stages of the food value chain. We believe it is crucial to securing our supply chain, as it ensures that we have total quality control over our production process and can continue to deliver the highest quality of products to our consumers. And that is why we have, over the years, continued to invest heavily in backward integration.

Focusing on our five core value chains of grains, oils and fats, starch, feeds and protein, and sugar, I am happy to say that we have achieved varying levels of success. Working with local farmers, we are contributing to the modernization of the agriculture sector and, for the most part providing a solution to the development of raw materials grown locally to supply the needs of the Nigerian market and, progressively, for exports.

Just a few years, we reimagined one of Nigeria's favourite staples with the introduction of Golden Penny garri, which, might I add, speaks volumes to our commitment to developing newer products through customer-driven innovation as with the launch of Sunti Brown Sugar.

Made from naturally grown sugarcanes, cultivated, harvested, and processed locally in Sunti, Niger State, Sunti brown sugar is our way of showcasing what is possible when we invest in Nigeria. We partnered with Nigerian farmers and our local communities to develop a product that Nigerians can truly be proud of. This product clearly demonstrates our commitment to the vision of the National Sugar Master Plan and the self-sufficiency in the production of sugar agenda in Nigeria. I dare to say that Sunti brown sugar seeks to restore Nigeria's lost glory in the community of sugar-producing nations since we are still the only brand of brown sugar that is currently 100% wholly produced in the country.

Q

Looking to the future, what role do you imagine innovation will play in your industry?

The consumer and market landscape, in general, is rapidly changing. For example, in the food manufacturing space, we can see that consumer priorities and preferences have undergone a profound transformation. On the one hand, there is the expansion in the choice of goods and services in the market. And on the other hand, there is no denying the influence of information and communication technology and how it affects consumer behaviour.

Truth be told, the world as we know it today is already vastly different from what we were accustomed to just two or three years ago. So, when we consider the impact of the Covid-19 pandemic and the disruption to the norm, we can clearly see that there is value in ensuring that innovative strategies are adaptable to shifting customer needs. Speaking generally, I believe it is fair to say that the FMCG Industry is undergoing a substantial transformation in response to the changing environment. So, saying that innovation is vital to us as a business is an understatement as far as I am concerned. It is imperative for the success of our business or any business for that matter to adopt innovation in response to the changing needs of the target market.

When we recently commissioned our state-of-the-art Innovation hub in Apapa, we did so to ensure that innovation is at the forefront of all we do – from new product development to sustainable packaging alternatives and beyond. As a result, we have already introduced new and exciting products developed in response to consumer insight. Take Golden Penny Goat meat pepper soup noodles, for example. This is a product that was developed from local spices and with the taste preference of our consumers in mind. In addition, we are the first company in Nigeria to introduce rectangle tubs for margarine and butter. Without giving too much away just yet, I can assure you that our consumers are up for an exciting time as we gradually introduce the numerous innovative ideas we have in the pipeline. 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 by innovating.

Omoboyede Olusanya
Group Managing Director/Chief Executive Officer


GOLDEN PENNY FOODS
AMAIZING DAY
MAIZE, SOYA AND CASSAVA
TASTY
INSTANT CEREAL
Net weight
600g℮

Partnering for growth

Accelerating the development of the maize and soybean value chain In Nigeria

The Yalwa programme is a national one and is dedicated to addressing the supply Gap, boost productivity and nutrition quality of Maize and Soybean in Nigeria. It is our goal to ensure the strengthening of the maize value chain, increase productivity to reach 15+ Million Metric tons in Nigeria and establish a sustainable 10% annual growth of production.

Our key objectives are to ensure increased yield & volume, better quality, and competitive pricing.

The four-pillar strategy to ensure achievements of our set goals are:

1. Improved seeds – Hybrid Seed Multiplication in-country
2. Improved Inputs – Fortified quality fertilizers, certified chemicals
3. Good Agronomy Practices & Extension Support
4. Commercial Scale Farming – Farm Estate Development


ZeroFly
ZeroFly
ZeroFly
BAGCO

Board Of Directors and Company Secretary

Mr. John G. 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 nonexecutive 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 10 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 fastmoving consumer food companies and largest agro-allied concerns in Nigeria.

Mr. Paul Gbededo

VICE CHAIRMAN

Mr. Paul Gbededo, a Fellow of the Polymer Institute of Nigeria was appointed as the Vice Chairman of the board on 4 December 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

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.

Dr. (Mrs.) Salamatu Hussaini Suleiman

NON - EXECUTIVE DIRECTOR

Dr. (Mrs.) Salamatu Hussaini Suleiman joined the Board of Flour Mills of Nigeria Plc as an Independent Non-Executive Director on Wednesday 8 March 2017 as the first female member of the Board of Directors, bringing along vast professional, administrative and corporate experience. Dr. (Mrs.) Salamatu Hussaini Suleiman, who is presently an Independent non-executive director of Stanbic IBTC Holdings and NGX Regulation Limited, 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.) Salamatu 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, 15 June 2019 in Abuja. Mrs. Suleiman currently serves as the Chairperson, National Human Rights Commission, Nigeria, and is a member of the ECOWAS Council of the Wise.

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.

Mr. 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 11 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 Lausane, 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.

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 holds a Bachelor of Science Degree in Mechanical Engineering (University of Minnesota 1969); an MBA in Economics from University of California, Berkeley (1970); a Graduate Degree in Economics, University of Geneva (1972); and a Graduate Degree in Regional Development, University of Athens (1975). He is an alumnus of Harvard Business School of Post Graduate Studies.

Prior to joining the Board of 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 aluminum 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 3 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 (1988). 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 O. Phillips

NON - EXECUTIVE DIRECTOR

Mr. Foluso Phillips (FOP) 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 well over 45 years of global experience in financial and business operations management, enterprise development, and macro-economic policy formulation. He is recognised within the industry for the delivery of exceptional professional service in people, technology and organisational transformation. He is currently the Chairman of Standard Chartered Bank.

Mrs. Juliet Anammah

NON - EXECUTIVE DIRECTOR

Mrs. 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.

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.

Alhaji Rabiu Muhammad Gwarzo, OON

NON - EXECUTIVE DIRECTOR

Alhaji Rabiu Gwarzo, OON, Non-Executive 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 Rabiu, (an Officer of the Order of Niger), who joined the Board of Flour Mills of Nigeria Plc as a non-executive member on 8 December, 2009, is also a member of Kano Peace Development Initiative and a Director of Kano State Investment Company Limited.

Ms. Yewande Sadiku

NON - EXECUTIVE DIRECTOR

Yewande Sadiku is an investment professional with 28 years' experience in investment banking and public service. She has a strong track record of high performance and principled leadership.

Yewande is currently the Acting Chairman of the Board of Trustees of the Investors' Protection Fund of Nigerian Exchange Limited. She is a regular speaker at national and international events on the facilitation, promotion and reform of investments for sustainable development.

She was Executive Secretary/CEO of Nigerian Investment Promotion Commission (NIPC), Nigeria's national investment promotion agency from November 2016 to September 2021, where she worked on institutional reforms aimed at proactive investment promotion and embedding a culture of governance and proactive accountability. Her efforts earned NIPC first place in the 2021 national awards for compliance and transparency, up from the 90th position when she assumed office in 2016.

Yewande spent the previous 23 years in banking and was Executive Director for Stanbic IBTC's Corporate and Investment Banking business. She led a multi-disciplinary team to deliver business opportunities in Nigeria's complex operating environment while managing key relationships with regulators and leading corporate and multinational clients.

As Executive Producer of Half of a Yellow Sun (2014), Yewande raised over $8m to fund the full feature film. She was awarded the Eisenhower Fellowship for International Leadership in May 2010.

Alhaji Y. Olalekan A. Saliu

NON - EXECUTIVE DIRECTOR

Alhaji Y. Olalekan A. 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 31 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 was the Vice-Chairman, Body of Patrons, Lagos Mainland District Society of the Institute of Chartered Accountants of Nigeria.

Alhaji Muhammad K. Ahmad, OON

NON - EXECUTIVE DIRECTOR

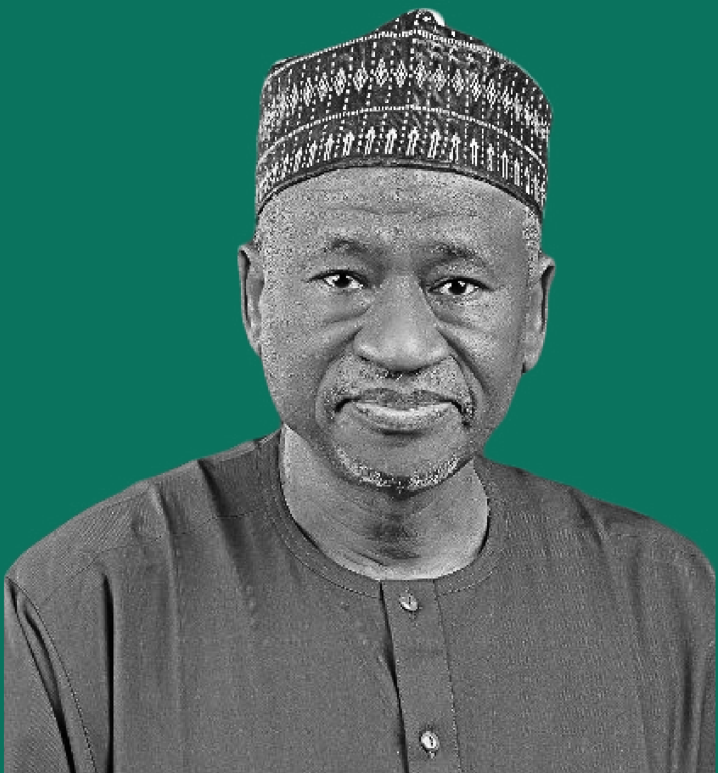
Alhaji Muhammad K. Ahmad is a seasoned public sector executive with over 35 years of distinguished experience spanning the public sector and the financial services industry. He served as the pioneer Director General and Chief Executive Officer of the National Pension Commission (PENCOM) and oversaw the 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 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.

Change Leadership Team

1. **Boye Olusanya**
   GMD/CEO
2. **Devlin Hainsworth**
   MD, Food Division
3. **Stoney Su**
   MD, Agro-Allied Division
4. **Anders Kristiansson**
   Group Chief Finance Officer
5. **Jack Cwach**
   Flour Operations Director
6. **Joseph Umolu**
   Company Secretary/
   Director, Legal Services
7. **Narhari Prasad Tripathi**
   Manufacturing Director
8. **Russel Prior**
   GM Bagco
9. **Sadiq Usman**
   Director, Group Strategy &
   Stakeholder Relations
10. **Vlassis Liakouris**
   Group Business
   Transformation Director
11. **Wale Adediran**
   Group HR & Services Director
12. **Waltonio Percival-Deigh**
   Director, Business Assurance
13. **Yiannis Katsichtis**
   GM, Premium Edible
   Oil Products Ltd
14. **Festus Omotoyinbo**
   General Manager, ABTL
15. **Bola Adeeko**
   Director, Special Projects
16. **Cephas Afebuameh**
   Supply Chain Director

Golden Agri Inputs
an FMNAGRO company

NPK 20-10-5
with micro-nutrients

Benefits of Micro-nutrients

- Prevention or correction of copper, manganese, and zinc deficiencies in the soil.
- Increases soil fertility and improves plant productivity.
- Enhances the absorption and transportation of major elements of Nitrogen (N), Phosphorous (P) and Potassium (K).
- Promotes yield potential.
- Compatible with most herbicides and insecticides.

The micronutrients used for NPK 20-10-5 include Copper, Zinc, Manganese, Ferrous, Boron etc

FMN
Food and Agro-Allied Group

FEEDING THE NATION, EVERYDAY

The Golden Fertilizer Company Ltd
Golden Penny Place, Wharf Road, Apapa, Lagos state, Nigeria
08090221360 www.fmnagro.com www.goldenagriinputs.com
Connect with the Golden Fertilizer team
inputs@fmnplc.com 08188780872 | 08188700257.
@fmnagro

Report of the Directors

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 31 March 2022.

LEGAL FORM

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

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.

RESULTS

	Group		Company	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	N'000	N'000	N'000	N'000
Revenue	1,163,802,851	771,607,880	832,810,561	535,881,585
Operating profit	65,513,351	52,196,727	32,165,916	27,169,564
Profit before minimum taxation	41,118,148	37,193,667	29,748,829	28,183,601
Profit for the year	28,015,226	25,716,923	21,819.816	20,172,489
Total comprehensive income for the year	27,982,176	24,476,277	21,476,488	19,219,455

DIVIDEND

The Directors are pleased to recommend to shareholders at the forthcoming Annual General Meeting the declaration of a total of N8.82 billion (2021: N6.77 billion) representing a dividend of N2.15 (2021: N1.65) per ordinary share of 50 kobo each. This dividend, if approved, is subject to deduction of appropriate withholding tax.

DIRECTORS AND DIRECTORS' INTERESTS

The names of Directors who are currently in office are detailed on page 39.

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

Retiring by rotation:

Mr. Ioannis Katsaounis
Mr. Thanassis Mazarakis
Alhaji Rabiu M. Gwarzo, OON
Dr. (Mrs.) Salamatu Hussaini Suleiman
Mr. Foluso O. Phillips

Ms. Yewande Sadiku, who was appointed to the Board as an Independent Non - Executive Director of the company on 16 February 2022 will seek confirmation of her appointment at the Annual General Meeting.

PROFILE OF DIRECTORS SEEKING RE-ELECTION

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

Mr. Ioannis Katsaounis

Mr. Thanassis Mazarakis

Alhaji Rabiu M. Gwarzo, OON

Dr. (Mrs.) Salamatu Hussaini Suleiman

Mr. Foluso O. Phillips

Mr. Ioannis Katsaounis

Mr. Ioannis Katsaounis is a non-executive member of the Board of the Company, a position he has occupied since September 1993.

Mr. Katsaounis holds a Bachelor of Science Degree in Mechanical Engineering (University of Minnesota 1969); an MBA in Economics from University of California, Berkeley (1970); a Graduate Degree in Economics, University of Geneva (1972); and a Graduate Degree in Regional Development, University of Athens (1975). He is an alumnus of Harvard Business School of Post Graduate Studies.

Prior to joining the Board of 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 aluminum cans manufacturing company (1985-2000).

Mr. Thanassis Mazarakis

Mr. Thanassis Mazarakis is a non-executive member of the board of Flour Mills of Nigeria Plc, a position he has occupied since 3 July 2006.

He holds a Bachelor of Arts degree from Princeton University (1984) and an MBA in business administration from the Wharton School at the University of Pennsylvania (1988). Prior to joining the Board of 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.

Alhaji Rabiu Muhammad Gwarzo, OON

Alhaji Rabiu Gwarzo, OON, 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 from 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 Rabiu, OON who joined the Board of the Company as a non-executive member on 8 December 2009, is also a member of Kano Peace Development Initiative and a Director of Kano State Investment Company Limited.

Dr. (Mrs.) Salamatu H. Suleiman

Dr. (Mrs.) Salamatu Hussaini Suleiman joined the Board of the Company as an Independent Non-Executive Director on 8 March 2017.

Dr. (Mrs.) Salamatu Hussaini Suleiman, who is presently an Independent Non-Executive Director on the Boards of Stanbic IBTC Holdings Plc and NGX Regulation Limited, 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.

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.

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, Federal Republic of Nigeria in 2010. In February 2012, Mrs. Suleiman was appointed Commissioner, Political Affairs, Peace and Security, ECOWAS Commission and completed her tenure at the end of April 2016.

Mrs. Suleiman currently serves as the Chairperson, National Human Rights Commission, Nigeria, and is a member of the ECOWAS Council of the Wise

Mr. Foluso O. Phillips

Mr. Foluso Phillips (FOP) 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 well over 45 years of global experience in financial and business operations management, enterprise development, and macro-economic policy formulation. He is recognised within the industry for the delivery of exceptional professional service in people, technology, and organisational transformation. He is currently the Chairman of Standard Chartered Bank.

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.

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-22		31-Mar-21	
	Direct	Indirect	Direct	Indirect
Mr. John G. Coumantaros*		2,597,314,890		2,597,314,890
Mr. Paul Miyonmide Gbededo	10,836,154		10,836,154	
Mr. Omoboyede Oyebolanle Olusanya				
Prof. Jerry Gana, CON	44,000		44,000	
Mr. Ioannis Katsaounis **	3,561,512	8,295,673	3,561,512	8,295,673
Mr. Thanassis Mazarakis				
Mr. Folarin R. A Williams	30,082		30,082	
Alhaji Rabiu M. Gwarzo, OON	199,722		199,722	
Alhaji Y. Olalekan A. Saliu	1,235,699		1,668,985	
Mr. Foluso O. Phillips	-	-	-	-
Mr. Alfonso Garate	-	-	-	-
Dr. (Mrs.) Salamatu Hussaini Suleiman	-	-	-	-
Mrs. Juliet Anammah	-	-	-	-
Mr. Muhammad Ahmad	-	-	-	-
Ms. Yewande Sadiku	-	-	-	-

* 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

SUBSTANTIAL INTEREST IN SHARES

The Registrar has advised that according to the Register of Members on 31 March 2022, apart from Excelsior Shipping Company Limited with 2,597,314,890 (2021: 2,597,314,890), representing 63.34% of the paid up share capital respectively, no other individual shareholder held up to 5% of the issued share capital of the Company.

ANALYSIS OF SHAREHOLDING STRUCTURE

As at 31 March 2022:

Share Range	No of Shareholders	% of Shareholders	No of Holdings	% Shareholding
1 - 1,000	29,550	36.34	11,842,252	0.29
1,001 - 5,000	38,885	47.81	92,841,342	2.26
5,001 - 10,000	5,734	7.05	40,584,581	0.99
10,001 - 50,000	5,300	6.52	113,174,380	2.76
50,001 - 100,000	827	1.02	59,561,907	1.45
100,001 - 500,000	778	0.96	165,573,836	4.04
500,001 - 1,000,000	120	0.15	87,789,000	2.14
1,000,001 - Above	130	0.16	3,529,028,308	86.07
	81,324	100.00	4,100,395,606	100.0000

DONATIONS AND CHARITABLE GIFTS

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

Donations and charitable gifts amounting to N183.4 million were made during the year: (2021: N3.47 billion):

Donations	31 March 2022 (N)
Coalition support for COVID-19 (including vaccination program support)	108,176,000
Donations to 49th Annual General Meeting of Manufacturers Association of Nigeria	50,000
Donations and annual grants to universities	7,530,000
Humanitarian donation and sponsorship	29,185,984
Sponsorship of Nigeria Economic summit Group and Nigeria Exchange Commission	34,500,000
Sponsorship to Professional Institutes	4,000,000
Total	183,441,984

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 at 31 March 2022 and the profit for the year ended on that date which have not been adequately provided for or disclosed in the financial statements.

MAJOR DISTRIBUTORS

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

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.

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 amount of the Company's property, plant and equipment is not less than the value shown in the audited financial statements.

HUMAN CAPITAL

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.

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.

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 and at relevant meetings. 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.

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.

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.

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.

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.

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

JOSEPH ODION UMOLU
COMPANY SECRETARY
FRC/2013/NBA/00000003687
1 Golden Penny Place,
Wharf Road, Apapa.
Lagos, Nigeria.
27 May 2022

GOLDEN PENNY FOODS
The HOME of GOOD FOOD

Proudly Naija Noodles

goldenpennynoodles

gpennynoodles

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 twelve non-executive directors, five 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 six (6) meetings during the financial year ended 31 March 2022. 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 were invited to attend Board meetings from time to time to make representations of their business units.

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

Names	07-JUL-2021	08-SEP-2021	27-OCT-2021	17-NOV-2021	27-JAN-2022	16-FEB-2022
Mr. John G. Coumantaros	V	V	V	V	V	V
Mr. Paul Miyonmide Gbededo	V	V	X	V	V	V
Mr. Omoboyede Oyebolanle Olusanya	V	V	V	V	V	V
Alhaji Y. Olalekan A. Saliu	V	V	V	V	V	V
Alhaji Rabiu Muhammad Gwarzo, OON	V	V	V	V	V	V
Mr. Ioannis Katsaounis	V	V	V	V	V	V
Mr. Thanassis Mazarakis	V	V	V	V	V	V
Mr. Folarin R. A. Williams	V	V	V	V	V	V
Prof. Jerry Gana, CON	V	V	V	V	V	V
Mr. Foluso O. Phillips [Independent]	V	V	V	V	V	V
Mr. Alfonso Garate	V	V	V	V	V	V
Dr. (Mrs.) Salamatu Hussaini Suleiman [Independent]	V	V	V	V	V	V
Mrs. Juliet Anammah [Independent]	V	V	V	V	V	V
Mr. Muhammad K. Ahmad [Independent]	V	V	V	V	V	V
**Ms. Yewande Sadiku [Independent]	NA	NA	NA	NA	NA	NA

Legend:
V - Present
X- Absent
NA – Not Applicable as the Director did not hold this office at this time

** Ms. Yewande Sadiku was appointed to the Board as an Independent Non - Executive Director on 16 February 2022.

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.

7. BOARD COMMITTEES AND STATUTORY AUDIT COMMITTEE

The Board of Directors has three principal board committees. These are listed below with the summary of attendance at meetings held during the financial year ended 31 March 2022:

Remuneration/Governance Committee
Members of the committee include:
Mr. Foluso O. Phillips – Chairman
Mr. Thanassis Mazarakis
Dr. (Mrs.) Salamatu Hussaini Suleiman
Mr. Muhammad K. Ahmad
Mr. Folarin R. A. Williams
Mr. Joseph Odion Umolu – Company Secretary

Record of attendance at Meetings:

Names	**30-Jun-2021**	**02-Nov-2021**	**04-Feb-2022**
Mr. Foluso O. Phillips	V	V	V
Mr. Thanassis Mazarakis	V	V	V
Dr. (Mrs.) Salamatu Hussaini Suleiman	V	V	V
Mr. Muhammad K. Ahmad	V	V	V
Mr. Folarin R. A. Williams	X	V	V
Mr. Joseph Odion Umolu	V	V	V

Legend:
V – Present
X – Absent

Audit and Risk Management Committee

Members of the committee include:
Mr. Thanassis Mazarakis - Chairman
Mr. Paul Miyonmide Gbededo
Alhaji Rabiu M. Gwarzo, OON
Alhaji Y. Olalekan A. Saliu
Mr. Omoboyede Oyebolanle Olusanya
Mrs. Juliet Anammah
Mr. Joseph Odion Umolu - Company Secretary

Record of attendance at Meetings:

Names	30-Jun-2021	19-Aug-2021	02-Nov-2021	22-03-2022
Mr. Thanassis Mazarakis	V	V	V	V
Mr. Omoboyede Oyebolanle Olusanya	V	X	V	V
Mr. Paul Miyonmide Gbededo	V	V	X	X
Alhaji Rabiu M. Gwarzo, OON	V	V	V	V
Alhaji Y Olalekan A. Saliu	V	V	V	V
Mrs. Juliet Anammah	V	V	V	V
Mr. Joseph Odion Umolu	V	V	V	V

Legend:

V - Present

X- Absent

The Board also has a committee known as the Board Local Content Committee and its composition was approved by the Board at its meeting of 3 March 2021:

Local Content Committee

Mr. Paul Miyonmide Gbededo - Chairman

Mr. Thanassis Mazarakis

Mr. Omoboyede Oyebolanle Olusanya

Alhaji Y. Olalekan A. Saliu

Mr. Muhammad K. Ahmad

Mr. Joseph Odion Umolu - Secretary

Record of attendance at Meetings:

NAME	29-Jun-2021	28-Oct-2021	03-Feb-2022
Mr. Paul Miyonmide Gbededo	V	X	V
Mr. Omoboyede Oyebolanle Olusanya	V	V	V
Mr. Thanassis Mazarakis	V	V	V
Alhaji Y. Olalekan A. Saliu	V	V	V
Mr. Muhammad. K. Ahmad	V	V	V
Mr. Joseph Odion Umolu	V	V	V

Legend:

V - Present

X- Absent

Statutory Audit Committee

Composition

Pursuant to section 404(3) of CAMA 2020, the Company's Audit Committee comprises two Directors, three shareholders and the Company Secretary as secretary of the Committee as follows:

Mr. Adesina Olalekan Oladepo	-	Chairman	re-elected 8 September 2021
Mr. Shekoni Nurudeen Adebayo			re-elected 8 September 2021
Mr. Adeshina Tajudeen Imran			re-elected 8 September 2021
Mr. Foluso O. Phillips			
Alhaji Y. Olalekan A. Saliu			
Mr. Joseph Odion Umolu	-	Secretary	

The functions of the Committee are laid down under section 404(7) of CAMA, 2020.

Meetings:

Members of the Statutory Audit Committee receive regular reports and updates on financial matters and internal control reviews from the Finance team, and internal and external auditors. A summary of the record of attendance at Statutory Audit Committee meetings held during the financial year ended 31 March 2022 is shown below:

NAME	24-Jun-2021	23-Jun-2021	24-Mar-2022
Mr. Adesina Olalekan Oladepo	V	V	V
Mr. Shekoni Nurudeen Adebayo	V	V	V
Mr. Adeshina Tajudeen Imran	V	V	V
Mr. Foluso O. Phillips	V	V	V
Alhaji Y. Olalekan A. Saliu	V	V	V
Mr. Joseph Odion Umolu	V	V	V

Legend:

V - Present

X- Absent

8. DIVISIONS AND DIRECTORATES

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

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

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 (CAMA) 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 of Directors. 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

Principles 14.1 & 15.1 of the Code of Corporate Governance 2018 provide that the Board should ensure annual Board and Corporate Governance Evaluations are carried out. The evaluation shall be facilitated by an independent external consultant at least once every three years.

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 31 March 2021. For the current year ended 31 March 2022, the Company carried out a rigorous self-evaluation of its Board and corporate governance.

Based on the self-evaluation exercise, the Board of FMN demonstrated a good understanding of and complied with the responsibilities as provided in the SEC Code of Corporate Governance and the Nigerian Code of Corporate Governance 2018 during the year ended 31 March 2022.

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 to achieve the Company's continued survival and prosperity; The Company has a Board Charter and Code of Conduct approved by the Board which guides members on the operations of the Board, duties and obligations of members, expected 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.

PARTICULARS	REMARKS
Principle 4 – Managing Director/Chief Executive Officer	The Group 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 GMD/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 GMD/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.
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 being 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 GMD/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

Corporate Governance Report (continued)

PARTICULARS	REMARKS
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 the 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: • Board Audit and Risk Management Committee • Board Remuneration and Governance Committee • Board Local Content Committee
Principle 12 – Appointment to the Board	Key parameters considered for effective appointment to the Board include: Integrity, reputation and commitment. Familiarity with the commercial and economic environment. Regional balancing. Good network in FMN areas of business
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	During the current year ended 31 March 2022, the Company carried out a rigorous self-evaluation of its Board of Directors.
Principle 15 – Corporate Governance Evaluation	During the current year ended 31 March 2022, the company carried out a rigorous self-evaluation of its corporate governance.

PARTICULARS	**REMARKS**
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- N3,000,000 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 and anonymously maintained whistleblowing system that encourages staff and other stakeholders effectively communicate information helpful in enforcing good corporate governance practices.
Principle 19 – Whistle blowing	The Company has an effective and anonymously maintained whistleblowing system that encourages staff and other stakeholders to effectively communicate 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.
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 the compliance with the Group's Code of Conduct and presents regular reports to the Board on the same.

PARTICULARS	REMARKS
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.

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.

Flour Mills of Nigeria Plc is pleased to announce its CGRS recertification effective 15 March 2022 and valid till 14 March 2025.

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 31 March 2022 is available on the Company's website and can be accessed through the link herein – www.fmnplc.com

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 weekly meetings to deliberate on critical issues affecting the organization and the 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, Food Division.
- Stoney Su - Managing Director, Agro Allied
- Anders Kristiansson – Group Chief Finance Officer
- Jack Cwach – Flour Operations Director
- Joseph Umolu – Company Secretary/Director, Legal Services
- Narhari Prasad Tripathi – Manufacturing Director
- Russel Prior - General Manager, Bagco
- Sadiq Usman – Director, Group Strategy and Stakeholders Relations
- Vlassis Liakouris – Group Business Transformation Director
- Wale Adediran – Group HR and Services Director
- Waltonio Percival-Deigh - Director, Business Assurance
- Yiannis Katsichtis - General Manager, Premium Edible oil Products Limited
- Engr Festus Omotoyinbo – General Manager, Apapa Bulk Terminal Limited

- Bola Adeeko – Director, Special Projects.
- Cephas Afebuameh – Supply Chain Director

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 wellbeing.

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 is 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 a Code of Conduct Policy inclusive of regular training and declarations.

The Code of Business Conduct applies 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 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.

JOSEPH ODION UMOLU
COMPANY SECRETARY
FRC/2013/NBA/00000003687
1 Golden Penny Place,
Wharf Road, Apapa.
Lagos, Nigeria.
27 May 2022

Statement of Directors' responsibilities in relation to the Consolidated and Separate Financial Statements

FOR THE YEAR ENDED 31 MARCH 2022

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:

Mr. Omoboyede Oyebolanle Olusanya
Group Managing Director
FRC/2017/IODN/00000017634
27 May 2022

Alhaji Y. Olalekan A. Saliu
Director
FRC/2013/ICAN/00000003595
27 May 2022

Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements

FOR THE YEAR ENDED 31 MARCH 2022

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Group Managing Director/ Chief Executive Officer and Group Chief Financial Officer, hereby certify the consolidated and separate financial statements of Flour Mills of Nigeria Plc for the year ended 31 March 2022 as follows:

a) That we have reviewed the audited financial statements of the Group and Company for the year ended 31 March 2022.

b) 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.

c) 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 2022.

d) 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 us by other officers of the Group and Company, during the year end 31 March 2022.

e) 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

f) 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.

g) That we have disclosed the following information to the Group and Company's Auditors and Audit Committee:

(i) there are no material 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 significant 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.

Mr. Omoboyede Oyebolanle Olusanya
Group Managing Director
FRC/2017/IODN/00000017634
27 May 2022

Mr. Anders Kristiansson
Group Chief Finance Officer
FRC/2014/ANAN/00000009819
27 May 2022

Audit Committee Report

TO MEMBERS OF FLOUR MILLS OF NIGERIA PLC FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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 31 March 2022 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 31 March 2022 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 31 March 2022 and the External Auditors' Report thereon be presented for adoption at this Annual General Meeting.

Dated 23 May 2022

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, 2022;
- 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 2022, 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 (CAMA), 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 consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">1. Revenue recognition</th></tr>
<tr><td colspan="2">Refer to significant accounting policies (Note 2.3) and Revenue (Note 6) in the consolidated and separate financial statements</td></tr>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>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 Revenue from contracts with customers.

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. Thus, there is potential incentive for manipulation of revenue to meet targets or expectations.

These factors make revenue an area of significance in our audit of the Group and the Company.</td><td>The following audit procedures were performed among others:

• 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) by inspecting contractual agreements on a sample basis to determine the appropriateness and timing of revenue recognition.

• We recomputed revenue based on the sales quantities and approved selling prices and compared to revenue recorded by management.

• We checked that the intra-group transactions were reconciled and eliminated in preparing the financial statements of the Group.

• We selected a sample of discounts and rebates granted to customers and inspected relevant underlying documentation to assess if they were appropriately computed and accounted for in the relevant financial period.

• We performed cut-off procedures by checking that revenue transactions were recognized in the appropriate period.</td></tr>
</table>

2. Valuation of Derivatives & Hedge Accounting	
Refer to significant accounting policies (Note 2.8.6) and Derivatives (Notes 28, 45 & 46) in the consolidated and separate financial statements.	
The Key audit matters	**How the matter was addressed in our audit**
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 the raw materials mainly from the Banks and Investors & Exporters (I&E) window via Letters of credits. Due to the scarcity of foreign currencies occasioned by limited supply, the Group and the Company entered into forward exchange contracts and non-deliverable forwards (derivatives) to ensure they meet their foreign exchange requirements and to hedge against potential foreign exchange risk. The Group applied hedge accounting during the year for its qualifying firm commitments for the purchase of inventory. The fair value gains and losses for derivatives that qualify for hedge accounting are recognized in other comprehensive income and reclassified to the profit or loss on a rational basis. The valuation of the forward exchange contracts and non-deliverable forwards and consideration of hedge effectiveness involves a significant degree of complexity and judgement. This makes recognition and measurement of derivatives and the related hedge accounting a key audit matter of the Group and the Company.	The following audit procedures were performed among others: • We obtained the listing of the forward exchange contracts and on a sample basis, inspected the underlying derivative contracts and checked the contracts to bank confirmations and to margin deposits made by the Company and its subsidiaries. • We inspected the hedge documentation to ascertain management approvals and compliance with the requirements of hedge accounting. • We engaged our KPMG valuation specialists to: - challenge the fair value parameters and methodology used in the external expert's valuation report 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. - check the appropriateness of the method used in the determination of the hedge effectiveness of the hedging relationship. • We assessed the adequacy of the disclosures in the financial statements in relation to the application of hedge accounting.

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<table>
<tr><th colspan="2">3. Recoverability of Long term loans and trade receivables</th></tr>
<tr><td colspan="2">Refer to significant accounting policies (Note 2.8) and Long-term loans and Trade and other receivables (Notes 25 & 27) in the consolidated and separate financial statements.</td></tr>
<tr><th>The Key audit matters</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>A number of companies within the Group are financed through intercompany loans and trade receivables.

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 have also estimated the impact of forward looking information (FLI) in the determination of the impairment allowance.

Recoverability of loans and trade receivables is considered a significant audit matter due to the level of judgement involved, the magnitude of the long term loans and trade receivables as well as uncertainties inherent in estimating the recoverable amounts .</td><td>The following audit procedures were performed among others:
• We engaged our financial risk management specialists to assess the reasonability and appropriateness of management's key assumptions and for the data input into the ECL model used by the Group and Company. Our procedures in this regard included the following:
- 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, 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 checked the reasonableness of the provision matrix applied by management by independently calculating the loss rates used in the ECL model.

• We assessed the adequacy of disclosures in the financial statements in relation to impairments recognized.</td></tr>
</table>

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.

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- 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 M. Adama, FCA
FRC/2012/ICAN/00000000443
For: KPMG Professional Services
Chartered Accountants
29 May 2022
Lagos, Nigeria


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Financial Statement

Consolidated and Separate Statements of Financial Position

AS AT 31 MARCH

	Notes	Group		Company	
ASSETS		**2022 (N'000)**	**2021 (N'000)**	**2022 (N'000)**	**2021 (N'000)**
Property, plant and equipment	18	226,840,392	208,721,490	100,300,597	89,251,566
Investment property	19	1,427,443	1,532,553	52,735	54,789
Biological assets	24	73,474	30,930	-	-
Right of use asset	40	15,720,081	16,511,473	2,692,372	2,684,703
Goodwill	21	4,148,022	4,148,022	1,876,816	1,876,816
Intangible assets	20	369,182	646,404	296,022	501,106
Investment in subsidiaries	22	-	-	45,755,534	62,258,329
Long term loans and receivables	25	37,551	38,852	69,962,336	62,423,085
Other investments	23	34,000	27,540	34,000	27,540
Deferred tax	16	6,245,238	6,974,435	-	-
Prepayments	29	-	95,971	-	85,317
Total non-current assets		**254,895,383**	**238,727,670**	**220,970,412**	**219,163,251**
Biological assets	24	757,085	376,439	-	-
Inventories	26	284,462,821	195,449,036	155,480,370	76,980,128
Trade and other receivables	27	39,900,930	25,825,611	43,782,434	23,160,406
Derivative assets	28	84,480	621,780	84,480	621,780
Prepayments	29	55,289,689	46,568,933	47,025,998	32,772,245
Cash and cash equivalents	30	31,621,421	37,163,344	20,273,882	27,624,715
Total current assets		**412,116,426**	**306,005,143**	**266,647,164**	**161,159,274**
Total assets		**667,011,809**	**544,732,813**	**487,617,576**	**380,322,525**

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

Consolidated and separate statement of financial position (Cont'd)

AS AT 31 MARCH

	Notes	Group		Company	
EQUITY AND LIABILITIES		**2022 (N'000)**	**2021 (N'000)**	**2022 (N'000)**	**2021 (N'000)**
Share capital	32	2,050,197	2,050,197	2,050,197	2,050,197
Share premium	32	75,377,444	75,377,444	75,377,444	75,377,444
Fair value reserves		(101,456)	(107,916)	(101,456)	(107,916)
Hedging reserve	45	(1,281,434)	-	(1,281,434)	-
Retained earnings		111,101,724	90,905,674	98,619,096	82,559,069
Equity attributable to owners of the company		**187,146,475**	**168,225,399**	**174,663,847**	**159,878,794**
Non-controlling interests	22	8,758,216	6,388,551	-	-
Total equity		**195,904,691**	**174,613,950**	**174,663,847**	**159,878,794**
Liabilities					
Borrowings	33	114,810,880	101,764,591	70,976,427	68,598,529
Lease liabilities	41	17,654,283	14,789,031	590,079	439,742
Retirement benefit obligation	34	10,268,526	10,396,790	7,815,524	8,067,744
Deferred income	36	16,173,241	12,901,940	3,807,687	1,735,080
Deferred tax	16	15,022,760	16,857,129	14,217,140	13,498,453
Long service award	35	3,591,011	3,713,272	2,926,253	3,037,869
Total non current liabilities		**177,520,701**	**160,422,753**	**100,333,110**	**95,377,417**
Trade and other payables	37	194,591,771	120,152,472	155,202,371	77,584,189
Borrowings	33	34,016,762	26,913,425	19,622,399	15,020,385
Lease liabilities	41	-	1,919,724	-	236,631
Deferred income	36	7,645,503	3,997,200	2,355,474	1,093,978
Derivative liabilities	28	1,898,421	97,049	1,898,421	49,322
Current tax payable	15	14,411,961	9,481,685	7,250,478	4,690,116
Dividend payable	38	2,804,900	4,207,541	2,804,900	2,586,437
Customer deposits	39	28,279,266	38,926,118	18,923,572	23,805,256
Bank overdraft	30	9,937,833	4,000,896	4,563,004	-
Total current liabilities		**293,586,417**	**209,696,110**	**212,620,619**	**125,066,314**
Total liabilities		**471,107,118**	**370,118,863**	**312,953,729**	**220,443,731**
Total equity and liabilities		**667,011,809**	**544,732,813**	**487,617,576**	**380,322,525**

These financial statements were approved by the Board of Directors on 27 May 2022 and signed on its behalf by:

Omoboyede Oyebolanle Olusanya
Group Managing Director
FRC/2017/IODN/00000017634

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

Anders Kristiansson
Group Chief Finance 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	
ASSETS		**2022 (N'000)**	**2021 (N'000)**	**2022 (N'000)**	**2021 (N'000)**
Revenue	6	1,163,802,851	771,607,880	832,810,561	535,881,585
Cost of Sales	7	(1,055,712,728)	(664,850,870)	(768,739,096)	(478,166,108)
Gross Profit		**108,090,123**	**106,757,010**	**64,071,465**	**57,715,477**
Net operating (losses) and gains	9	(135,885)	(15,528,451)	(4,617,901)	(8,911,617)
Write-back/(impairment loss) on trade and intercompany receivables	27	415,208	2,093,523	3,132,300	4,020,275
Selling and distribution expenses	10	(11,080,165)	(12,079,534)	(9,250,950)	(8,406,303)
Administrative expenses	11	(31,775,930)	(29,045,821)	(21,168,998)	(17,248,268)
Operating profit		**65,513,351**	**52,196,727**	**32,165,916**	**27,169,564**
Investment income	13	1,086,420	3,652,138	12,778,485	11,046,498
Finance costs	14	(25,481,623)	(18,655,198)	(15,195,572)	(10,032,461)
Profit before minimum taxation		**41,118,148**	**37,193,667**	**29,748,829**	**28,183,601**
Minimum tax	15	(1,902,530)	91,216	-	-
Profit before taxation		**39,215,618**	**37,284,883**	**29,748,829**	**28,183,601**
Net income tax expenses		(11,200,392)	(11,567,960)	(7,929,013)	(8,011,112)
Profit for the year		**28,015,226**	**25,716,923**	**21,819,816**	**20,172,489**

Other comprehensive income

	Notes	Group 2022 (N'000)	Group 2021 (N'000)	Company 2022 (N'000)	Company 2021 (N'000)
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit liability		1,839,888	(1,831,980)	1,380,216	(1,409,020)
Related tax	16	(597,964)	586,234	(448,570)	450,886
		1,241,924	**(1,245,746)**	**931,646**	**(958,134)**
Gain/(loss) on investments in equity instruments		6,460	5,100	6,460	5,100
Items that may be reclassified to profit or loss					
Cashflow hedge		(1,898,421)	-	(1,898,421)	-
Related tax		616,987	-	616,987	-
		(1,281,434)	**-**	**(1,281,434)**	**-**
Other comprehensive income for the year net of tax		(33,050)	(1,240,646)	(343,328)	(953,034)

Consolidated and separate statements of profit or loss and other comprehensive income (Cont'd).

	Notes	Group		Company	
		2022 (N'000)	2021 (N'000)	2022 (N'000)	2021 (N'000)
Total comprehensive income for the year net of tax		**27,982,176**	**24,476,277**	**21,476,488**	**19,219,455**
Profit attributable to					
Owners of the parent		25,676,035	26,148,786	21,819,816	20,172,489
Non-controlling interests	22	2,339,191	(431,863)	-	-
		28,015,226	**25,716,923**	**21,819,816**	**20,172,489**
Total comprehensive income attributable to:					
Owners of the parent		25,612,511	24,950,980	21,476,488	19,219,455
Non-controlling interest	22	2,369,665	(474,703)	-	-
		27,982,176	**24,476,277**	**21,476,488**	**19,219,455**
Earnings per share					
Per share information					
Basic earnings per share (kobo)	17	626	638	532	492
Diluted earnings per share (kobo)	17	626	638	532	492

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

Consolidated statement of changes in equity

FOR THE YEAR ENDED 31 MARCH

	Share Capital	Share Premium	Fair Value Reserve	Hedging reserve	Retained earnings	Equity attributable to the owners of the company	Non-controlling interest	Total equity
Group	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Balance at 1 April 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 (net of tax)	-	-	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 in equity								
Dividends declared (Note 38)	-	-	-	-	(5,753,101)	(5,753,101)	-	(5,753,101)
Write-back of unclaimed dividends (Note 38)	-	-	-	-	83,003	83,003	-	83,003
Total transactions with owners of the company recognised directly in equity	-	-	-	-	(5,670,098)	(5,670,098)	-	(5,670,098)
Balance at 31 March 2021	**2,050,197**	**75,377,444**	**(107,916)**	**-**	**90,905,674**	**168,225,399**	**6,388,551**	**174,613,950**
Balance at 1 April 2021	2,050,197	75,377,444	(107,916)	-	90,905,674	168,225,399	6,388,551	174,613,950
Total Comprehensive income								
Profit for the year	-	-	-	-	25,676,035	25,676,035	2,339,191	28,015,226
Other comprehensive income (net of tax)	-	-	6,460	(1,281,434)	1,211,450	(63,524)	30,474	(33,050)
Total comprehensive income for the year	**-**	**-**	**6,460**	**(1,281,434)**	**26,887,485**	**25,612,511**	**2,369,665**	**27,982,176**
Transactions with owners recorded directly to equity								
Dividends declared (Note 38)	-	-	-	-	(6,765,653)	(6,765,653)	-	(6,765,653)
Write-back of unclaimed dividends (Note 38)	-	-	-	-	74,218	74,218	-	74,218
Total transactions with owners of the company recognised directly in equity	-	-	-	-	(6,691,435)	(6,691,435)	-	(6,691,435)
Balance at 31 March 2022	**2,050,197**	**75,377,444**	**(107,456)**	**(1,281,434)**	**111,101,724**	**187,146,475**	**8,758,216**	**195,904,691**

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

Separate statement of changes in equity for the year ended 31 March 2022

FOR THE YEAR ENDED 31 MARCH

	Share Capital	Share Premium	Fair Value Reserve	Hedging Reserve	Retained Earnings	Total Attributable to equity holders of the company	Total equity
Company	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Balance at 1 April 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 (net of tax)	-	-	5,100	-	(953,034)	(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 in equity							
Dividends declared (Note 38)	-	-	-	-	(5,740,554)	(5,740,554)	(5,740,554)
Write-back of unclaimed dividend (Note 38)	-	-	-	-	83,003	83,003	83,003
Total transactions with owners of the company recognised directly in equity	-	-	-	-	(5,657,551)	(5,657,551)	(5,657,551)
Balance at 31 March 2021	**2,050,197**	**75,377,444**	**(107,916)**	**-**	**82,559,069**	**159,878,794**	**159,878,794**
Balance at 1 April 2021	2,050,197	75,377,444	(107,916)	-	82,559,069	159,878,794	159,878,794
Total Comprehensive income							
Profit for the year	-	-	-	-	21,819,816	21,819,816	21,819,816
Other comprehensive income (net of tax)	-	-	6,460	(1,281,434)	931,646	(343,328)	(343,328)
Total comprehensive income for the year	**-**	**-**	**6,460**	**(1,281,434)**	**22,751,462**	**21,476,488**	**21,476,488**
Transactions with owners recorded directly to equity							
Dividends declared (Note 38)	-	-	-	-	(6,765,653)	(6,765,653)	(6,765,653)
Write-back of unclaimed dividend (Note 38)	-	-	-	-	74,218	74,218	74,218
Total transactions with owners of the company recognised directly in equity	-	-	-	-	(6,691,435)	(6,691,435)	(6,691,435)
Balance at 31 March 2022	**2,050,197**	**75,377,444**	**(101,456)**	**(1,281,434)**	**98,619,096**	**174,663,847**	**174,663,847**

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	
Cash flows from operating activities		**2022 (N'000)**	**2021 (N'000)**	**2022 (N'000)**	**2021 (N'000)**
Cash generated from operations	31	49,719,610	33,291,942	2,084,184	11,532,588
Income tax paid	15	(4,833,346)	(2,942,872)	(1,336,183)	(610,894)
Long Service award benefit paid	35	(248,608)	(165,335)	(194,900)	(152,335)
Retirement benefit paid	34	(600,682)	(332,576)	(501,882)	(291,297)
Net cash from operating activities		**44,036,974**	**29,851,159**	**51,219**	**10,478,062**
Cash flows from investing activities					
Purchase of property plant and equipment	18	(40,652,521)	(19,425,792)	(23,815,114)	(13,839,760)
Proceeds from sale of property plant and equipment		123,852	546,750	104,101	530,591
Acquisition of right of use asset	40	(1,097,291)	(2,293,325)	(402,024)	(12,500)
Acquisition of intangible assets	20	-	(19,191)	-	-
Acquisition of investment property	19	-	(4,195)	-	-
Investment in subsidiary	22	-	-	(1,114,900)	-
Repayment of Quasi Equity	22	-	-	17,591,695	-
Loans repayments from related companies	25	1,301	-	310,978,887	87,215,220
Loans granted to related companies	25	-	-	(314,672,741)	(94,116,111)
Purchase of biological assets	24	(4,309,723)	(881,472)	-	-
Interest received	13	1,086,420	3,652,138	6,656,485	6,532,315
Dividend received	13	-	-	6,122,000	4,514,183
Net cash (used in)/generated from investing activities		**(44,847,962)**	**(18,425,087)**	**1,448,389**	**(9,176,062)**
Cash flows from investing activities					
Proceeds from borrowings	33	39,573,064	88,503,452	10,987,462	73,216,237
Repayments of borrowings	33	(16,250,651)	(63,292,881)	(2,787,982)	(46,070,438)
Repayments of lease liabilities	41	(2,667,114)	(1,740,546)	(409,384)	(168,412)
Dividend paid	38	(8,094,076)	(5,453,991)	(6,472,971)	(5,441,444)
Unclaimed dividend received	38	-	6,494	-	-
Finance costs paid		(23,939,384)	(17,373,764)	(15,112,735)	(9,960,941)
Net cash generated from/(used in) financing activities		**(11,378,161)**	**648,764**	**(13,795,610)**	**11,575,002**
Net increase in cash and cash equivalents		(12,189,149)	12,074,836	(12,296,002)	12,877,002
Cash and cash equivalents, beginning of the year		33,162,448	20,668,446	27,624,715	14,479,048
Effect of exchange difference		710,289	419,166	382,165	268,665
Cash and cash equivalents, end of the year		**21,683,588**	**33,162,448**	**15,710,878**	**27,624,715**

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

Notes to the Annual Report for the year ended 31 March 2021

Corporate information

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 and Company are 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 operations and financial position and believe 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 2021 to 31 March 2022, with comparatives for year ended 31 March 2021.

1.6 Basis of Accounting

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council (FRC) of Nigeria Act, 2011. The financial statements were authorised for issue by the IASB on 27 May 2022.

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.
- Non-derivative financial assets and liabilities at amortised cost: 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
- Financial assets at Fair Value through Other Comprehensive Income ("FVOCI").
- Derivative financial assets and liabilities: Fair value through Other Comprehensive Income ("OCI").

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 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 and Company'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 Company and its subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity if it is exposed to, or has right to, variable returns from involvement with the entity and has the ability to affect those returns through its power over the entity. 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 the non-controlling interest.

Transactions with non-controlling interests 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 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

- 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 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 de-recognises 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, rebates 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

Customers 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 Group 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 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.

Biological assets 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 de-recognised 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 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 are 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.

If significant parts of an item of Property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of Property, plant and equipment.

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 de-recognised. 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 de-recognised 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.

Major spare parts and stand-by equipment are carried as Property, plant and equipment when an entity expects to use them over more than one period or when they can be used only in connection with an item of Property, plant and equipment.

Immature bearer plants are carried at cost and represent bearer plants that have been planted but have not reached a matured stage and have not started yielding biological assets. They are not depreciated. Immature crops, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognized impairment losses under capital work-in-progress. Cost includes the cost of land preparation, new planting, fertilizing, maintenance of newly planted bushes for a period of four years until maturity. On maturity (i.e. when the bearer plants are ready for their intended use), these costs are classified under bearer plants. Depreciation of bearer plants commence when they are ready for their intended use.

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

De-recognition of intangible assets

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition 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 de-recognised.

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 (de-recognized) on the date the Group commits to purchase (sell) the instruments (trade date accounting).

The Group and Company classify 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 change their 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 amortised 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 or 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 make an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The following are considered in the assessment:

- 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 de-recognition 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.

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 consider:

- 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 or 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 de-recognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in 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. Trade receivables are recognised initially at the transaction price, 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 investments 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 assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group and Company consider 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.

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 as 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 are recognised when the Group or 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.

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 or 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 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 holds derivative financial instruments to hedge its foreign currency 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. The Group designates certain derivatives as hedging instruments to hedge its variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and certain derivatives.

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument
- The effect of credit risk does not dominate the value changes that result from that economic relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

The Group designates only the intrinsic value of option contracts as a hedged item, i.e. excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in other comprehensive income and accumulated in the cost of hedging reserve. If the hedged item is transaction-related, the time value is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time period related, then the amount accumulated in the cost of hedging reserve is reclassified to profit or loss on a rational basis – the Group applies straight-line amortisation.

Those reclassified amounts are recognised in profit or loss in the same line as the hedged item. If the hedged item is a non-financial item, then the amount accumulated in the cost of hedging reserve is removed directly from equity and included in the initial carrying amount of the recognised non financial item. Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the ‘other gains and losses’ line item.

When the hedged forecast transaction results in the recognition of a non-financial asset, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

Nature and purpose of hedging reserves

The cash flow hedge reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is included directly in the initial cost or other carrying amount of the hedged non-financial items (basis adjustment).

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in net gains or losses in profit or loss.

Hedge effectiveness

The Group determines hedge effectiveness at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

Hedges directly affected by interest rate benchmark reform

The Group has adopted the Phase 2 amendments and retrospectively applied them from 1 April 2021.

When the basis for determining the contractual cash flows of the hedged item or hedging instrument changes as a result of interbank offered rate (“IBOR”) reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by IBOR reform. For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedging instrument.

The Group amends the description of the hedging instrument only if the following conditions are met:

- it makes a change required by IBOR reform by using an approach other than changing the basis for determining the contractual cash flows of the hedging instrument;
- the chosen approach is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- the original hedging instrument is not de-recognised.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by IBOR reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by IBOR reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in the discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by IBOR reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by IBOR reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

Recognition and measurement

Derivatives are recognised when the Group or 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 recognised in profit or loss. 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 they intend either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.8.8 De-recognition

Financial assets

The Group or Company de-recognises 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 to which the Group or Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. If the Group or Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group or Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group or 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 de-recognise financial liabilities when, and only when, the Group and Company obligations are discharged, cancelled or they expire. The Group and Company also de-recognise 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 de-recognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

If the modification of a financial liability is not accounted for as de-recognition, 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 floating rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any cost and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

2.9 Taxation

Income tax expense comprises current tax (company income tax, tertiary education tax, Nigeria Police Trust Fund levy, National Agency for Science and Engineering Infrastructure (NASENI) 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).
- National Agency for science and Engineering Infrastructure (NASENI) Levy- NASENI Levy is based on a rate of 0.25% of the turnover of companies engaged in banking, information and communication technology (ICT), maritime, aviation and oil and gas sectors, in Nigeria, with an annual turnover of N100m and above.

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 offset 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 2021, the President signed the Finance Act, 2021 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. The Group and the Company recognise minimum tax payable to the tax authority as part of their 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.

NASENI Levy is based on 0.25% of the Turnover and is governed by the NASENI Act, 1992. . It applies only to companies in specific sectors, with an annual turnover of N100m and above. During the year, the Group had only one subsidiary liable to the levy - Apapa Bulk Terminal Limited.

Implementation of Finance Act

The Finance Act 2021 (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.

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 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 standalone 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 remeasurement 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.

- 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 and lease liabilities as separate items 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 de-recognition 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 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 include 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 Impairment of tangible and intangible assets excluding goodwill, inventories, deferred tax assets and financial assets

Non-current assets and disposal groups are classified as held 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.

2.14 Share capital and equity

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

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.

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

2.15 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.

2.16 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 their 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 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 operate 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.

2.17 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 cash flows (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.

2.18 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.

2.19 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.

2.20 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.

2.21 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 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.

2.22 Foreign currencies transactions

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.

2.23 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.

2.24 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.

2.25 Net Operating Gains/Losses

Net operating gains and losses result 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.

2.26 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 basis regardless of the time of spending cash and measured at historical cost.

2.27 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.

2.28 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 have designated other investments as at fair value through other comprehensive income.

2.29 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 statements 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
- 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 judgements about the likelihood and magnitude of an outflow of resources;

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as at 31 March 2022 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) determine 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 (27) measurement of ECL allowances 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 allowances 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.

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 IFRS 9, 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.

Taxation

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 calculation requires directors to estimate the future cash flows 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 cash flows requires judgement to be made by management. Where the actual future cash flows 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 nit 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.

Amendments to the following standard(s) became effective in the annual period starting from 1 April 2021. The new reporting requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

- Amendments to IFRS 16 - COVID-19-Related Rent Concessions beyond 30 June 2021
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Relating to Interest Rate Benchmark Reform (Phase 2 amendments).

Amendments to IFRS 16 - COVID-19-Related Rent Concessions beyond 30 June 2021

In March 2021, the International Accounting Standards Board ("IASB") amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. This amendment has no impact on the Group.

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

Interest Rate Benchmark Reform Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 issued in August 2020 represents the second phase of the IASB's project on the effects of interest rate benchmark reform, addressing issues affecting financial statements when changes are made to contractual cash flows and hedging relationships as a result of the reform. Under these amendments, changes made to a financial instrument that are economically equivalent and required by interest rate benchmark reform do not result in the de-recognition or a change in the carrying amount of the financial instrument, but instead require the effective interest rate to be updated to reflect the change in the interest rate benchmark. In addition, hedge accounting will not be discontinued solely because of the replacement of the interest rate benchmark if the hedge meets other hedge accounting criteria. These amendments apply from 1 April 2021 with early adoption permitted. The Group adopted the amendments from 1 April 2021 and has made the additional disclosures as required by the amendments below.

Financial instruments yet to transition to alternative benchmarks from USD LIBOR

As at 31 March 2022	Notional Amounts
Forward contracts	154.6 million

As at 31 March 2021	Notional Amounts
Forward contracts	140 million

The amounts provide an indication of the extent of the Group's exposure to the LIBOR benchmarks that are due to be replaced. Amounts are in respect of financial instruments that:

- contractually reference an interest rate benchmark that is planned to transition to an alternative benchmark;
- have a contractual maturity date after 31 March 2022, the date by which LIBOR is expected to cease; and
- are recognised on the Group's consolidated statement of financial position. The administrator of LIBOR, Intercontinental Exchange Benchmark Administration Limited ("IBA"), has announced a proposal to extend the publication date of most US Dollar LIBOR tenors until 30 June 2023.

4.2 Standards and interpretations issued but not yet effective

The following standards have been issued or amended by the IASB but are yet to be effective as at the reporting date:

- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.
- Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use.
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current.
- Annual Improvements to IFRS Standards 2018-2020 Cycle Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
- Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards.
- Amendments to IFRS 3 Reference to the Conceptual Framework
- Amendments to IAS 8 Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB. However, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendment to IAS 16 – Property, Plant and Equipment

The IASB issued amendment to IAS 16 – Property, Plant and Equipment which is effective for annual reporting periods beginning on or after 1 January 2022. The amendment prohibits the deduction from the cost to an item of property, plant and equipment proceeds of the sale of items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management. Instead, an entity should recognize the sale proceeds and related production cost of those items in Profit or loss. The amendment is not expected to have any impact on the Group. Amendment to IAS 37 – Provisions, Contingent liabilities and Contingent assets The IASB published amendment to IAS 37 – Provisions, Contingent liabilities and Contingent assets in May 2020. The amendment which is effective for annual reporting periods beginning on or after 1 January 2022 specifies the costs an entity needs to include when assessing whether a contract is onerous. The amendment clarifies that the costs that relate to a contract comprise both incremental costs of fulfilling the contract and an allocation of other direct costs related to the contract activities. The amendment is not expected to have any material impact on the Group.

Amendment to IAS 1 – Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendment clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period. • That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. The IASB also added two new paragraphs (Paragraph 76A and 76B) to IAS1 to clarify what is meant by "settlement" of a liability. The IASB concluded that it was important to link the settlement of the liability with the outflow of resources of the entity. The amendment is not expected to have any material impact on the Group.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021 the IASB issued amendments to IAS 1 that require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on the concept of materiality and its application to accounting policy information. Under the amendments, accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual periods beginning on or after 1 January 2023, and will be applied from that date. Definition of Accounting Estimate Amendments to IAS 8 In February 2021 the IASB issued amendments to IAS 8 that replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are clarified as monetary amounts in financial statements that are subject to measurement uncertainty. Where an entity's accounting policy requires an item to be measured at monetary amounts that cannot be observed directly, it should develop an accounting estimate to achieve this objective. The amendments are effective for annual periods beginning on or after 1 January 2023, and will be applied from that date with no material impact expected.

IAS 8 – Definition of Accounting Estimates

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the IASB. The amendments are effective for annual periods beginning on or after 1 January 2023, and will be applied from that date with no material impact expected.

IFRS 3 – Reference to the Conceptual Framework

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or International Financial Reporting Interpretations Committee ("IFRIC") 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments are effective for annual periods beginning on or after 1 January 2022, and will be applied from that date with no material impact expected.

IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the IASB expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2023, and will be applied from that date with no material impact expected.

IFRS 9 - Fees in the '10 per cent' test for de-recognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. The amendment is not expected to have any material impact on the Group.

6. Revenue

	Group		Company	
Revenue from contract with customers	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**
Sale of goods	1,118,159,111	742,409,203	789,151,462	508,936,408
Rendering of services	45,643,740	29,198,676	43,659,099	26,945,177
Revenue from continuing operations	1,163,802,851	771,607,880	832,810,561	535,881,585

Analysis by segment	**Group**		**Company**	
Sales of Goods point in time	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**	**31- Mar-22 (N'000**	**31-Mar-21 (N'000)**
Food	748,762,912	478,331,803	772,157,714	501,699,568
Agro Allied	213,373,985	139,439,315	16,993,748	7,236,840
Sugar	156,022,214	124,638,085	-	-
Provision of services- overtime				

Support Services	45,643,740	29,198,676	43,659,099	26,945,177
	1,163,802,851	**771,607,880**	**832,810,561**	**535,881,585**

*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-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Cost of raw and packing materials	957,956,311	583,617,387	714,696,156	433,791,906
Production employee cost	23,522,020	20,369,804	15,882,705	13,707,565
Depreciation	21,447,186	21,605,817	10,831,827	11,048,759
Fuel and oil	23,111,312	17,806,799	12,673,188	9,478,234
Factory rent and rates	108,261	326,077	1,225,302	922,387
Factory repairs and maintenance	16,113,766	11,799,364	9,011,942	6,288,289
Insurance	941,249	745,296	512,853	398,073
Other Production expenses	12,512,623	8,580,326	3,905,123	2,530,895
	1,055,712,728	**664,850,870**	**768,739,096**	**478,166,108**

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.
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 assets 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 2022

Group	Revenue (N'000)	Cost of Sale (N'000)	Gross profit (N'000)
Food	748,762,912	685,942,311	62,820,600
Agro Allied	213,373,985	184,511,351	28,862,634
Sugar	156,022,214	155,634,561	387,653
Support Services	45,643,739	29,624,504	16,019,235
	1,163,802,850	**1,055,712,728**	**108,090,122**

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	29,198,676	16,544,723	12,653,953
	771,607,880	**664,850,870**	**106,757,010**

	Group		Company	
	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
	Segment Revenue	Segment Profit/(loss)	Segment Revenue	Segment Profit/(loss)
Food	839,596,668	28,838,073	549,708,721	36,432,298
Agro Allied	265,078,092	20,057,370	165,941,119	13,910,749
Sugar	161,206,996	(3,208,395)	128,279,967	6,902,012
Support Services	82,359,133	6,572,290	36,815,379	1,946,221
Elimination of inter-segment revenue	(184,438,039)	-	(109,137,306)	-
Elimination of inter-segment profit/loss	-	(11,141,190)	-	(21,997,613)
	1,163,802,850	**41,118,148**	**771,607,880**	**37,193,667**

Revenue from customers domiciled in Nigeria amounted to N1.162 trillion (2021: N753.8 billion), while revenue from foreign customers (export revenue) amounted to N27.5 billion (2021: N17.2 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	31-Mar-22 (N'000)	31-Mar-21 (N'000)
Food	534,979,691	363,939,575
Agro Alied	187,920,933	188,875,471
Sugar	190,696,524	200,312,041
Support Services	34,821,027	73,696,006
Elimination of Inter-segment assets	(281,406,365)	(282,090,280)
	667,011,809	**544,732,813**

Segment Liabilities	31-Mar-22 (N'000)	31-Mar-21 (N'000)
Food	347,481,909	262,662,385
Agro Alied	95,001,603	85,847,086
Sugar	128,980,659	109,865,694
Support Services	34,055,544	6,704,895
Elimination of Inter-segment assets	(134,412,596)	(94,961,197)
	471,107,118	**370,118,864**

Other material items

Group	Food	Agro Allied	Sugar	Support Services	Reportable segment totals	Intersegment Adjustments	Consolidated total
March 31,2022	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**
Interest income	(6,666,020)	418,024)	(44,149)	(20,085)	(7,148,278)	6,061,858	(1,086,420)
Interest expense	15,354,888	6,439,358	7,800,884	2,030,359	31,625,489	(6,143,866)	25,481,623
Depreciation and amortisation	13,658,460	4,159,244	5,259,736	1,748,505	24,825,943	(466,884)	24,359,059
Fair value (loss)/gain on derivatives	389,420	-	-	-	389,420	-	389,420
	22,736,746	10,180,577	13,016,471	3,758,779	49,692,574	(548,892)	49,143,682

	Food	Agro Allied	Sugar	Support Services	Reportable segment totals	Intersegment 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)
	14,039,100	6,334,059	10,900,613	3,432,851	34,706,622	360,381	35,067,003

9. Net Operating gains and (losses)

	Group		Company	
	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Fees earned	4,360,563	1,285,512	318,269	606,274
Fair value (loss)/gain on derivatives	389,420	(1,773,789)	321,799	(449,716)
Rental income	202,544	197,977	204,887	202,954
Insurance claim	743,832	72,148	323,771	14,573
Sundry gain/(loss)	(127,578)	(2,783,623)	9,399	(288,478)
Bad debts recovered	-	202,154	-	-
Write-off/Impairment of PPE	-	(4,641,907)	-	(594,523)
Government grants (Note 36)	5,111,647	4,291,923	1,688,467	571,828
(Loss)/profit on disposal of property, plant and equipment	(50,362)	(490,811)	8,494	(495,716)
Loss on exchange difference	(10,194,497)	(12,222,083)	(7,492,987)	(8,478,813)
Fair value changes in biologicial assets (Note 24)	(571,454)	334,048	-	-
	(135,885)	**(15,528,451)**	**(4,617,901)**	**(8,911,617)**

10. Selling and distribution expenses

	Group		Company	
	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Employee costs	4,458,800	3,971,931	3,686,246	3,308,605
Advertisement	1,844,099	3,082,283	1,737,021	1,957,828
Selling expenses	4,777,266	5,025,320	3,827,683	3,139,870
	11,080,165	**12,079,534**	**9,250,950**	**8,406,303**

11. Administrative expenses (analysed by nature)

	Group		Company	
	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Auditors remuneration	371,617	403,150	191,343	211,734
Bank charges	2,560,598	1,361,528	1,862,500	1,057,160
Legal and professional fees	2,471,718	1,410,870	1,480,243	539,507
Depreciation	3,144,616	2,463,839	2,065,480	1,517,523
Employee costs	11,577,148	9,112,815	8,223,293	6,576,266
Non income taxes, fines and penalty	2,304,250	2,789,354	2,075,382	351,481
Insurance	677,806	504,136	262,171	192,953
Computer related expenses	1,560,796	1,353,645	1,094,639	878,321
Medical, canteen and welfare expenses	1,188,431	1,038,515	881,297	765,085
Motor vehicle expenses	371,717	210,700	196,649	122,072
Fuel, gas and oil	313,337	235,913	164,594	133,536
General administrative expenses	1,444,129	1,632,423	322,578	581,244
Postages, telephone and cables	123,934	239,360	49,506	174,508
Printing and stationery	97,944	109,076	50,756	48,962
Rent and rate	354,543	138,708	314,637	182,106
Repairs and maintenance	1,082,683	1,176,281	460,227	490,915
Subscriptions and donations	596,501	3,762,170	345,879	2,579,964
Security services	475,471	294,224	170,729	107,860
Travelling expenses	1,058,691	809,114	957,095	737,071
	31,775,930	**29,045,821**	**21,168,998**	**17,248,268**

12. Employee Information

		Group		Company
Employee cost comprise:	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Salaries, wages and other benefits	35,851,338	29,446,444	24,905,657	20,518,520
Pensions	1,267,977	1,123,600	955,617	853,504
Long service awards	126,347	1,140,820	128,521	912,383
Gratuity	2,312,306	1,743,686	1,802,449	1,308,029
	39,557,968	**33,454,550**	**27,792,244**	**23,592,436**

Total employee costs recognised in profit or loss:				
Cost of sales	23,522,020	20,369,804	15,882,705	13,707,565
Administrative expenses	11,577,148	9,112,815	8,223,293	6,576,266
Selling and distribution expenses	4,458,800	3,971,931	3,686,246	3,308,605
	39,557,968	**33,454,550**	**27,792,244**	**23,592,436**

Average number of persons	Group		Company	
	31- Mar-22	31- MAR-21	31- Mar-22	31-Mar-21
Managerial	1,469	930	1,054	788
Non- managerial staff	3,721	4,153	2,724	3,021
	5,190	**5,083**	**3,778**	**3,809**

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-22	31-Mar-21	31- Mar-22	31-Mar-21
N.100,001 - N.200,000	-	160	-	160
N.200,001 - N.300,000	1	30	1	16
N.300,001 - N.400,000	56	138	2	128
N.400,001 - N.500,000	286	83	274	50
N.500,001 - N.600,000	378	170	357	136
N.600,001 - N.700,000	207	300	192	176
N.700,001 - N.800,000	239	180	214	152
N.800,001 - N.900,000	279	202	245	134
N.900,001 - N.1,000,000	247	300	177	135
N.1,000,001 and above	3,497	3,520	2,316	2,722
Total	**5,083**	**5,083**	**3,778**	**3,809**

13. Investment Income

	Group		Company	
Dividend income	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Dividend income	-	-	6,122,000	4,514,183
Interest income				
Interest income from short term investments and bank deposits	1,086,420	3,652,138	954,818	3,308,738
Interest income from loans to related companies	-	-	5,701,667	3,223,577
Total Investment Income	**1,086,420**	**3,652,138**	**12,778,485**	**11,046,498**

14. Finance Cost

	Group		Company	
	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Interest expense on loans from related parties	-	-	360,188	238,487
Interest on bond and commercial papers	5,980,646	7,488,629	5,980,646	7,488,629
Interest expense on lease liabilities	1,542,239	1,281,434	82,837	71,520
Interest on bank loans and overdrafts	17,958,738	9,885,135	8,771,901	2,233,825
Total finance costs	**25,481,623**	**18,655,198**	**15,195,572**	**10,032,461**

15. Taxation

The tax charge for the year has been computed after adjusting for certain items of expenditure and income, which are not deductible or chargeable for tax purposes, and comprises:

	Group		Company	
Per profit or loss	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Income tax charged	10,310,454	7,873,361	5,741,923	4,039,577
Withholding tax on dividend income (i)	612,200	-	612,200	-
Tertiary education tax	1,626,083	1,445,393	892,580	648,547
Capital gain tax	-	613	-	584
Police Trust Fund Levy	2,933	3,111	1,487	1,409
NASENI Levy	5,562	-	-	-
(Over)/under provision in prior year	(270,692)	46,988	(206,277)	36,756
Current tax expense	12,286,541	9,369,466	7,041,914	4,726,873
Origination and reversal of temporary differences	(1,086,149)	2,198,494	887,099	3,284,239
Net income tax expense as per profit or loss	**11,200,392**	**11,567,960**	**7,929,013**	**8,011,112**

(i) Witholding Tax on Dividend income represents final tax paid on dividends amounting to N612 million received from the Company's subsisdiaries. Most of the dividends were re-distributed from the subsidiares and would be treated as franked investment income in accordance with the provisions of Section 80 (3) of the Companies Income Tax Act as Amended.

Corporation tax is calculated at 30% (2021: 30%) of the estimated taxable profit for the year while tertiary education tax is calculated at 2% (2021: 2%) of the estimated assesssable profit for the year. The deferred tax charges recognised in the year relate to the origination and reversal of temporary differences.

	Group		Company	
Per statement of financial position	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31-Mar -22 (N'000)	31-Mar-21 (N'000)
At 1 April	9,481,685	5,531,160	4,690,114	2,566,482
Charge for the period	12,286,541	9,369,466	7,041,914	4,726,873
Minimum tax	1,902,530	(91,216)	-	-

Payment during the year				
Cash	(4,833,346)	(2,942,872)	(1,336,183)	(610,894)
Withholding tax utilised	(4,425,449)	(2,384,853)	(3,145,369)	(1,992,347)
Current tax payable	**14,411,961**	**9,481,685**	**7,250,478**	**4,690,116**

Minimum Tax

Minimum tax was computed for the Group subsidiaries with no total profits, or tax payable which was less thanminimum tax. During the year, the Group computed minimum tax based on 0.50% of turnover and this amounted to N1.90 billion. In previous year, in line with the Finance Act which provided for a reduced minimum tax rate of 0.25% of gross turnover which applied to corporate tax returns due on any date between 1 January 2020 and 31 December 2021, the minimum tax was computed at 0.25% of gross turnover and this amounted to (N91.2million).

Reconciliation of effective tax rate

The Group and Company

Reconciliation of effective tax rate	Group		Company	
	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Profit before tax on continuing operations (A)	39,215,618	37,284,883	29,748,829	28,183,601
Tax at the statutoty corporation tax rate of 30% (2021: 30%)	11,764,685	11,185,465	8,924,649	8,455,080
Effect of police trust fund levy	2,933	3111	1,487	1,409
Effect of capital gains tax	-	613	-	584
Withholding tax on dividend	612,200	-	612,200	-
Effect of income that is exempt from taxation	(6,692,378)	(3,083,177)	(2,762,566)	(2,488,084)
Effect of other non deductible expenses	1,515,889	2,014,281	696,109	565,027
Effect of investment allowance and other incentives	(380,138)	(277,277)	(282,724)	(201,021)
Tertiary education tax at 2% of assessable profit	1,626,083	1,445,393	892,580	648,547
Effect of change in TET rate	314,131	-	53,555	-
Current year losses for which no deferred tax was recognised	1,775,488	264,072	-	-
Derecognition of previously recognised deferred tax	1,432,191	1,219,603	-	992,815
(Over) or under provision in prior year	(270,692)	46,989	(206,277)	36,755
Effect of previously unrecognised deferred tax now recognised	-	(1,251,113)	-	-
Income tax expenses recognised in profit or loss (relating to continuing operations) (B)	**11,700,393**	**11,567,960**	**7,929,013**	**8,011,112**
Effective tax rate (B/A)	29.8%	31.0%	26.7%	28.4%

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

16. Deferred tax

	Group		Company	
Analysis of deferred tax balances	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**
Deferred tax asset	6,245,238	6,974,435	-	-
Deferred tax liability	(15,022,760)	(16,857,129)	(14,217,140)	(13,498,453)
Net deferred tax liability	**(8,777,522)**	**(9,882,694)**	**(14,217,140)**	**(13,498,453)**

The Group has unutilized capital allowances and unrelieved tax losses amounting to ₦0.26 billion and ₦1.5billion (2021: ₦4.3billion and ₦8billion) 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 2022	**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	24,811,614	1,555,644	-	26,367,258
Tax losses	(86,999)	(2,865,998)	-	(2,952,997)
Exchange difference	(1,071,465)	(219,037)	-	(1,290,502)
Employee benefits	(4,469,161)	(633,152)	597,964	(4,504,349)
Inventories and trade and other receivables	(7,939,137)	1,701,633	-	(6,237,504)
Right of use assets	(1,616,030)	(668,755)	-	(2,284,785)
Fair valuation of derivatives instrument	167,914	(140,457)	(616,987)	(589,530)
Gain on fair valuation of biological assets	85,958	183,973	-	269,931
	9,882,694	**(1,086,149)**	**(19,023)**	**8,777,522**

Group as at 31 March 2021	**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**

Company as at 31 March 2022	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	20,684,899	1,053,918	-	21,738,817
Exchange difference	(941,081)	(586,193)	-	(1,527,274)
Fair valuation of derivative instrument	183,187	(155,730)	(616,987)	(589,530)
Employee benefits	(3,553,796)	(443,703)	448,570	(3,548,929)
Inventories and trade and other receivables	(2,865,863)	1,018,304	-	(1,847,559)
Right of use assets	(8,893)	507	-	(8,386)
	13,498,453	**887,103**	**(168,417)**	**14,217,140**

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**

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-22 (N'000)**	**31-Mar-21 (N'000)**	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**
Profit or loss for the year from continuing operations	25,676,035	26,148,786	21,819,816	20,172,489
	25,676,035	**26,148,786**	**21,819,816**	**20,172,489**
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)	626	638	532	492
From continuing operations (kobo per share)	626	638	532	492
Diluted earnings per share				
From total operations (kobo per share)	626	638	532	492
From continuing operations (kobo per share)	626	638	532	492

18 Property, plant and equipment (Group)

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

Cost In thousands of Naira	Land and buildings	Plant & Machinery	Furniture, fittings and office equipment	Motor Vehicles	Bearer plants	Berth Rehabilitation	Capital work-in-progress	Total
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)
Reclassification	-	-	-	-	-	-	-	-
Transfer to intangible assets	-	-	-	-	-	-	(77,197)	(77,197)
Transfer - capital work in progress	545,349	9,152,417	816,689	185,025		-	(10,699,480)	-
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
Balance at 1 April 2021	78,865,079	264,459,588	10,323,760	15,420,627	1,273,260	763,547	10,137,914	381,243,776
Additions	635,093	4,729,173	948,880	4,414,769	-	9,675	29,914,931	40,652,521
Disposals	-	(1,680,823)	(73,497)	(488,241)	-	-	-	(2,242,561)
Transfer - capital work in progress	965,945	9,229,881	269,215	1,671,398	163,085	-	(12,299,524)	-
Transfer to intangible assets	-	-	-	-	-	-	(94,909)	(94,909)
Reclassification	77,192	(1,434,455)	(411,535)	596,850	-	-	1,171,948	-
Write off /impairment	(325,077)	(361,814)	(4,986)	(342,060)	-	-	(103,364)	(1,137,301)
Balance at 31 March 2022	80,218,232	274,941,551	11,051,837	21,273,343	1,436,345	773,222	28,726,996	418,421,525
Accumulated depreciation and impairment:								
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 2022	17,761,187	135,471,943	7,930,553	10,181,565	575,979	351,059	250,000	172,522,286
Balance at 1 April 2021	17,761,187	135,471,943	7,930,553	10,181,565	575,979	351,059	250,000	172,522,286
Charge for the year	2,495,400	16,567,884	995,249	1,863,800	137,395	38,516	-	22,098,245
Disposals	-	(1,545,146)	(52,406)	(470,797)	-	-	-	(2,068,349
Reclassification	21	(73,665)	(285,452)	359,096	-	-	-	-
Write off /impairment	(325,077)	(341,658)	(4,318)	(299,996)	-	-	-	(971,049)
Balance at 31 March 2022	19,931,531	150,079,358	8,583,626	11,633,668	713,374	389,575	250,000	191,581,133
Carrying amount								
Balance as at 1 April 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
Balance as at 31 March 2022	60,286,701	124,862,192	2,468,210	9,639,675	722,971	383,647	28,476,996	226,840,392

The carrying amount of land included in 'land and buildings' is N13 billion (2021: N13 billion) and this is not depreciated.

18b Property, plant and equipment (Company)

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

Cost In thousands of Naira	Land and buildings	Plant & Machinery	Furniture, fittings and office equipment	Motor Vehicles	Capital work- in-progress	Total
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
Disposals	(129,946)	(1,712,021)	(125)	(202,368)	-	(2,044,459)
Transfer- capital work in progress	99,066	6,059,886	768,975	116,803	(7,044,730)	-
Transfer to subsidiaries	-	-	(311)	(27,263)	(32,175)	(59,749)
Transfer to intangible assets (Note 20)	-	-	-	-	(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
Balance at 1 April 2021	32,791,640	135,932,357	7,036,626	11,401,615	8,197,064	195,359,303
Additions	45,371	2,930,869	689,429	3,356,713	16,792,732	23,815,114
Transfer - capital work in progress	180,679	6,493,250	241,355	1,580,930	(8,496,214)	-
Disposals	-	(769,547)	(36,295)	(209,856)	-	(1,015,698)
Reclassification	-	(29,126)	(175,824)	204,950	-	-
Transfer to subsidiaries	-	-	-	-	(284,972)	(284,972)
Transfer to Intangible assets	-	-	-	-	(94,909)	(94,909)
Write off/impairment	-	(2,878)	-	(342,062)	(175,970)	(520,910)
Balance at 31 March 2022	33,017,690	144,554,926	7,755,291	15,992,290	15,937,730	217,257,928
Accumulated depreciation and impairment:						
Balance at 1 April 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
Transfer to related parties	-	-	(65)	(3,850)	-	(3,915)
Disposals	(8,588)	(830,289)	(20)	(179,227)	-	(1,018,124)
Write off/ impairment	-	(402,505)	-	(557,312)	-	(959,817)
At 31 March 2021	9,279,916	83,802,131	5,327,951	7,447,738	250,000	106,107,737
Balance at 1 April 2021	9,279,916	83,802,131	5,327,951	7,447,738	250,000	106,107,737
Charge for the year	1,160,530	8,730,201	807,368	1,371,578	-	12,069,677
Disposals	-	(707,376)	(15,888)	(196,824)	-	(920,088)
Transfer to related parties	-	-	(139,789)	139,789	-	-
Write off/ impairment	-	-	-	(299,995)	-	(299,995)
Balance at 31 March 2022	10,440,446	91,824,957	5,979,641	8,462,286	250,000	116,957,331
Carrying amount						
Balance as at 1 April 2020	24,624,855	54,529,354	1,319,231	3,394,689	5,275,877	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
Balance as at 31 March 2022	22,577,244	52,729,969	1,775,649	7,530,004	15,687,730	100,300,597

**The carrying amount of land included in 'land and buildings' is N3.7 billion (2021: N3.7 billion) and this is not depreciated.*

Analysis of brearer plants

31-Mar-22

Mature bearer plants	Cost (N'000)	Accumulated depreciation (N'000)	Carrying Amount (N'000)
Sugar cane	1,066,221	(623,496)	442,725
Oil Palm	370,123	(89,877)	280,246
	1,436,344	(713,373)	722,971

31-Mar-21

Mature bearer plants	Cost (N'000)	Accumulated depreciation (N'000)	Carrying Amount (N'000)
Sugar cane	903,136	(495,754)	407,382
Oil Palm	370,123	(80,224)	289,899
	1,273,259	(575,978)	697,281

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 2022 amounted to N15.04 billion (2021: N1.87 billion) in respect of various capital projects.

Capital work in progress

Capital work in progress comprises immature bearer plants, buildings and plant and machinery under construction as at the year end. There was no capitalised borrowing cost during the year (2021: N357 million)

	Group		Company	
Closing Capital WIP is analysed as follows:	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**
Building	1,364,519	1,364,519	569,235	569,235
Plant and machinery	26,064,663	8,330,748	15,118,496	7,377,829
Immature bearer plants	1,047,814	192,647	-	-
	28,476,996	**9,887,914**	**15,687,730**	**7,947,064**

19. Investment property

Group Cost	Buildings (N'000)
Balance at 1 April 2020	2,189,057
Addition	4,195
Balance at 31 March 2021	2,193,252
Balance at 1 April 2021	2,193,252
Addition	-
Balance at 31 March 2022	2,193,252
Accumulated depreciation	
Balance at 1 April 2020	555,916
Charge for the year	104,783
Balance at 31 March 2021	660,699
Balance at 1 April 2021	660,699
Charge for the year	105,110
Balance at 31 March 2022	765,809
Carrying amount	
Balance as at 31 March 2022	1,427,443
Balance as at 31 March 2021	1,532,553
Balance as at 1 April 2020	1,633,141

Company Cost	Building (N'000)
Balance at 1 April 2020	87,750
Addition	-
Balance at 31 March 2021	87,750
Balance at 1 April 2021	87,750
Addition	-
Balance at 31 March 2022	87,750
Accumulated depreciation	
Balance at 1 April 2020	30,906
Charge for the year	2,055
Balance at 31 March 2021	32,961
Balance at 1 April 2021	32,961
Charge for the year	2,054
Balance at 31 March 2022	35,015
Carrying amount	
Balance as at 31 March 2022	52,735
Balance as at 31 March 2021	54,789
Balance as at 1 April 2020	56,844

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 2022 is N7.3 billion (31 March 2021: N7.2 billion and N649.7 million (31 March 2021: N636 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-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Abuja residential property	535,700	507,400	535,700	507,400
Ibadan residential property	114,000	128,600	114,000	128,600
Lagos residential property	6,700,000	6,600,000	-	-
	7,349,700	7,236,000	649,700	636,000

Investment property comprises 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 N245 million

(2021: N198 million) and direct operating expenses amounted to N128 million (2021: N69 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 N3.31 million per square meter (2021: N3.26 million per square meter).	The estimated fair value will increase (decrease) if: estimated adjusted cost of constuction 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 N2.42 million per square meter (2021: N2.38 million per square meter).	The estimated fair value will increase (decrease) if: estimated adjusted forced sale cost of constuction per square meter were higher (lower)

20. Intangible assets

Group Cost	Computer Software (N'000)
Balance at 1 April 2020	2,447,283
Addition	19,191
Transfer from Property , Plant and equipment (Note 18)	77,197
Balance at 31 March 2021	2,543,671
Balance at 1 April 2021	2,543,671
Addition	-
Transfer from Property plant and equipment (Note 18)	94,909
Balance at 31 March 2022	2,638,580
Accumulated depreciation	
Balance at 1 April 2020	1,493,428
Charge for the year	403,839
Balance at 31 March 2021	1,897,267
Balance at 1 April 2021	1,897,267
Charge for the year	372,131
Balance at 31 March 2022	2,269,398
Carrying amount	
Balance as at 31 March 2022	369,182
Balance as at 31 March 2021	646,404
Balance as at 1 April 2020	953,855

Company Cost	Computer Software (N'000)
Balance at 1 April 2020	1,994,401
Addition	-
Transfer from Property , Plant and equipment (Note 18)	77,197
Balance at 31 March 2021	2,071,598
Balance at 1 April 2021	2,071,598
Addition	-
Transfer from Property plant and equipment (Note 18)	94,909
Balance at 31 March 2022	2,166,507
Accumulated depreciation	
Balance at 1 April 2020	1,260,354
Charge for the year	310,138
Balance at 31 March 2021	1,570,492
Balance at 1 April 2021	1,570,492
Charge for the year	299,993
Balance at 31 March 2022	1,870,485
Carrying amount	
Balance as at 31 March 2022	296,022
Balance as at 31 March 2021	501,106
Balance as at 1 April 2020	734,047

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-22			31-Mar-21		
Group	**Cost**	**Accumulated Impairment**	**Carrying Value**	**Cost**	**Accumulated Impairment**	**Carrying Value**
	(N'000)	(N'000)	(N'000)	(N'000)	(N'000)	(N'000)
	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

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

	Group	
	31-Mar-22 (N'000)	31-Mar-21 (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 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-22 (N'000)	31-Mar-21 (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 2022, 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 2021; 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 11.70% - 13.70% per annum (2021: 11.06% - 14.51% 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): 13.00% - 14.20% per annum (2021: 11.06% - 14.51 per annum)
- Net cash flow: The Net cash flow is based on 5-year forecast using 2022 as the base year.
- Terminal growth rate of 4 - 9.95%.
- Inflation rate: Inflation rate is based on forecast consumer price indices during the period for the country. An inflation rate of 15.9% has been applied for the current year (2021: 12.5%). 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's exceeded their carrying amount in the period under review (2021; 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 change per CGU for the estimated recoverable amount to equal the carrying amount:

FMN Company (20%), Nigerian Eagle Flour Mills (21%), Premier Feed Mills Company Limited (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-22 (N'000)**	**31-Mar-21 (N'000)**	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**
Apapa Bulk Terminal Limited	-	-	50,000	50,000
Golden Shipping Company Nigeria Limited (Note 22 (a)(ii))	-	-	-	26,000
Nigerian Eagle Flour Mills Limited	-	-	510,000	510,000
Crestview Towers Limited	-	-	10,000	10,000
FMN International Limited (Note 22 (a)(vi))	-	-	1,114,900	-
Golden Sugar Company Limited (Note 22 (a)(i))	-	-	43,817,193	61,408,888
	-	**-**	**45,502,093**	**62,004,888**
Quoted				
Northern Nigeria Flour Mills Plc (Note 22 (a)(i))	-	-	303,441	303,441
			45,805,534	62,308,329
Impairment (Note 8)	-	-	(50,000)	(50,000)
	-	-	**45,755,534**	**62,258,329**

(i) During the year, the Company received N17.6 billion from Golden Sugar Company Limited being repayment of prior year quasi equity instrument.

(ii) Merger of Golden Shipping Company Nigeria Limited and Apapa Bulk Terminal Limited

During the year, the Group sought and obtained shareholders' and regulatory approval to merge two wholly owned subsidiaries, Golden Shipping Company Nigeria Limited and Apapa Bulk Terminal Limited, under a scheme of external restructuring effective on 14 March 2022.

The merger was effected during the year and the operational integration of the entities has been finalized. The subsidiaries which were merged were ultimately controlled by the same party before and after the merger and common control is therefore not transitory. Consequently, this is a business combination of entities under common control. The Directors have elected to state the performance of the merged entities as if the merger had taken place at the beginning of the financial year (1 April 2021).

The net assets of Golden Shipping Company Nigeria Limited were transferred to Apapa Bulk Terminal Limited at no purchase consideration and recognized in other reserves in accordance with the Group's accounting policy. The Directors have elected not to restate the comparatives in the Separate Statement of profit or loss and other comprehensive income as this is not explicitly required by the standards.

(iii) Merger of Premium Edible Oil Products Limited and Agri Palm Limited

During the year, the Group sought and obtained shareholders' and regulatory approval to merge two wholly owned subsidiaries, Premium Edible Oil Products Limited and Agri Palm Limited, under a scheme of external restructuring effective on 14 March 2022.

The merger was effected during the year and the operational integration of the entities has been finalized. The subsidiaries which were merged were ultimately controlled by the same party before and after the merger and common control is therefore not transitory. Consequently, this is a business combination of entities under common control. The Directors have elected to state the performance of the merged entities as if the merger had taken place at the beginning of the financial year (1 April 2021).

The net assets of Agri Palm Limited were transferred to Premium Edible Oil Products Limited at no purchase consideration and recognized in other reserves in accordance with the Group's accounting policy. The Directors have elected not to restate the comparatives in the Separate Statement of profit or loss and other comprehensive income as this is not explicitly required by the standards.

(iv) Merger of Golden Sugar Company Limited and Premium Cassava Products Limited

During the year, the Group sought and obtained shareholders' and regulatory approval to merge two wholly owned subsidiaries, Golden Sugar Company Limited and Premium Cassava Products Limited, under a scheme of external restructuring effective on 14 March 2022.

The merger was effected during the year and the operational integration of the entities has been finalized. The subsidiaries which were merged were ultimately controlled by the same party before and after the merger and common control is therefore not transitory. Consequently, this is a business combination of entities under common control. The Directors have elected to state the performance of the merged entities as if the merger had taken place at the beginning of the financial year (1 April 2021).

The net assets of Premium Cassava Products Limited were transferred to Golden Sugar Company Limited at no purchase consideration and recognized in other reserves in accordance with the Group's accounting policy. The Directors have elected not to restate the comparatives in the Separate Statement of profit or loss and other comprehensive income as this is not explicitly required by the standards.

(v) Merger of Golden Fertilizer Company Limited, Agri Estates Limited, Sunflag Farms Limited, Shao Golden Farms Limited and Golden Agri Inputs Limited

During the year, the Group sought and obtained shareholders' and regulatory approval to merge two wholly owned subsidiaries, Golden Sugar Company Limited and Premium Cassava Products Limited, under a scheme of external restructuring effective on 14 March 2022.

The merger was effected during the year and the operational integration of the entities has been finalized. The subsidiaries which were merged were ultimately controlled by the same party before and after the merger and common control is therefore not transitory. Consequently, this is a business combination of

Notes to the Annual Report for the year ended 31 March 2022 (continued)

entities under common control. The Directors have elected to state the performance of the merged entities as if the merger had taken place at the beginning of the financial year (1 April 2021).

The net assets of Agri Estates Limited, Sunflag Farms Limited, Shao Golden Farms Limited and Golden Agri Inputs Limited were transferred to Golden Fertilizer Company Limited at no purchase consideration and recognized in other reserves in accordance with the Group's accounting policy. The Directors have elected not to restate the comparatives in the Separate Statement of profit or loss and other comprehensive income as this is not explicitly required by the standards.

(vi) Incorporation of FMN International Limited

During the year, the Company paid up $2 million for 200,000 ordinary shares of $10 each in FMN International Limited, a wholly owned subsidiary. FMN International was incorporated in Cyprus to operate, co-ordinate and provide international logistics support to the FMN Group.

(b)

Shareholding in Subsidiaries	Ordinary Shares	31-Mar-22	31-Mar-21	Principal Activity
Direct shareholding				
Apapa Bulk Terminal Limited	380,000,000 ordinary shares of 50 kobo per shares	100.00	100.00	Port Operations
Golden Shipping Company Nigeria Limited (Note 22 (a)(ii))	260,000,000 ordinary shares of N1 per shares	0	100.00	Shipping agency
Golden Sugar Company Limited	20,000,000 ordinary shares of 50 kobo per shares	100.00	100.00	Manufacturing of Sugar
Northern Nigeria Flour Mills Plc	178,200,000 ordinary shares of 50 kobo per shares	53.00	53.00	Flour milling
Crestview Towers Limited	20,000,000 ordinary shares of 50k each	100	100	Real estate
Nigerian Eagle Flour Mills Limited	510,000,000 ordinary shares of N1 per shares	51.00	51.00	Flour milling
FMN International Limited	200,000 ordinary shares of $10 each	100.00	100.00	Support services
Indirect Shareholding in Subsidiaries	**Ordinary Shares**	**31-Mar-22**	**31-Mar-21**	**Principal Activity**
Servewell Agricultural Services Limited	10,000,000 ordinary shares of 50k each	100.00	100.00	Silo storage services
Independent Grain Handling and Storage Limited	10,000,000 ordinary shares of 50k each	100.00	100.00	Silo storage services
Upland Grains Production Company Limited	10,000,000 ordinary shares of 50k each	100.00	100.00	Silo storage services
Premium Edible Oil Products Limited (Rom Oil Mills Limited	4,010,000,000 ordinary shares of 50k each	99.54	99.54	Manufacturing of edible oil
Best Chickens Limited	20,000,000 ordinary shares of 50k each	100.00	100.00	Agriculture
Premier Feed Mills Company Limited	50,000,000 ordinary shares of 50 kobo per shares	62.22	62.22	Livestock feeds
Golden Fertilizer Company Limited	100,000,000 ordinary shares of N1 per shares	100.00	100.00	Agriculture

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

During the year, the following dormant companies were liquidated - Golden Penny Power Limited, Iganmu Power Company Limited, Premier Poultry Processsors Limited and Premier Chicks Limited. The share capital for these subsidiaries have not been issued or paid up by the Company. Other than FMN International Limited situated in Cyprus, the place of business of all the subsidiaries is Nigeria.

(c)

Movement in investment in subsidiaries	Group 31- Mar-22 (N'000)	Group 31-Mar-21 (N'000)	Company 31- Mar-22 (N'000)	Company 31-Mar-21 (N'000)
At 1 April	-	-	62,258,329	44,666,634
Additions in the year (Note 22 (a)(vi))	-	-	1,114,900	-
Loan receivables converted to equity	-	-	-	17,591,695
Repayment of Quasi Equity (Note 22 (a)(i))	-	-	(17,591,695)	-
Derecognition due to merger (Note 22 (a)(ii))	-	-	(26,000)	-
At 31 March	-	-	45,755,534	62,258,329

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): 13.00% - 14.20% per annum (2021: 11.06% - 14.51 per annum)
- Net cash flow: The Net cash flow is based on 5-year forecast using 2022 as the base year.
- Terminal growth rate of 4 - 9.95%.
- Inflation rate: Inflation rate is based on forecast consumer price indices during the period for the country. An inflation rate of 15.9% has been applied for the current year (2021: 12.5%). 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

Quasi equity instruments are loans for which the principal are payable at the discretion of the issuer and bears no interest, and therefore classified as equity. Quasi equity instruments do not carry any voting rights. In prior years, the Company granted Golden Fertilizer Company Limited and Golden Sugar Company Limited N5 billion and N17.6 billion quasi equity investment respectively. During the year, Golden Sugar Company Limited fully repaid the quasi equity of N17.6 billion

(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-22	31-Mar-21
Northern Nigeria Flour Mills Plc.	47%	47%
Premier Feed Mills Company Limited.	38%	38%
Nigerian Eagle Flour Mills Limited	49%	49%

31 March 2022

Summarised consolidated and separate statements of financial position In thousands of Naira	NCI %	Non current assets	Current assets	Total assests	No current liabilities	Current liabilities	Total liabilities	Net assets	Carrying amount of non-controlling interest
Northern Nigeria Flour Mills Plc	47%	3,858,158	9,456,970	13,315,128	669,273	9,791,386	10,460,659	2,854,469	1,341,600
Premier Feed Mills Company Limited	38%	8,917,792	40,278,516	49,196,308	9,512,303	22,612,209	32,124,512	17,071,796	6,487,282
Nigerian Eagle Flour Mills Limited	49%	5,902,026	28,178,947	34,080,973	22,222,834	6,091,269	28,314,103	5,766,870	2,825,766
Total		**18,677,976**	**77,914,433**	**96,592,409**	**32,404,410**	**38,494,864**	**70,899,274**	**25,693,135**	**10,654,649**
Intra-group eliminations									(1,896,433)
Non-controlling interest per consolidated statement of financial position									8,758,216

Summarised consolidated and separate statements of profit or loss and other comprehensive income In thousands of Naira	NCI %	Revenue	Profit/(loss) before tax	Tax expense	Profit/ (loss) for the year	Other	Total	Profit/(loss) allocated to NCI	OCI	Total comprehensive income attributable to NCI
Northern Nigeria Flour Mills Plc	47%	15,232,820	184,527	(103,859)	80,668	12,756	93,424	37,914	5,995	43,909
Premier Feed Mills Company Limited	38%	103,914,977	1,154,432	-	1,154,432	34,640	1 ,189,072	438,684	13,163	451,847
Nigerian Eagle Flour Mills Limited	49%	62,504,628	6,056,080	(2,254,871)	23,094	3,824,303	(1,032,918)	1,862,592	11,316	1,873,908
Total		**181,652,425**	**7,395,039**	**(2,358,730)**	**5,036,309**	**70,490**	**5 ,106,799**	**2,339,191**	**30,474**	**2,369,665**
Intra-group eliminations									-	-
Total profit or loss allocated to non-controlling interest								2,339,191	30,474	2,369,665

Summarised consolidated and separate statements of cash flows In thousands of Naira	NCI percentage Cash flow	Cash flow operating activities	Cash flow investing activities	Cash flow financing activities	Net increase (decrease) in cash flow
Northern Nigeria Flour Mills Plc	47%	2,271,879	(514,610)	(1,316,333)	440,936
Premier Feed Mills Company Limited	38%	9,392,060	(1,753,171)	(10,185,685)	(2,546,796)
Nigerian Eagle Flour Mills Limited	49%	(8,271,130)	(579,423)	8,643,149	(207,404)
Total		3,392,809	(2,847,204)	(2,858,869)	(2,313,264)

31 March 2021

Summarised consolidated and separate statements of financial position In thousands of Naira	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%	3,575,327	3,786,800	7,362,127	739,648	3,833,781	4,573,429	2,788,698	1,310,688
Premier Feed 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									6,388,551

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 represnted by goodwill.

Summarised consolidated and separate statements of profit or loss and other comprehensive income In thousands of Naira	NCI %	Revenue	Profit/(loss) before tax	Tax expense	Profit/ (loss) for the year	Other	Total	Profit/(loss) allocated to NCI	OCI	Total comprehensive income attributable to NCI
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 Feed 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									-	-
Total profit or loss allocated to non-controlling interest								(431,863)	(42,840)	(474,703)

Summarised consolidated and separate statements of cash flows In thousands of Naira	NCI percentage Cash flow	Cash flow operating activities	Cash flow investing activities	Cash flow financing activities	Net increase (decrease) in cash flow
Northern Nigeria Flour Mills Plc	47%	(265,337)	(64,398)	(1,460,158)	(1,789,893)
Premier Feed 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)

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	
Quoted equity investments	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**
Transnational Corporation Plc	127,500	127,500	127,500	127,500
Less fair value gain/(loss)	(93,500)	(99,960)	(93,500)	(99,960)
	34,000	27,540	34,000	27,540
	34,000	**27,540**	**34,000**	**27,540**

The Group's investment in Transnational Corporation Plc was fair valued using the market price of N1 per share (2021: N1) as at year end which resulted in fair value increase of N5.1 million (2021: fair value increase of N5.1 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 2020	28,389	25,917	128,336	121,680	304,322
Addition	3,510	-	-	877,962	881,472
Fair value gain/(loss) due to remeasurement	15,229	34,177	(25,559)	310,201	334,048
Harvested during the year	(16,197)	-	(102,776)	(993,500)	(1,112,473)
Balance at 31 March 2021	**30,930**	**60,094**	**-**	**316,343**	**407,369**
Balance at 1 April 2021	30,930	60,094	-	316,343	407,369
Addition	8,160	1,509,279	41,123	2,751,160	4,309,723
Fair value gain/(loss) due to remeasurement	47,565	64,846	37,131	(720,996)	(571,454)
Harvested during the year	(13,180)	(1,542,246)	-	(1,759,652)	(3,315,078)
Balance at 31 March 2022	**73,474**	**91,974**	**78,254**	**586,857**	**830,559**
Analysed into:				**31- Mar-22**	**31- MAR-21**
Current				757,085	376,439
Non-current				73,474	30,930
				830,559	**407,369**

(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 valuation using the market prices of livestock of similar age, breed and generic merit.

(b) Oil palm refers to growing fresh fruit bunches at Premium Edible Oil Products 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 valuation 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 Golden Fertilizer Company Limited and Premier Feed Mills Company 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 Golden Sugar Company 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 miling 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 inputs.

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 kwy 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 1,513 hectares (2021: 1,330 hectares) Estimated market price per tonne N130,227 (2021: N63,444) Number of trees 168,769 (2021: 215,636). Estimated yield per tree 5 bunches per year (2021: 4). Estimated cost to sell per bunch N229 (2021: N190).	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 2022: 31,482 (2021: 20,620). Average age ranges between 13 and 85 weeks. Average price per bird is N2,334 (2021: N1,500).	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 189.23 hectares (2021: Nil). Also the estimated yield per hectare was 20 metric tonnes (2021: 10.52 tonnes). Estimated market price N40,000 per metric tonne (2021: N7,207 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 2,447 hectares (2021: 1,946 hectares) Estimated market price per metric tonne is N16,000 per metric tonnes (2021: N16,000 per metric tonnes). Estimated yield per hectare 65 metric tonnes (2021: 50 metric tonnes).	The estimated fair value would increase/ decrease if: (a) Price per metric tonne were higher/ (lower) (b) Estimated yield per hectre wer 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.

25. Long term loans and receivables

	Group		Company	
Quoted equity investments	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**
Premium Cassava Products Limited	-	-	-	1,291,755
Agri Palm Limited	-	-	-	741,318
Premium Edible Oil Products Limited	-	-	1,796,176	11,356,634
Northern Nigeria Flour Mills Plc	-	-	-	1,234,583
Port Harcourt Flour Mills Limited	166,974	166,974	-	-
Golden Agri Inputs Limited	-	-	-	1,068,028
Premier Feed Company Mills Limited	-	-	956	5,002,655
Golden Sugar Company Limited	-	-	46,016,421	32,843,373
Golden Fertilizer Company Limited	-	-	651,101	4,144,957
Nigerian Eagle Flour Mills Limited	-	-	21,480,689	7,656,541
Agro Allied Syrups Limited	-	-	-	719,552
Independent Grain Handling and Storage Limited	-	-	570,016	362,028
Servwell Agricultural Services Limited	-	-	576,970	384,730
Upland Grains Production Limited	-	-	560,292	362,535
Receivable from ABCML	37,551	38,852	-	-
Impairment of Long term receivables	(166,974)	(166,974)	(1,690,285)	(4,745,604)
Total long term loans and receivables	**37,551**	**38,852**	**69,962,336**	**62,423,085**

Credit quality on long term receivables

The Company granted intercompany loans with a carrying amount of N69.96 billion as at 31 March 2022 (2021: N62.42 billion) to related parties within the Group. The loan is receiveable 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.

Notes to the Annual Report for the year ended 31 March 2022 (continued)

	Group		Company	
Movement in Long term receivables	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**
Opening balance	38,852	358,689	62,423,085	48,864,528
Additions during the year	-	11,989	314,672,741	94,116,111
Transfer from trade and other receivables	-	-	790,078	21,739,510
	38,852	370,678	377,885,904	164,720,149
Repayments in the year	(1,301)	(238,132)	(310,978,887)	(87,215,220)
Transfer to Quasi equity	-	-	-	(17,591,695)
Writeback/(impairment loss) in the year	-	(93,694)	3,055,319	2,509,851
Total long term loans and receivables	**37,551**	**38,852**	**69,962,336**	**62,423,085**

26. Inventories

	Group		Company	
	31- Mar-22 (N'000)	**31-Mar-21 (N'000)**	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**
Raw materials and components	207,269,576	154,034,446	101,949,196	53,460,296
Work in progress	13,325,177	7,537,746	5,474,955	2,556,003
Finished goods	17,655,561	10,021,726	10,855,435	5,282,806
Consumable stores and maintenance spares	50,270,719	26,351,901	37,531,307	16,150,260
	288,521,033	197,945,819	155,810,893	77,449,365
Inventories (write-downs)	(4,058,212)	(2,496,783)	(330,523)	(469,237)
	284,462,821	**195,449,036**	**155,480,370**	**76,980,128**

The cost of inventories recognised as an expense during the year in the Group was N960 billion (2021: N584 billion), while in the Company it was N717 billion (2021: N436 billion).

Inventory write down during the period for the Group was N4.06 billion (2021: N2.49 billion), Company N330 million (2021: N469 million). This has been recognised in the cost of sales.

27. Trade and other receivables

	Group		Company	
	31- Mar-22 (N'000)	**31-Mar-21 (N'000)**	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**
Trade receivables	32,627,216	18,982,962	16,024,769	9,028,280
Trade receivables - related parties net (Note 42)	-	-	17,476,627	4,784,477
Allowance for doubtful trade receivables	(3,719,785)	(4,134,993)	(2,495,709)	(2,672,306)
Trade receivables at amortised cost	28,907,431	14,847,969	31,005,687	11,140,451
Staff debtors	3,133,172	2,941,038	2,498,920	2,438,318
Sundry debtors*	7,860,327	8,036,604	10,277,827	9,581,637
Total trade and other receivables	**39,900,930**	**25,825,611**	**43,782,434**	**23,160,406**

* Sundry debtors relate mainly to Group and Company's withholding tax of N2.6 billion and N695 million (2021: N4.8 billion and N2.7 billion) respectively, initial deposit made for derivative contracts with the banks for the Group and Company, of N3.03 billion and N3.03

billion respectively (2021: N493 million and N493 million). Included in sundry debtors is an amount of N5.0 billion (2021: N5.7 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 using the age of outstanding receivables and historical loss rates. 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 and Gross Domestic Product (GDP) of Nigeria to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in this factor. Scalar factor of 1.00 (2021: 1.49) applied are based on inflation, exchange forecasts 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 based on the determined loss rate per age bracket.

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.

Group

	31- Mar-22	31- MAR-21	31- Mar-22 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31-Mar-21 (N'000)
	Weighted average loss rate	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	5%	9%	24,689,969	1,241,898	11,214,467	957,045
31- 60 days	8%	16%	4,417,895	340,748	4,574,148	739,606
61 - 90 days	24%	39%	1,095,618	261,967	1,046,327	412,584
91 - 180	34%	65%	982,857	333,034	307,711	200,789
181 - 365	40%	92%	125,256	50,511	195,703	180,362
Over 365 days	100%	100%	1,491,627	1,491,627	1,644,606	1,644,606
			32,803,220	**3,719,785**	**18,982,962**	**4,134,993**

Notes to the Annual Report for the year ended 31 March 2022 (continued)

Company

	31- Mar-22	31-Mar-21	31- Mar-22 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31-Mar-21 (N'000)
	Weighted average lossrate	Weighted average lossrate	Gross carrying amount	Loss allowance (Lifetime expected credit loss)	Gross carrying amount	Loss allowance (Lifetime expected credit loss)
1- 30 days	5%	6%	11,268,380	561,474	4,619,563	290,691
31- 60 days	14%	31%	1,906,785	271,415	2,086,043	653,710
61 - 90 days	25%	42%	998,602	248,214	957,907	407,096
91 - 180	35%	85%	941,392	332,703	211,052	179,769
181 - 365	86%	93%	26,949	23,238	181,275	168,600
Over 365 days	100%	100%	1,058,664	1,058,664	972,439	972,439
			16,200,773	**2,495,709**	**9,028,280**	**2,672,306**

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 2022

	Long term receivables	Trade recievables	Total
	N'000	N'000	N'000
Opening Balance	166,974	4,134,993	4,301,967
Impairment loss/(write-back)	-	(415,208)	(415,208)
Closing balance	**166,974**	**3,719,785**	**3,886,759**

Company 2022

	Intercompany receivable	Long term receivables	Trade recievables	Total
	N'000	N'000	N'000	N'000
Opening Balance	259,287	4,745,604	2,672,306	7,677,197
Write back of impairment	99,617	(3,055,319)	(176,598)	(3,132,300)
Closing balance	**358,904**	**1,690,285**	**2,495,709**	**4,544,897**

Group 2021

	Long term receivables	Trade recievables	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 recievables	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**

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-22		31-Mar-21	
	Assets (N'000)	Liabilities (N'000)	Assets (N'000)	Liabilities (N'000)
Foreign exchange futures contracts	84,480	1,898,421	621,780	97,049
	84,480	**1,898,421**	**621,780**	**97,049**

Company

	31-Mar-22		31-Mar-21	
	Assets (N'000)	Liabilities (N'000)	Assets (N'000)	Liabilities (N'000)
Foreign exchange futures contracts	84,480	1,898,421	621,780	49,322
	84,480	**1,898,421**	**621,780**	**49,322**

There are no significant unobservable inputs, thus the valuation is categorised as level 2 in the fair value hierarchy. Holding all othe 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-22		31-Mar-21	
	Assets (N'000)	Liabilities (N'000)	Assets (N'000)	Liabilities (N'000)
Base derivative asset/ (liabilities)	84,480	1,898,421	621,780	97,049
	84,480	**1,898,421**	**621,780**	**97,049**
	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	84,906	1,907,990	624,914	97,538
100 basis point increase in USD LIBOR rates	84,368	1,895,902	620,955	96,920
100 basis point increase in NIBOR rates	84,054	1,888,852	618,646	96,560
100 basis point increase in USD LIBOR rates	84,592	1,900,943	622,606	97,178

Company

	31-Mar-22		31-Mar-21	
	Assets (N'000)	Liabilities (N'000)	Assets (N'000)	Liabilities (N'000)
Base derivative asset/ (liabilities)	84,480	1,898,421	621,780	49,322
	621,780	**49,322**	**621,780**	**49,322**
	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	84,887	1,907,559	624,773	49,559
100 basis point increase in USD LIBOR rates	84,381	1,896,186	621,048	49,264
100 basis point increase in NIBOR rates	84,074	1,889,286	618,788	49,085
100 basis point increase in USD LIBOR rates	84,580	1,900,662	622,514	49,380

The Group and Company's derivative asset and liability represents the fair value of 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 foreign currency payable of USD 154.6 million (2021: USD140 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 N548/ 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-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Deposit for imports (Letters of credit	27,274,536	19,174,997	25,939,887	15,350,286
Deposit for FX relating to forward and futures contracts	9,219,302	5,512,203	9,219,120	3,361,081
Advance payment to suppliers	14,191,647	19,461,331	8,060,479	12,067,463
Prepaid rent on operating premises*	170,103	152,673	108,150	27,577
Prepaid expenses	4,434,101	2,363,700	3,698,362	2,051,155
	55,289,689	**46,664,904**	**47,025,998**	**32,857,562**
Analyses into				
Current	55,289,689	46,568,933	47,025,998	32,772,245
Non-Current	-	95,971	-	85,317
	55,289,689	46,664,904	47,025,998	32,772,245

*Prepaid rent represents advance payment on short term leases.

30. Cash and cash equivalents

Cash and cash equivalents consist of:

	Group		Company	
	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Cash on hand	1,098,441	955,076	958,990	852,726
Bank balances and fixed deposits	30,522,980	36,208,268	19,314,892	26,771,989
Cash and cash equivalents per statement of financial position	31,621,421	37,163,344	20,273,882	27,624,715
Bank overdraft	(9,937,833)	(4,000,896)	(4,563,004)	-
	21,683,588	**33,162,448**	**15,710,878**	**27,624,715**

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

Included in cash and cash equivalents are short term deposits for unclaimed dividends amounting to N4.04 billion (2021: N3.48 billion) for the Company.

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

		Group		Company	
		31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Profit for the year		28,015,226	25,716,923	21,819,816	20,172,489
Adjustments for:					
Depreciation	18	22,098,245	21,837,732	12,069,677	11,978,311
Amortisation of intangible assets	20	372,131	403,839	299,993	310,138
Depreciation of investment property	19	105,110	104,783	2,054	2,055
Gain on loan modification	33	(3,172,787)	(48,938)	(1,219,568)	(41,079)
Gain on lease modification	40,41	-	-	-	(144,212)
Losses/(gains) on disposals of property, plant and	9	50,362	490,811	(8,494)	495,716
Depreciation ROU	40	1,888,683	1,562,814	394,355	275,782
Net losses/ (gain) on foreign exchange		4,906,931	2,654,738	3,560,393	(268,667)
Investment income	13	(1,086,420)	(3,652,138)	(12,778,485)	(11,046,498)
Finance costs	14	25,481,623	18,655,198	15,195,572	10,032,461
Fair value gain on bological assets	24	571,454	(334,048)	-	-
Fair value loss/(gain) on derivatives	9	(389,420)	1,773,789	(321,799)	449,716
Provision for retirement benefit obligations	34	2,312,306	1,743,686	1,802,449	1,308,029
Write-off/impairment of property plant and equipment	18	166,252	4,641,907	220,915	594,523
Income tax charge/(credit)	15	11,200,392	11,567,960	7,929,013	8,011,112
Provision for long service award	35	126,347	1,140,820	128,521	912,383
Reversal of impairment on long term loans and trade receivables	27	415,208	(2,093,523)	(3,132,300)	(4,020,275)
Minimum tax	15	1,902,530	(91,216)	-	-
		94,964,173	86,075,136	45,962,112	39,021,984
Changes in working capital:					
Inventories		(89,013,785)	(79,852,851)	(78,500,242)	(15,286,222)
Trade and other receivables		(18,915,976)	451,714	(24,454,494)	(16,861,427)
Prepayments		(8,624,785)	(28,274,651)	(14,168,436)	(16,731,045)
Trade and other payables		72,309,139	36,538,609	72,084,627	9,250,545
Deferred income		6,919,604	(2,006,029)	3,334,103	239,809
Customer deposit		(10,646,852)	18,955,875	(4,881,684)	10,014,611
Derivative assets		926,720	1,307,090	859,099	1,835,012
Derivative liability		1,801,372	97,049	1,849,099	49,322
		49,719,610	33,291,942	2,084,184	11,532,588

(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.

Reconciliation of movements of liabilities to cash flows arising from financing activities

Group

		(N'000)	(N'000)	(N'000)	(N'000)
		Loans and borrowings	Lease liabilities	Dividend payable	Total
Balance as at 1 April 2021		128,678,016	16,708,755	4,207,541	149,594,312
Changes from financing cash flows					
Proceed from borrowings	33	39,573,064	-	-	39,573,064
Repayment of lease liabilities	33	(16,250,651)	-	-	(16,250,651)
Repayment of borrowings	41	-	(2,667,114)	-	(2,667,114)
Dividend paid	38	-	-	(8,094,076)	(8,094,076)
Total changes from financing cash flows		23,322,413	(2,667,114)	(8,094,076)	12,561,223
Other changes					
Gain on loan modification		(3,172,787)	-	-	(3,172,787)
Foreign exchange difference		-	1,998,757	-	1,998,757
New leases		-	71,647	-	71,647
Interest expense		-	1,542,238	-	1,542,238
Dividend declared during the year		-	-	6,765,653	6,765,653
Unclaimed dividend transferred to reserve		-	-	(74,218)	(74,218)
Total liability-related other changes		**(3,172,787)**	**3,612,642**	**6,691,435**	**7,131,290**
Balance as at 31 March 2022		148,827,642	17,654,283	2,804,900	169,286,825

Company

		(N'000)	(N'000)	(N'000)	(N'000)
		Loans and borrowings	Lease liabilities	Dividend payable	Total
Balance as at 1 April 2021		83,618,914	676,373	2,586,437	86,881,724
Changes from financing cash flows					
Proceed from borrowings		10,987,462	-	-	10,987,462
Repayment of lease liabilities		(2,787,982)	-	-	(2,787,982)
Repayment of borrowings		-	(409,384)	-	(409,384)
Dividend paid		-	-	(6,472,971)	(6,472,971)
Total changes from financing cash flows		**8,199,480**	**(409,384)**	**(6,472,971)**	**1,317,125**

Other changes				
Gain on loan modification	(1,219,568)	-	-	(1,219,568)
New leases	-	240,253	-	240,253
Interest expense	-	82,837	-	82,837
Dividend declared during the year	-	-	6,765,653	6,765,653
Unclaimed dividend transferred to reserve	-	-	(74,218)	(74,218)
Total liability-related other changes	**(1,219,568)**	**323,090**	**6,691,435**	**5,794,957**
Balance as at 31 March 2022	90,598,826	590,079	2,804,900	93,993,805

32. Share capital

	Group		Company	
(a) Authorised	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**
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 2021	4,100,395,606	4,100,395,606	4,100,395,606	4,100,395,606
Reported as at 31 March 2022	**4,100,395,606**	**4,100,395,606**	**4,100,395,606**	**4,100,395,606**
(a) 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	
Unsecured borrowings	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**
Bank of Industry Loan - CBN intervention fund (a)	22,374,028	24,375,552	4,532,979	5,542,558
Commercial Agricultural Credit Scheme-Agricultural loans (b)	533,613	4,062,492	-	-
RSSF-Real Sector Support Facility (c)	55,688,067	24,984,720	26,408,051	8,426,635
Power and Airline Intervention fund (d)	1,064,905	1,593,030	1,064,905	1,017,044
Other Bank Loans (e)	6,648,990	5,029,545	1,119,483	-
Intercompany Loan (g)	-	-	2,051,049	-
Commercial papers and Bond issue (f)	55,422,359	68,632,677	55,422,359	68,632,677
Anchor Borrowers Programme (h)	5,012,536	-	-	-
National Sugar Development Council (i)	577,520	-	-	-
Private Sector Accelerated Agriculture Development Scheme (j)	1,505,624	-	-	-
	148,827,642	**128,678,016**	**90,598,826**	**83,618,914**

Analyses into				
Current	34,016,762	26,913,425	19,622,399	15,020,385
Non-Current	114,810,880	101,764,591	70,976,427	68,598,529
	148,827,642	**128,678,016**	**90,598,826**	**83,618,914**
Borrowing movement				
Opening balance	128,678,016	104,019,227	83,618,914	57,017,038
Additions	39,573,064	88,503,452	10,987,462	73,216,237
Gain on loan modification	(3,172,787)	(551,782)	(1,219,568)	(543,923)
Repayment	(16,250,651)	(63,292,881)	(2,787,982)	(46,070,438)
Closing Balance	**148,827,642**	**128,678,016**	**90,598,826**	**83,618,914**

(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) This loan relates to the borrowings provided by other subsidiaries in the Flour Mills Group to Flour Mills of Nigeria Plc. These are Premier Feed Mills Company Limited and Golden Agri Inputs Limited. The relevant interest rate is the prevailing interest rate on short term loans provided by commercial banks. During the year, this ranged from 7% - 15% (2021: Nil).

(e) Other bank loans (amounting to N5.0 billion for the Group), refers to debt obtained by FMN Group subsidiaries from commercial banks in Nigeria, This loan has tenor of 3 years. This is repayable at 2023 with interest rates at 7%.

(f) On 1 November 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).

(g) 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).

34. Retirement benefit obiligation

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 2022 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-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Present value of the defined benefit obligation-wholly unfunded	(10,268,526)	(10,396,790)	(7,815,524)	(8,067,744)
Movements for the year				
Opening balance	10,396,790	7,135,477	8,067,744	5,648,770
Transfers	-	-	(172,572)	(6,778)
Benefit paid during the period	(600,682)	(314,353)	(501,882)	(291,297)
Net expenses recognised in profit or loss and other comprehensive income	472,418	3,575,666	422,234	2,717,049
At the period end	**10,268,526**	**10,396,790**	**7,815,524**	**8,067,744**
Net expense for the year				
Current service cost	1,057,499	785,298	821,641	552,076
Interest cost	1,254,807	958,388	980,808	755,950
Recognised in profit or loss	2,312,306	1,743,686	1,802,449	1,308,026
Actuarial losses recognised in other comprehensive income	(1,839,888)	1,831,980	(1,380,215)	1,409,020
	472,418	3,575,666	422,234	2,717,049
Actuarial gains and losses due to:				
Changes in assumptions	(1,266,213)	1,532,352	(912,644)	1,147,331
Changes in experience	(573,675)	299,628	(467,572)	261,689
	(1,839,888)	**1,831,980**	**(1,380,216)**	**1,409,020**

key financial assumptions used

	Group		Company	
	31- Mar-22 (N)	31-Mar-21 (N)	31- Mar-22 (N)	31-Mar-21 (N)
Interest credit	8.00%	8.00%	8.00%	8.00%
Discount rates (per annum)	13.99%	12.57%	13.71%	12.29%
Average rate of inflation (per annum)	12.00%	12.00%	12.00%	12.00%
Expected increase in salaries (per annum)	13.00%	12.75%	13.00%	13.00%
Average duration of the plan (years)	10.75	11.92	8.6	10.91

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.

key financial assumptions use.

Sample age	Number of deaths in year out of 10,000 lives	Age band	Withdrawal from Service
25	7	</=30	5.0%
30	7	31-39	3.0%
35	9	40-44	2.0%
40	14	45-50	1.5%
45	26	51-55	1.1%
		56-59	2.5%

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-22		N'000
Base		10,268,526
Discount rate	1%	9,401,776
	-1%	11,265,540
Salary increase	1%	10,800,103
	-1%	9,791,035
12 months deposit rate (Central Bank of Nigeria)	1%	504,718
	-1%	464,195
Mortality experience	Age rated up by 1 year	10,266,648
	Age rated down by 1 year	10,270,195
31-Mar-21		
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

Notes to the Annual Report for the year ended 31 March 2022 (continued)

Company

31-Mar-22		N'000
Base		7,815,524
Discount rate	1%	7,159,669
	-1%	8,586,222
Salary increase	1%	8,208,281
	-1%	7,476,402
12 months deposit rate (Central Bank of Nigeria)	1%	N/A
	-1%	N/A
Mortality experience	Age rated up by 1 year	7,821,100
	Age rated down by 1 year	7,824,579
31-Mar-21		
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

35. Long Term Service Award

Long term service award is granted at first to employees that have spent a minimum of ten years in service and forevery 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 at 31 March 2022 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-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Long service award	3,591,011	3,713,272	2,926,253	3,037,869
The movement in the account during the year was as follows:				
At the begining of the year	3,713,272	2,737,787	3,037,869	2,277,821
Transfer	-	-	(45,237)	-
Net expense recognised in profit or loss	126,347	1,140,820	128,521	912,383
Benefits paid	(248,608)	(165,335)	(194,900)	(152,335)
At the end of the year	**3,591,011**	**3,713,272**	**2,926,253**	**3,037,869**
Net expenses recognised in profit or loss				
Service cost	456,016	578,067	369,151	462,315
Interest cost	429,486	506,868	351,904	405,373
Acturial (gains)/losses	(759,155)	55,885	(592,534)	44,695
	126,347	1,140,820	128,521	912,383
The acturial gains and losses on long service awards are analyzed as follows:				
Changes in assumptions	(205,227)	96,056	(153,122)	79,367
Change in demographic assumptions	(553,928)	(40,171)	(439,412)	(34,672)
At 31 March	**(759,155)**	**55,885**	**(592,534)**	**44,695**

The principal assumptions used for the purpose of the actuarial valuations were as follows:

Group	31- Mar-22	31-Mar-21
Discount rate (per annum)	13.07%	12.01%
Expected rate(s) of salary increases (per annum)	13.00%	13.00%
Average rate on inflation (per annum)	12.00%	12.00%
Benefit inflation rate (per annum)	6.00%	6.00%
Average duration of the plan (years)	8.33	8.33

Company	31- Mar-22	31- MAR-21
Discount rate (per annum)	12.67%	11.99%
Expected rate(s) of salary increases (per annum)	13.00%	13.00%
Average rate on inflation (per annum)	12.00%	12.00%
Benefit inflation rate (per annum)	6.00%	6.00%
Average duration of the plan (years)	6.7	8.2

Notes to the Annual Report for the year ended 31 March 2022 (continued)

Demographic assumption

Mortality in service

The rates of mortality assumed for employees are the rates published in the A67/70 Ulimate Tables, published jointly by the Institute and Falculty of Actuaries in the UK due to unavailaibility of published reliable demongraphic data in Nigeria.

Sample age	Number of deaths in year out of 10,000 lives	Age band	Withdrawal from Service
25	7	</=30	5.0%
30	7	31-39	3.0%
35	9	40-44	2.0%
40	14	45-50	1.5%
45	26	51-55	1.1%
		56-59	2.5%

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-22		N'000
Base		3,591,011
Discount rate	1%	3,367,030
	-1%	3,842,630
Salary increase	1%	3,830,261
	-1%	3,374,887
Benefit escalation rate	1%	3,619,217
	-1%	3,565,324
Mortality experience	Age rated up by 1 year	3,569,135
	Age rated down by 1 year	3,612,797
31-Mar-21		
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

Company

31-Mar-22		N'000
Base		2,926,253
Discount rate	+1%	2,747,279
	-1%	3,127,328
Salary increase	+1%	3,116,636
	-1%	2,754,286
Benefit escalation rate	+1%	2,950,162
	-1%	2,904,776
Mortality experience	Age rated up by 1 year	2,915,261
	Age rated down by 1 year	2,936,480
31-Mar-21		
Base		3,037,869
Discount rate	+1%	2,828,949
	-1%	3,283,434
Salary increase	+1%	3,261,987
	-1%	2,836,437
12 months deposit rate (Central Bank of Nigeria)	+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

36. Deferred income

	Group		Company	
	31- Mar-22 (N)	31-Mar-21 (N)	31- Mar-22 (N)	31- MAR-21(N)
Non Current liabilities	16,173,241	12,901,940	3,807,687	1,735,080
Current liabilities	7,645,503	3,997,200	2,355,474	1,093,978
	23,818,744	**16,899,140**	**6,163,161**	**2,829,058**

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	16,899,140	18,905,169	2,829,058	2,086,405
Additions	12,031,251	2,285,894	5,022,570	1,314,481
Release of deferred income from government grant (Note 8)	(5,111,647)	(4,291,923)	(1,688,467)	(571,828)
At 31 March	**23,818,744**	**16,899,140**	**6,163,161**	**2,829,058**

37. Trade and other payables

	Group		Company	
	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Trade payable	147,297,679	78,782,131	113,985,342	58,128,996
Trade payables-related parties	-	-	17,318,206	2,291,922
Other accrued expenses	42,532,947	35,355,301	22,350,208	15,573,953
Sundry creditors	1,636,943	1,793,286	602,159	840,246
Non- financial liabilities				
Statutory payables	3,124,202	4,221,754	946,456	749,072
	194,591,771	**120,152,472**	**155,202,371**	**77,584,189**

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-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
At 1 April	4,207,541	3,984,940	2,586,437	2,370,330
Declared during the year	6,765,653	5,753,101	6,765,653	5,740,554
Payment during the year	(8,094,076	(5,453,991)	(6,472,971)	(5,441,444)
Unclaimed dividends transferred to reserves	(74,218)	(83,003)	(74,218)	(83,003)
Unclaimed dividends returned to the company	-	6,494	-	-
	2,804,900	**4,207,541**	**2,804,900**	**2,586,437**

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 the Section 429 of Companies and Allied Matters Act (CAMA), 2020.

Recognised dividends per share during the year amounted to 1.65 per share (2021: 1.40 per share). The Board of Directors have proposed a dividend of 2.15 per share (2021: 1.65 per share).

39. Customer deposits

Customer deposits are contract liabilities which represent deposit made for products which will be recognised as revenue at the point the control of the products are transferred to the customers. The amount of N652.83 billion included in contract deposits have been recognised as revenue (2021: N440.21 billion)

	Group		Company	
	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Customer deposits	28,279,266	38,926,118	18,923,572	23,805,256
	28,279,266	**38,926,118**	**18,923,572**	**23,805,256**

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 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 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**
At 1 April 2021	2,282,604	18,322,292	20,604,896	3,216,134	3,216,134
Additions	-	1,097,291	1,097,291	402,024	402,024
At March 2022	**2,282,604**	**19,419,583**	**21,702,187**	**3,618,158**	**3,618,158**
Accumulated depreciation					
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)**
At 1 April 2021	(114,325)	(3,979,098)	(4,093,423)	(531,431)	(531,431)
Depreciation charge	(113,740)	(1,774,943)	(1,888,683)	(394,355)	(531,431)
At March 2022	**(228,065)**	**(5,754,041)**	**(5,982,106)**	**(925,786)**	**(925,786)**
Carrying amount					
At March 2022	**2,054,539**	**13,665,542**	**15,720,081**	**2,692,372**	**2,692,372**
At March 2021	**2,168,279**	**14,343,194**	**16,511,473**	**2,684,703**	**2,684,703**

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 extention options are used to maximise operational fexibility of managing assets in the Group operations. The extention
options are exercisable only by the Group and not the lessors.

41. Lease liabilities

	Group		Company	
	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Balance as at 1 April	16,708,755	13,356,822	676,373	1,640,586
Additions	71,647	524,100	240,253	97,891
Modification	-	324,218	-	222,253
Derecognition during the year	-	-	-	(1,187,465)
Interest expenses	1,542,238	1,281,434	82,837	71,520
Exchange difference	1,998,757	2,962,727	-	-
	20,321,397	**18,449,301**	**999,463**	**844,785**
Less: payments	(2,667,114)	(1,740,546)	(409,384)	(168,412)
	17,654,283	**16,708,755**	**590,079**	**676,373**
Non- current liabilities	17,654,283	14,789,031	590,079	439,742
Current liabilities	-	1,919,724	-	236,631
	17,654,283	**16,708,755**	**590,079**	**676,373**

Lease expense for the year are as follows:

	Group		Company	
	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Depreciation	1,888,683	1,562,814	394,355	275,782
Short term leases	801,514	113,620	239,115	126,153
Lease interest expense	1,542,238	1,281,434	82,837	71,520
Exchange loss on lease items	1,998,757	2,962,727	-	-
Variable lease expense	-	-	821,390	704,310
	17,654,283	5,920,595	1,537,697	1,177,765

Variable Leases

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.

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 leasee as income on a straight-line basis over the lease term. The total amount of rental income received in the year is N245 million (2021: N197.98 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 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
Premier Feed Mills Company Limited	Sub-Subsidiary	Purchase of packaging materials from the Company
Nigerian Eagle Flour Mills Limited	Subsidiary	Purchase of packaging materials from the Company
Crestview Towers Limited	Subsidiary	Sold residential apartments to the Company
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
Eastern Premier Feed Mills limited	Sub-Subsidiary	Purchase of raw and packaging materials

Related party balances

	Group		Company	
Trade and other receivables	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**
Golden Fertilizer Company Limited	-	-	125,159	493,034
Apapa Bulk Terminal Limited	-	-	858,939	-
Agri Estates Limited	-	-	-	26,812
Golden Sugar Company Limited	-	-	3,100,483	1,230,356
Nigerian Eagle Flour Mills Limited	-	-	1,029,509	438,657
Premier Feed Mills Company Limited	-	-	40,244	1,175,593
Northern Nigeria Flour Mills Plc	-	-	7,755,123	70,425
Premium Cassava Products Limited	-	-	-	254,553
Crestview Towers Limited	-	-	7,336	2,467
Premium Edible Oil Products Limited	-	-	3,235,595	279,453
Agri Palm Limited	-	-	-	10,032
Best Chickens Limited	-	-	44,508	30,354
Golden Agri Inputs Limited	-	-	-	311,727
Eastern Premier Feed Mills Limited	-	-	1,612,535	680,084
Independent Grain and Storage Handling Limited	-	-	4,198	5,417
Upland Grains Production Company Limited	-	-	7,353	10,026
Servewell Agricultural Services Limited	-	-	4,114	9,787
Other related parties	-	-	10,435	14,987
Impairment of intercompany receivables	-	-	(358,904)	(259,287)
			17,476,627	**4,784,477**
Total (Note 27)			**17,476,627**	**4,784,477**

Related party balances

Trade and other payables	Group 31- Mar-22 (N'000)	Group 31-Mar-21 (N'000)	Company 31- Mar-22 (N'000)	Company 31-Mar-21 (N'000)
Eastern Premier Feed Mills Limited	-	-	813,868	-
Premium Edible Oil Products Limited	-	-	2,966,386	-
Apapa Bulk Terminal Limited	-	-	5,764,781	691,003
Premier Feed Mills Company Limited	-	-	756,193	-
Golden Agri Inputs Limited	-	-	465,588	-
Golden Shipping Company Nigeria Limited	-	-	-	389,781
Golden Fertilizer Company Limited	-	-	6,516,548	-
Golden Sugar Company Limited	-	-	34,842	712,605
Shao Golden Farms Limited	-	-	-	5,127
Sunflag Farms Limited	-	-	-	4,655
Olympic Towers Limited	-	-	-	14,571
Kaboji Farms Limited	-	-	-	474,180
Total (Note 37)	-	-	17,318,206	2,291,922
Long term loans receivables (Note 25)	**-**	**-**	**69,962,336**	**62,423,085**

The following transactions were carried out with related parties during the year;

Purchase of goods and services

	Group 31- Mar-22 (N'000)	Group 31-Mar-21 (N'000)	Company 31- Mar-22 (N'000)	Company 31-Mar-21 (N'000)
Golden Shipping Company Nigeria Limited	-	-	-	164,884
Apapa Bulk Terminal Limited	-		7,317,900	6,480,476
Premium Edible Oil Products Limited	-	-	1,317,180	7,768,099
Premium Cassava Products Limited	-	-	-	633,672
Golden Sugar Company Limited	-	-	4,387,910	3,747,957
Nigerian Eagle Flour Mills	-	-	25,668,760	18,093,114
Northern Nigerian Flour Mills Plc	-	-	1,117,213	989,561
Eastern Premier Feed Mills Limited	-	-	3,676,710	-
Golden Fertilizer Company Limited			18,020,930	-
Premier Feed Mills Company Limited	-	-	3,664,440	-
	-	**-**	**65,171,043**	**37,877,763**

Sale of goods and services

	Group		Company	
	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Golden Agri Inputs Limited	-	-	30,240	3,765
Eastern Premier Feed Mills Limited	-	-	3,676,708	3,241,820
Premier Feed Mills Company Limited	-	-	-	3,193,176
Northen Nigeria Flour mills Plc	-	-	8,240,321	4,967,875
Nigerian Eagle Flour Mills Limited	-	-	66,948,870	43,108,360
Golden Sugar Company Limited	-	-	6,323,330	3,078,668
Shao Golden Farms Limited	-	-	-	468
Premium Edible Oil Products Limited	-	-	19,728,910	528,232
Agri Palm Limited	-	-	-	631
Golden Fertilizer Company Limited	-	-	2,176,560	1,113,619
Premium Cassava Products Limited	-	-	-	49,773
Apapa Bulk Terminal Limited	-	-	-	-
	-	**-**	**107,124,939**	**59,286,387**

Interest income from related parties

	Group		Company	
	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Golden Fertilizer Company Limited	-	-	320,705	411,064
Agri Palm Limited	-	-	77,192	39,808
Shao Golden Farms Limited (Agro Allied Syrup)	-	-	73,468	47,666
Upland Grains Production Company Limited	-	-	51,881	845
Eastern Premier Feed Mills Limited	-	-	-	497
Golden Agri Inputs Limited	-	-	87,882	55,744
Golden Sugar Company Limited	-	-	2,963,445	2,177,126
Nigerian Eagle Flour Mills Limited	-	-	8,236	1,625
Independent Grain Handling and Storage Limited	-	-	52,623	844
Servewell Agricultural Services Limited	-	-	54,401	897
Northern Nigeria Flour Mills Plc	-	-	29,345	2,877
Apapa Bulk Terminal Limited	-	-	-	103,682
Premier Feed Mills Company	-	-	492,176	11,667
Premium Cassava Products Limited			64,303	7,557
Premium Edible Oil Products Limited			1,426,010	361,678
			5,701,667	**3,223,577**

	Group		Company	
	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Apapa Bulk Terminal Limited	-	-	19,497	22,072
Crestview Towers Limited	-	-	-	488
Eastern Premier Feed Mills Limited	-	-	-	3,487
Nigerian Eagle Flour Mills Limited	-	-	-	66,481
Premium Edible Oil Products Limited	-	-	36,946	166
Premier Feed Mills Company Limited	-	-	156,943	140,866
Sunflag Farms Limited	-	-	-	2,940
Agri Palm Limited	-	-	102,728	-
Golden Sugar Company Limited	-	-	44,074	1,987
			360,188	**238,487**
Rental income from related parties				
Apapa Bulk Terminal Limited	-	-	26,338	17,000
Nigerian Eagle Flour Mills Limited	-	-	-	8,500
Golden Fertilizer Company Limited	-	-	28,600	20,100
Premium Edible Oil Products Limited	-	-	16,550	20,000
Golden Sugar Company Limited	-	-	79,600	88,100
			151,088	**153,700**
Rental income from related parties				
Apapa Bulk Terminal Limited	-	-	1,537,635	1,122,388
Golden Fertilizer Company Limited	-	-	-	23,901
Golden Sugar Company Limited	-	-	89,654	44,760
			1,627,289	**1,191,048**

Related part transactions disclosed are inclusive of the relevant Value Added Tax applicable on the transactions.

Compensation of key management personnel

The key management personnel represents the senior leadership team of the Group and are responsible for strategic planning, execution and successful implementation of agreed business goals aimed at delivering value to the shareholders.

Short term benefits	491,148	191,651
Long term benefits (Post-employment benefit)	21,760	22,013
	512,909	**213,664**

43. Directors' emoluments

The remuneration of directors and key executive is determined by the remuneration committee having regard to the performance of individuals and market trends.

The remuneration paid to Directors was:	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Fees	3,000	2,800	3,000	2,800
Salaries and other emoluments	117,500	89,950	117,500	89,950
	120,500	**92,750**	**120,500**	**92,750**
Fees and other emoluments discussed above include amount paid to:				
Chairman	8,000	5,100	8,000	5,100
Other directors	112,500	87,650	112,500	87,650
	120,500	**92,750**	**120,500**	**92,750**

The number of Directors excluding the Chairman and highest paid director whose emoluments (excluding certain benefits) were within the following ranges:

	Group		Company	
	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
190,000- 200,000	14	13	14	13
19,000,001- 20,000,000	1	1	1	1
	15	**14**	**15**	**14**

	Group		Company	
	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Highest paid Director received	**37,031**	**36,151**	**37,031**	**36,151**

No loan was given to any to key management personnel during the year (2021: Nil)

44. Categories of financial intruments

	Group Carrying Amount		Company Carrying Amount	
Derivative and non- derivative financial assets Financial assets measured at amortised cost	31- Mar-22 (N'000)	31-Mar-21 (N'000)	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Cash and cash equivalents (Note 30)	31,621,421	37,163,344	20,273,882	27,624,715
Trade and other receivables (Note 27)	28,907,431	14,847,969	31,005,687	11,140,451
Long term loans and receivables (Note 25)	37,551	38,852	69,962,336	62,423,085
Fair value through OCI				
Equity instruments at fair value through OCI (Note 23)	34,000	27,540	34,000	27,540
Fair value through OCI				
Derivative financial assets (Note 28)	84,480	621,780	84,480	621,780
	60,684,883	**52,699,485**	**121,360,385**	**101,837,571**

Notes to the Annual Report for the year ended 31 March 2022 (continued)

	Group Carrying Amount		Company Carrying Amount	
Derivative and non-derivative financial liabilities	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**
Bank overdraft (Note 30)	9,937,833	4,000,896	4,563,004	-
Borrowings (Note 33)	148,827,642	128,678,016	90,598,826	83,618,914
Trade and other payables (excluding statutory deductions) (Note 37)	191,467,569	115,930,718	154,255,915	76,835,117
Dividend payable (Note 38)	2,804,900	4,207,541	2,804,900	2,586,437
Lease liabilities (Note 41)	17,654,283	16,708,755	590,079	676,373
Fair value through OCI				
Derivative financial liabilities (cashflow hedge) (Note 28)	1,898,421	97,049	1,898,421	49,322
	372,590,648	**269,622,975**	**254,711,145**	**163,766,163**

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 effcient 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 net debt : equity ratio of the Group as at the reporting date was as follows:

			Group		Company
		31- Mar-22 (N'000)	**31-Mar-21 (N'000)**	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**
Borrowings	33	148,827,642	128,678,016	90,598,826	83,618,914
Lease liabilities	41	17,654,283	16,708,755	590,079	676,373

Total borrowings		**166,481,925**	**145,386,771**	**91,188,905**	**84,295,287**
Cash and cash equivalents	30	((21,683,588)	(33,162,448)	(15,710,878)	(27,624,715)
Net borrowings		**144,798,337**	**112,224,323**	**75,478,027**	**56,670,572**
Equity		195,904,691	174,613,950	174,663,847	159,878,794
Gearing ratio		74%	64%	43%	35%

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).

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 Financial 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 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.

	Group Carrying Amount	
Credit rating	**31- Mar-22 (N'000)**	**31-Mar-21 (N'000)**
B- to B+	70,169,406	51,498,137
C to CCC+	1,483,215	15,670,553
Gross carrying amounts	71,652,621	67,168,689
Loss allowance	(1,690,285)	(4,745,604)
Amortised cost	69,962,336	62,423,085
Carrying amount	**69,962,336**	**62,423,085**

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 crystalization 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-22 (N'000)	**31-Mar-21 (N'000)**
Trade receivables	27	28,907,431	14,847,969
Staff receivables	27	3,133,172	2,941,038
Loan term loans and receivable	25	37,551	38,852
Derivatives	28	84,480	621,780
Bank balances	30	30,522,980	36,208,268
		62,685,614	**54,657,907**

Company

		Amortised cost/ Fair Value	Amortised cost/ Fair Value
		31- Mar-22 (N)	31-Mar-21 (N)
Trade receivables	27	16,024,769	9,028,280
Related party receivables	27	17,476,627	4,784,477
Staff receivables	25	2,498,920	2,438,318
Sundry debtors	27	10,277,827	9,581,637
Derivatives	28	84,480	621,780
Bank balances	30	19,314,892	26,771,989
		65,677,515	**53,226,481**

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 2022

		Carrying amount	Gross Nominal Amount	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	147,297,679	147,297,679	-	-	147,297,679	-	-
Borrowings	33	148,827,642	166,273,895	-	5,107,778	19,538,647	41,588,057	100,039,413
Dividend payable	38	2,804,900	2,804,900	-	-	2,804,900	-	-
Bank overdraft	30	9,937,833	9,937,833	-	9,937,833	-	-	-
Derivative liability	28	1,898,421	1,898,421	188,528	508,034	1,201,859	-	-
Lease liabilities	41	17,654,283	19,337,496	51,752	152,804	420,138	4,470,282	14,242,520
		328,420,758	**347,550,224**	**240,280**	**15,706,449**	**171,263,223**	**46,058,339**	**114,281,933**

Group 2021

		Carrying amount	Gross Nominal Amount	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	18,944,619	51,752	150,487	420,138	4,286,854	14,035,388
		232,474,388	**250,155,644**	**162,690**	**9,746,444**	**100,549,670**	**78,673,141**	**61,023,700**

Company 2022

		Carrying amount	Gross Nominal Amount	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	113,985,342	113,985,342	-	-	113,985,342	-	-
Borrowings	33	90,598,826	91,391,665	-	2,051,048	13,942,428	27,279,989	48,118,200
Dividend payable	38	2,804,900	2,804,900	-	-	2,804,900	-	-
Bank overdraft	30	4,563,004	4,563,004	-	4,563,004	-	-	-
Derivative liability	28	1,898,421	1,898,421	188,528	508,034	1,201,859	-	-
Lease liabilities	41	590,079	1,419,963	-	-	42,632	184,964	1,192,367
		214,440,572	**216,063,296**	**188,528**	**7,122,086**	**131,977,161**	**27,464,953**	**49,310,567**

Company 2021

		Carrying amount	Gross Nominal Amount	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	1,277,770	-	-	42,632	42,771	1,192,367
		145,060,042	**147,373,980**	**49,322**	**1,417,799**	**73,054,131**	**43,707,201**	**29,145,526**

The Group has access to undrawn borrowing facilities amounting to N127billion (2021: N123.62billion). 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), Euro (EUR) and Swiss Franc (CHF).

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.

	US Dollar	Euro	CHF Swiss Franc
31-Mar-22			
Closing rate as at 31 March 2022	548.23	610.50	592.13
Average rate for the Period	533.96	487.34	457.69
31-Mar-22			
Closing rate as at 31 March 2022	482.23	480.41	434.70
Average rate for the Period	467.51	456.75	423.46

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-22 USD'000	31- MAR-21 USD'000	31- Mar-22 USD'000	31-Mar-21 USD'000)
Cash and bank balance	9,756	10,699	5,152	9,639
Trade receivables	11,501	5,901	5,096	3,532
Trade payables	(123,820)	(40,770)	(91,924)	(32,296)
Net exposure	**(102,563)**	**(24,170)**	**(81,676)**	**(19,125)**

	Group		Company	
	31- Mar-22 EUR'000	31- MAR-21 EUR'000	31- Mar-22 EUR'000	31-Mar-21 EUR'000
Cash and bank balance	339	-	339	-

Trade receivables	(677)	-	(656)	-
Net exposure	**(338)**	**-**	**(317)**	**-**

	Group		Company	
	31- Mar-22 CHF'000	31- MAR-21 CHF'000	31- Mar-22 CHF'000	31-Mar-21 CHF'000
Cash and bank balance	(1,502)	-	(1,502)	-
	(1,502)	**-**	**(1,502)**	**-**

Foreign currency sensitivity analysis

The following information presents the sensitivity of the Group to 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% (2021:20%) increase and decrease in the value of Naira against foreign currencies - USD, EUR and CHF. Management believes that a 20% (2021:20%) movement in either direction is reasonably possible at the balance sheet date. The sensitivity analysis below include outstanding balances of foreign currency (USD, EUR and CHF) denominated assets and liabilities. A positive number indicates an increase in profit where Naira strengthens by 20% (2021:20%) against foreign currencies - USD, EUR and CHF. For a 20% (2021:20%) weakening of Naira against foreign currencies - USD, EUR and CHF there would be an equal and opposite impact on profit, and the balances below would be negative.

	Group		Company	
	31- Mar-22 USD'000	31-Mar-21 USD'000	31- Mar-22 USD'000	31-Mar-21 USD'000
Group Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss				
US Dollar 20% (2020:10%)	11,245,675	(11,245,675)	2,329,999	(2,329,999)
Company Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss				
US Dollar 20% (2020:10%)	8,955,470	(8,955,470)	1,843,610	(1,843,610)

	Group		Company	
	31- Mar-22 EUR'000	31-Mar-21 EUR'000	31- Mar-22 EUR'000	31-Mar-21 EUR'000
Group Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss				
Euro 20% (2021:20%)	41,268	(41,268)	-	-

Company increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss				
Euro 20% (2021:20%)	38,708	(38,708)	-	-

		Group		Company
	31- Mar-22 CHF'000	31-Mar-21 CHF'000	31- Mar-22 CHF'000	31-Mar-21 CHF'000
Group increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss				
CHF Swiss Franc 20% (2021:20%)	177,927	(177,927)	-	-
Company increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss				
CHF Swiss Franc 20% (2021:20%)	177,927	(177,927)	-	-

Cashflow Hedges

The following table provides information on the forward foreign currency outstanding as at year end including their related hedge items:

Maturity	Average forward contract rates (USD:NGN)	Nominal amount (USD'000)	Nominal amount (NGN'000)	Change in fair value for recognizing hedge effectiveness	Carrying amount of the hedging instruments - (assets)/liabilities
1-6 months	419.00	42,848	18,356,420	523,575	(523,575)
6-12 months	419.05	48,036	20,418,381	582,388	(582,388)
More than one year	435.97	63,720	27,783,403	792,458	(792,458)
		154,604	**66,558,204**	**1,898,421**	**(1,898,421)**

Hedge items	Change in value used for calculating hedge effectiveness	Balance in hedge reserve for continuing hedges	Balance in hedge reserve arising from hedge relationships for which hedge accounting is no longer applied
Future commitments for inventory purchase	(1,898,421)	-	-
	(1,898,421)	**-**	**-**

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group uses the hypothetical derivative method to assess effectiveness. Hedge effectiveness is determined at the inception of the hedge relationship, through periodic prospective assessment to ensure that an economic relationship exists between the hedged item and instrument.

The Group enters into future commitments to purchase inventory for its operations. The Group has therefore entered into forward contracts for terms averaging 1 to 8 months to hedge the exchange rate risk arising from future commitments to purchase inventory.

The amount deferred in hedge reserves are reclassified and adjusted against inventory. No amount has been reclassified from hedging reserves to profit or loss at year end.

The table below provides a reconciliation of the hedge reserve resulting from cash flow hedge accounting:

Hedge items	Hedge reserves 2022	Hedge reserves 2021
Changes in fair value arising from foreign currency risk - future commitments to purchase inventory	(1,898,421)	-
Tax movement in reserve during the year	616,987	-
	(1,281,434)	**-**

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-22 (N'000)	31-Mar-21 (N'000)
Bank overdraft	Naira	12%-19.5%	On Demand	9,937,833	4,000,896
Bank of industry Loan- CBN intervention fund	Naira	5%-10%	2022-2029	22,374,028	24,375,552
Commercial Agricultural Credit Scheme-Agriculture loans	Naira	5%	2022-2026	533,613	4,062,492
Power and Airline Intervention fund	Naira	5%	2025	1,064,905	1,593,030
Commercial papers and bonds	Naira	6%-16%	2023-2027	55,422,359	68,632,677
Term loan	Naira	16%	2023	-	-
Other bank loans	Naira	3%-16%	2022-2031	6,648,990	5,029,545
RSSF-Real Sector Support Facility	Naira	5%	2024-2032	55,688,067	24,984,720
Anchor Borrowers Programme	Naira	5%	2022	5,012,536	-
National Sugar Development Council	Naira	3%	2023	577,520	-
Private Sector-Led Accelerated Agriculture Development Scheme (PAADS)	Naira	5%	2031	1,505,624	-
				158,765,474	**132,678,913**

COMPANY	Currency	Nominal Interest Rate	Maturity	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Bank overdraft	Naira	12%-19.5%	On Demand	-	-
Bank of industry Loan- CBN intervention fund	Naira	5%-10%	2026	4,532,979	5,542,558
Import finance facility	Naira	5.5%	2022	1,119,483	-
Commercial papers and bonds	Naira	6%-16%	2021-2027	55,422,359	68,632,677
RSSF-Real Sector Support Facility	Naira	5%	2026-2031	26,408,051	8,426,635
Power and Airline Intervention fund	Naira	5%	2025	1,064,905	1,017,044
Intercompany loan	Naira	8%-14%	2022-2029	2,051,049	-
				90,598,826	**83,618,915**

Interest Risk

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 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-22 (N'000)	31-Mar-21 (N'000)
Financial assets	-	-
Financial liabilities	(9,937,833)	4,000,896
	(9,937,833)	**(4,000,896)**

Company

Variable rate instruments	31- Mar-22 (N'000)	31-Mar-21 (N'000)
Financial assets	71,652,621	67,168,689
Financial liabilities	(4,563,004)	-
	67,089,617	**(67,168,689)**

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 N99,378 (2021: N40,009) and N670,897 (2021: N671,687) 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 N 34 million (2021: N27.5 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 N3.67 million, an equal change in the opposite direction would have decreased equity by N3.67 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.

Group - 31 March 2022

In thousands of Naira		Carrying Amount					Fair Value			
		Derivative financial instruments at FVOCI	Financial assets measured at amortised cost	FVOCI Equity Instruments	Other financial liabilites	Total	Level 1	Level 2	Level 3	Total
Other investments	23	-	-	34,000	-	34,000	34,000	-	-	34,000
Derivative assets	28	84,480	-			84,480		84,480	-	84,480
		84,480	-	34,000	-	118,480	34,000	84,480	-	118,480
Financial assets at amortised cost										
Long term loans and receivables	25	-	37,551	-	-	37,551	-	36,955	-	36,955
Trade and other receivables	27	-	39,900,930	-	-	39,900,930	-	-	-	-
Cash and cash equivalents	30	-	31,621,421	-	-	31,621,421	-	-	-	-
		-	71,559,902	-	-	71,559,902	-	36,955	-	36,955
Financial assets measured at fair value through profit or loss										
Derivative assets	28	1,898,421	-	-	-	1,898,421	-	1,898,421	-	-
		1,898,421	-	-	-	1,898,421		1,898,421		-
Financial liabilities not measured at fair value										
Bank overdrafts	30	-	-	-	(9,937,833	(9,937,833	-	-	-	-
Lease liabilities	41	-	-	-	(17,654,283)	(17,654,283)	-	(12,186,464)	-	(12,186,464)
Unsecured bank loans	33	-	-	-	(148,827,642)	(148,827,642)	-	(102,249,679)	-	(102,249,679)
Dividend payable	38	-	-	-	(2,804,900)	(2,804,900)	-	-	-	-
Trade and other payables (excluding statutory deductions)	37	-	-	-	(191,467,569)	(191,467,569)	-	-	-	-
		-	-	-	(370,692,227)	(370,692,227)	-	(114,436,143)	-	(114,436,143)

Group - 31 March 2021

		Carrying Amount					Fair Value			
In thousands of Naira		Derivative financial instruments at FVOCI	Financial assets measured at amortised cost	FVOCI Equity Instruments	Other financial liabilites	Total	Level 1	Level 2	Level 3	Total
Other investments	23	-	-	27,540	-	27,540	27,540	-	-	27,540
		-	-	27,540	-	27,540	27,540	-	-	27,540
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)	-	(12,186,464)	-	(12,186,464)
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)	-	(115,454,995)	-	(115,454,995)

Company - 31 March 2022

		Carrying Amount					Fair Value			
In thousands of Naira		Derivative financial instruments at FVOCI	Financial assets measured at amortised cost	FVOCI Equity Instruments	Other financial liabilites	Total	Level 1	Level 2	Level 3	Total
Other investments	23	-	-	34,000	-	34,000	34,000	-	-	34,000
Derivative assets	28	84,480	-			84,480		84,480	-	84,480
		84,480	-	34,000	-	118,480	34,000	84,480	-	118,480
Financial assets at amortised cost										
Long term loans and receivables	25	-	69,962,336	-	-	69,962,336	-	70,587,177		70,587,177
Trade and other receivables	27	-	43,782,434	-	-	43,782,434	-	-		-
Cash and cash equivalents	30	-	20,273,882	-	-	20,273,882	-	-		-
		-	134,018,652	-	-	134,018,652	-	70,587,177	-	70,587,177
Financial assets measured at fair value through profit or loss										
Derivative assets	28	1,898,421	-	-	-	1,898,421	-	1,898,421	-	-
		1,898,421	-	-	-	1,898,421		1,898,421		-
Financial liabilities not measured at fair value										
Bank overdrafts	30	-	-	-	(4,563,004)	(4,563,004)	-	-	-	-
Lease liabilities	41	-	-	-	(590,079)	(590,079)	-	(590,079)	-	(590,079)
Unsecured bank loans	33	-	-	-	(90,598,826)	(90,598,826)	-	(65,569,294)	-	(65,569,294)
Dividend payable	38	-	-	-	(2,804,900)	(2,804,900)	-	-	-	-
Trade and other payables (excluding statutory deductions)	37	-	-	-	(154,255,915)	(154,255,915)	-	-	-	-
		-	-	-	(252,812,724)	(252,812,724)	-	(66,159,373)	-	(66,159,373)

Company - 31 March 2021

In thousands of Naira		Carrying Amount: Derivative financial instruments at FVOCI	Financial assets measured at amortised cost	FVOCI Equity Instruments	Other financial liabilites	Total	Fair Value: Level 1	Level 2	Level 3	Total
Other investments	23	-	-	27,540	-	27,540	27,540	-	-	27,540
	28	-	-	27,540	-	27,540	27,540	-	-	27,540
Financial assets at amortised cost										
Long term loans and receivables	25	-	62,423,085	-	-	62,423,085	-	56,127,466	-	56,127,466
Trade and other receivables	27	-	23,160,406	-	-	23,160,406	23,160,406	-	-	23,160,406
Cash and cash equivalents	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										
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	-	-	-	-	-	-	-	-	-
Lease liabilities	41	-	-	-	(676,373)	(676,373)	-	(603,470)	-	(603,470)
Unsecured bank loans	33	-	-	-	(83,618,914)	(83,618,914)	-	(69,392,479)	-	(69,392,479)
Dividend payable	38	-	-	-	(2,586,437)	(2,586,437)	(2,586,437)	-	-	(2,586,437)
Trade and other payables (excluding statutory deductions)	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)

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 N73.5 million (2021: N55.5 million). This is in respect of tax and advisory services rendered during the year.

48. Substantial interest in shares

Excelsior Shipping Company Limited has 2,597,314,890 (2021: 2,597,314,890) ordinary shares of 50k each, representing 63.34% (2021: 63.34%) 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 in the ordinary course of business. There are no contingent liabilities with respect to cases against the Group and Company as at year end (2021: Nil). The actions are being contested and the Directors are of the opinion that none of the cases are likely to have a material adverse effect on the Group and Company.

The Group and Company are undergoing certain regulatory reviews as at the reporting date. The directors believe that any liability that may arise on conclusion of the reviews is not likely to be material. However, the amount of the ultimate liability if any, cannot be reliably estimated as at the reporting date. Accordingly, no provision has been made in these consolidated and separate financial statements. The directors have not made further disclosures about the nature of the regulatory reviews as doing so would amount to disclosing information that could prejudice or harm the Company's position on the matters.

51. Events after the reporting period

On 22 November 2021, Flour Mills of Nigeria Plc. (FMN) announced an agreement to acquire a majority stake in Honeywell Flour Mills Plc's (HFMP) issued and yet to be issued ordinary shares subject to the requisite shareholder and regulatory approvals. Effective 12 May 2022, the Company has obtained relevant shareholders and regulatory approvals for the purchase of the Majority stake in HFMP.

The transaction involves the acquisition of Honeywell Flour Mills Plc (HFMP). HFMP was initially registered as Gateway Honeywell Flour mills Limited in 1985, and subsequently changed its name and company structure in 1995. HFMP 's principal activity is the milling, processing, and packaging of flour and other wheat-based products with seven major product brands - Honeywell Superfine Flour, Honeywell Wheat Meal, Honeywell Semolina, Honeywell Noodles, Honeywell Pasta, Honeywell Composite Flour and Honeywell Brown Flour. Prior to the acquisition, the beneficial interest in HFMP was held by Siloam Global Services Limited (75%), First Bank of Nigeria Plc (5%) and 20% by over 32,000 individuals and institutional investors.

Ecowise Horizon Investment Ltd, a subsidiary of Flour Mills of Nigeria Plc, holds 71.75% of HFMP being 48.05% wholly owned by FMN Plc and 28.7% held in proxy by Greywise Investment Solutions Ltd, an associated company of Flour Mills of Nigeria Plc. FMN through its subsidiary, Ecowise Horizon Investment Ltd, indirectly holds the 100% of the First Bank of Nigeria Limited interest (5%) and 60% of Siloam Global Services Limited interest (75%) in HFMP and 40% of Siloam Global Services Limited interest is held in proxy by Greywise Investment Solutions Ltd, an associated company of Flour Mills of Nigeria Plc. The total cash consideration offered for the purchase of the majority stake amount to N4.20 kobo per share.

The transaction was entered into as part of FMN's global growth strategy, to create a stronger and more resilient national champion for the Nigeria and further enhance food security. The transaction will combine the strategic talents that are unique to each company, enhance customer's access to a wider range of innovative products and enable FMN expand its flour milling operations.
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 2022, and its financial performance for the year then ended, that have not been adequately provided for or disclosed in these consolidated and separate financial statements.

Other National Disclosures

Consolidated and Separate Statement of Value Added

Group

	31- Mar-22 (N'000)	31- Mar-22 %	31-Mar-21 (N'000)	31-Mar-21 %
Turnover	1,163,802,851		771,607,880	
Investment income	1,086,420		3,652,138	
Other operating income	-		-	
Local	(78,085,948)		(25,411,337)	
Foreign	(957,956,311)		(636,384,394)	
Total Value Added	**128,847,012**	**100**	**113,464,287**	**100**
Distribution of value added				
To Pay Employees				
Salaries, wages, medical and other benefits	39,557,968		33,454,550	
	39,557,968	**31**	**33,454,550**	**29**
To Pay Providers of Capital				
Finance costs	25,481,623		18,655,198	
	25,481,623	**20**	**18,655,198**	**16**
To Pay Government				
Income Tax	12,286,541		9,369,466	
	12,286,541	**10**	**9,369,466**	**8**
To be retained in the business for expansion and future wealth creation:				
Depreciation and amortisation (for the replacement of fixed asset)	24,591,802		24,069,656	
Deferred tax	(1,086,149)		2,198,494	
	23,505,653	**18**	**26,268,150**	**23**
Value retained				
Retained profit	25,676,035		26,148,786	
Non-controlling interest	2,339,191		(431,863)	
	28,015,226	**22**	**25,716,923**	**23**
	128,847,012	**100**	**113,464,287**	**100**

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

Consolidated and Separate Statement of Value Added

Company

	31- Mar-22 (N'000)	31- Mar-22 %	31-Mar-21 (N'000)	31-Mar-21 %
Turnover	832,810,561		535,881,585	
Investment income	12,778,485		11,046,498	
Other operating income	-		-	
Local	(52,080,615)		(31,970,171)	
Foreign	(707,874,479)		(440,583,132)	
Total Value Added	**85,633,952**	**100**	**74,374,780**	**100**
Distribution of value added				
To Pay Employees				
Salaries, wages, medical and other benefits	27,792,244		23,592,436	
	27,792,244	**32**	**23,592,436**	**32**
To Pay Providers of Capital				
Finance costs	15,195,572		10,032,461	
	15,195,572	**18**	**10,032,461**	**13**
To Pay Government				
Income Tax	7,041,914		4,726,873	
	7,041,914	**9**	**4,726,873**	**7**
To be retained in the business for expansion and future wealth creation:				
Depreciation and amortisation (for the replacement of fixed asset)	12,897,307		12,566,282	
Deferred tax	887,099		3,284,239	
	13,784,406	**16**	**15,850,521**	**21**
Value retained				
Retained profit	21,819,816		20,172,489	
	21,819,816	**25**	**20,172,489**	**27**
	85,633,952	**100**	**74,374,780**	**100**

Group 2021

Consolidated Statement of Financial Position	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18
	N '000	N '000	N '000	N '000	N '000
Assets					
Non-current assets	254,895,383	238,727,670	242,722,155	236,552,221	234,102,289
Current assets	412,116,426	306,005,143	189,731,687	180,269,383	174,245,628
Total asssets	**667,011,809**	**544,732,813**	**432,453,842**	**416,821,604**	**408,347,917**
Liabilities					
Non-current liabilities	177,520,701	160,422,753	127,887,817	81,220,607	57,943,133
Current liabilities	293,586,417	209,696,110	148,758,253	184,628,802	199,788,076
Total libilities	**471,107,118**	**370,118,863**	**276,646,070**	**265,849,409**	**257,731,209**
Total equity	195,904,691	174,613,950	155,807,772	150,972,195	150,616,708
	667,011,809	**544,732,812**	**432,453,842**	**416,821,604**	**408,347,917**
Consolidated Statement Profit or Loss and Other Comprehensive Income					
Revenue	1,163,802,851	771,607,880	573,774,356	527,404,569	542,670,410
Profit before taxation	41,118,148	37,193,667	17,496,815	10,174,275	16,541,767
Taxation	(11,200,392)	(11,567,960)	(5,815,148)	(6,174,129)	(2,925,993)
Profit from continuing operations	29,917,755	25,625,707	11,681,667	4,000,146	13,615,774
Profit for the year	28,015,226	25,716,923	11,376,743	4,000,146	13,615,774
Non-controlling interest	(2,339,191)	431,863	(909,070)	108,223	(940,453)
Retained income for the year	25,676,035	26,148,786	10,467,673	4,108,369	12,675,321
Per share data					
Earnings per share (Naira)	6.26	6.38	2.55	1.00	4.83
Net assets per share (Naira)	47.78	42.58	38.00	35.00	36.73

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

Company 2021

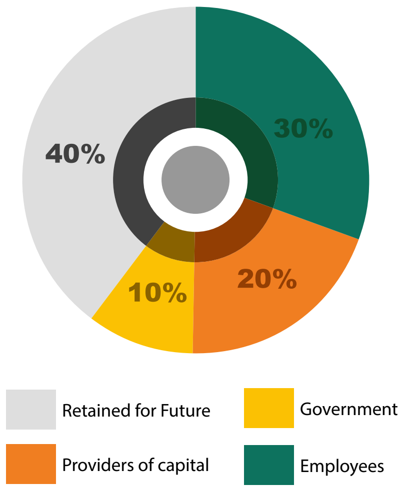
Separate Statement of Financial Position	31-Mar-21	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18
	N '000	N '000	N '000	N '000	N '000
Assets					
Non-current assets	220,970,412	219,163,251	189,083,838	171,481,410	168,223,794
Current assets	266,647,164	161,159,274	125,183,222	142,576,777	154,380,788
Total asssets	**487,617,576**	**380,322,525**	**314,267,060**	**314,058,187**	**322,604,582**
Liabilities					
Non-current liabilities	100,333,110	95,377,417	67,325,900	36,799,208	31,083,760
Current liabilities	212,620,619	125,066,314	100,624,270	138,329,706	140,074,526
Total libilities	**312,953,729**	**220,443,731**	**167,950,170**	**175,128,914**	**171,158,286**
Total equity	174,663,847	159,878,794	146,316,889	138,929,273	151,446,296
	487,617,576	**380,322,526**	**314,267,060**	**314,058,187**	**322,604,582**
Seperate Statement Profit or Loss and Other Comprehensive Income					
Revenue	832,810,561	535,881,585	394,884,217	370,205,529	389,397,836
Profit before taxation	29,748,829	28,183,601	17,537,684	18,536,249	14,153,983
Taxation	(7,929,013)	(8,011,112)	(4,955,115)	(986,742)	(4,909,254)
Profit from continuing operations	21,819,815	20,172,489	12,582,570	17,549,507	9,244,729
Discontinued operations				1,768,147	
Profit for the year	21,819,815	20,172,489	12,582,570	19,317,654	9,244,729
Retained income for the year	21,819,815	20,172,489	12,582,570	19,317,654	9,244,729
Per share data					
Earnings per share (Naira)	5.32	4.92	3.06	4.28	3.52
Net assets per share (Naira)	42.60	38.99	35.68	33.88	36.93

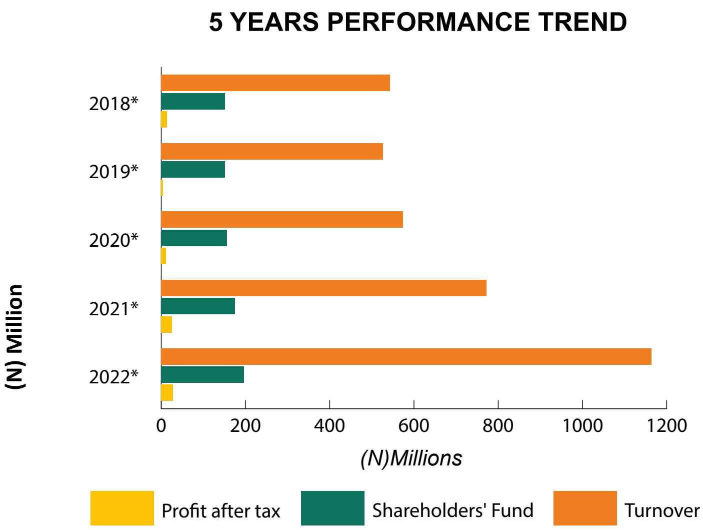
Earnings per share is based on profit for the year and the number of issued and fully paid ordinary shares at the end of each financial year.

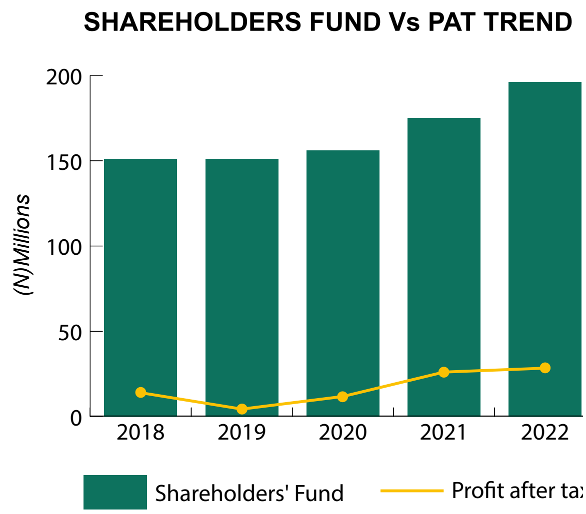
Net assets per share is based on net assets and the number of issued and fully paid ordinary shares at the end of each financial year

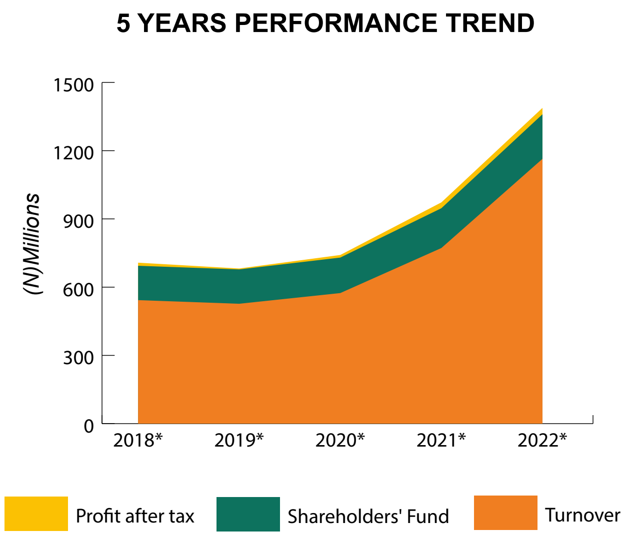
Performance Indicators

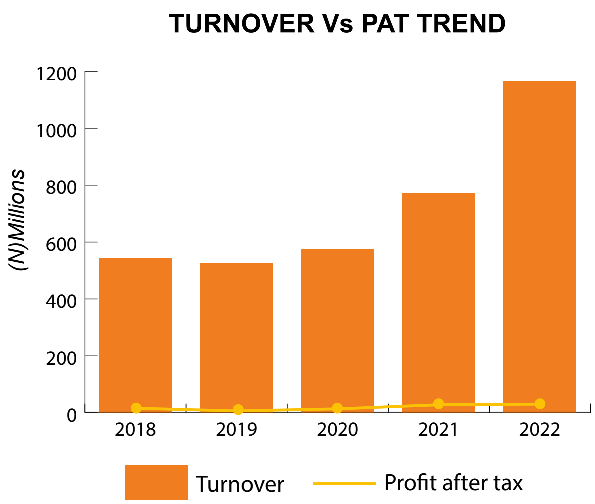
STATEMENT OF CONSOLIDATED VALUE ADDED STATEMENT











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	0	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

GOLDEN PENNY FOODS
The HOME of GOOD FOOD
PREMIUM SATISFACTION AND ENERGY
GOLDEN PENNY FOODS
The HOME of GOOD FOOD
GOLDEN PENNY
SEMOVITA
Premium Quality Semolina
VITAMIN A FORTIFIED
FORTIFIED WITH MICRONUTRIENTS
2KG
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2022 SUSTAINABILITY &CSR REPORT

Community Investment Initiative

FMN is committed to a strategic and structured approach in the developmental needs of its communities. This has aided in deploying a more deliberate pathway to corporate social investments which involves our 5 CSR pillars. Through investment in the pillars, FMN has driven sustainable socio-economic development across several local communities in which its operations are based in. Our pillars are as follows.

1. **Education, research, and skills development**
2. **Environmental Sustainability**
3. **Health Safety & welfare**
4. **Infrastructural development**
5. **Security**

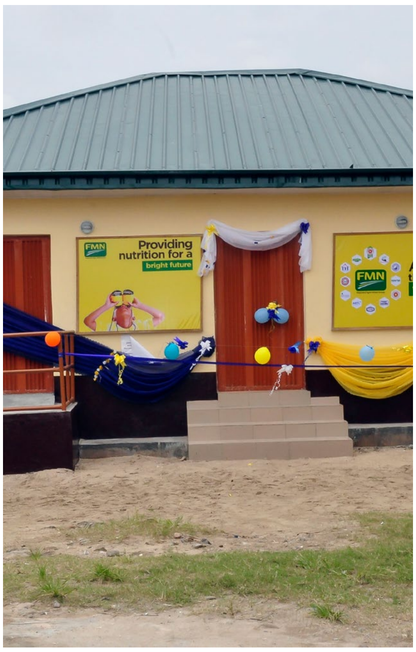
Education

We aim to increase access to quality education, promote research and empower people through skills development. The following are some of the projects executed during the period to support this pillar.

Renovation of Primary Schools

Due to the dilapidated structure of the school, Management approved the renovation of a block of classrooms to create a more conducive learning environment for the pupils at St. Georges Boys primary, Falomo.

Vocational Center for Special-needs Children



George S. Coumantaros School at Sunti

Through our commitment towards building human capacity, FMN continues to invest in education and trainings within our operational communities. This is demonstrated in the establishment of George S. Coumantaros School at Sunti, a clear demonstration of our strategic commitment to building human resources in the Nation.

Skills Acquisition program at Ibadan

FMN through its subsidiary, Premier Feed Mills Company Limited, provided youth empowerment through various skills acquisition and other empowerment programs for its host community Oluyole youth council, Ibadan, aimed at promoting a mutual beneficial environment and assist in alleviating poverty

Youth Empowerment

Several community development initiatives through our Niger Mills Division, Calabar were done in the Essien Town, Ikot Eka Edem, Obutong and Ikot Abasi Obori Communities. These programs were university scholarship for 3 students per community, secondary school scholarship for 3 students per community, skill acquisition Programs, Provision of boreholes, repairs of 300kva Transformer etc.

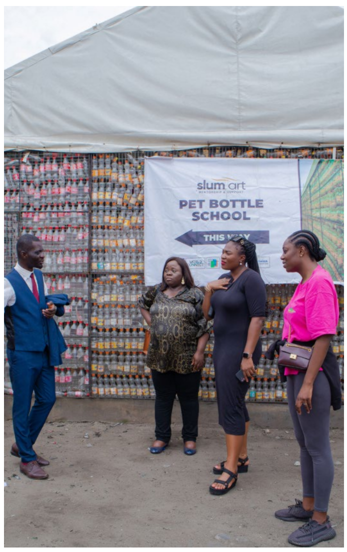
Animal Husbandry Technical Seminar

One of Go-To-Market (GTM) activities was introduced by PFM as a means of enhancing the expertise of poultry and fish farmers in Nigeria. The program uses PFM's sales and technical team made up of qualified and certified animal scientist and veterinary doctors, who have as their mandate to develop framework around prevailing challenges of farmers in the day-to-day running of their farms, providing farm support backed with quality dissemination of relevant information to help solve these challenges. So far, the training has reached over 5000 farmers across the country.

Projects in Partnership with World Connect

In 2021 FMN partnered with the international organization - World Connect, by providing funding for grassroot projects. Eight grants related to FMN funding were approved with strategic focus on Education and Skills Development. The grants span several educational and training opportunities including technology distribution to students, graphic design and creative skills acquisition, agricultural skills development, classroom infrastructure projects, and marketing and business development training.

Through the Flour Mills of Nigeria partnership, World Connect has committed to funding the education and empowerment of students across six states in Nigeria: Ogun, Lagos, Kwara, Kano, Akwa Ibom, and Oyo.



Environmental Sustainability

To preserve the eco-system through eliminating and reducing of wastes and emissions, maximizing energy efficiency, and minimizing practices that may adversely affect the environment. Some of the projects executed under this category within our facilities and host communities are:

One off Go-To-Market (GTM) activities was introduced by PFM as a means of enhancing the expertise of poultry and fish farmers in Nigeria. The program uses PFM's sales and technical team made up of qualified and certified animal scientist and veterinary doctors, who have as their mandate to develop framework around prevailing challenges of farmers in the day-to-day running of their farms, providing farm support backed with quality dissemination of relevant information to help solve these challenges. So far, the training has reached over 5000 farmers across the country.

Energy Management System (EMS 50001)

Golden Sugar Company recently successfully achieved Energy Management System (EMS 50001) implementation and certification to improve energy efficiency and reduce our carbon footprint. The first company in the group to achieve this.

LNG Plant

In a bid to foster environmental sustainability, LNG gas plant was commissioned at Golden Pasta Agbara plant on the 9 of September 2021 and full operation commenced in October 2021. This project is geared towards reduction of CO_2 gas emission and carbon footprint to the immediate environment. It has a total capacity of 45 tons which is a backup when the shell gas is not available. The plant helps to reduce the cost of production.

Projects in partnership with World Connect

In 2021 FMN partnered with the international organization-World Connect by providing funding for grassroot projects. One of the projects was aimed at creating a Waste to Resource Empowerment Programme (WREP) for internally displaced women in Waru. They planned to retrofit an old shipping container into a maker space for women to transform recycled waste into products such as tote bags, mats and shoes, transforming organic wastes into compost and transforming paper wastes into new handmade sheets for canvas. In addition, the program chose to add a component on training women on urban farming techniques. Through the FMN partnership, World Connect committed to funding this project.

Health Safety & Welfare

Through our activities, we are working to improve the health, safety and wellbeing of our surrounding communities. The following are some of the projects implemented under this pillar.

In our journey towards zero accident and zero solid waste to landfill, we made a couple of milestones including reduction of trips of solid waste to landfill in the last quarter by 40% across FMN Sites. The health, safety, and well-being of all our operations has been our highest priority. We have remained committed in providing a safe workplace for all our staff, visitors, stakeholders, and contractors by ensuring that they all have a clear understanding of hazards that are present within their surroundings and intended operations, as well as the necessary support to ensure that all tasks are completed safely. This has yielded positive results in accident reduction. At Eastern Premier Feed Mills, Calabar, we achieved a huge milestone with over 560 days without lost time injury (LTI). At Northern Nigeria Flour Mills Plc Kano, we achieved 1175 days without a lost time injury (LTI). This is still counting. Other HSE milestones achieved within the 2021/2022 FY across FMN sites are:

To ensure adequate response to fire emergencies at NNFM Kano, the Fire Hydrant reticulation systems was upgraded to a wet riser with 3 in 1 40Hp Pump Station. This was followed with the inauguration of Safety Champions and Fire Wardens on the 4 March 2022.

Fire Prevention System Installations

To improve fire emergency response, a 3 in 1 Fire Pump comprising 40Hp Mechanical, 40Hp Electrical and 3Hp Jockey was installed at BAGCO North. Pressure ≥ 15bar.

Modern archives with automatic fire extinguishers was built for HR and Finance departments

Fire Infrastructures Upgrade

Fire alarm system, fire hydrant ring main, foam and sprinkler systems have been installed and upgraded at high fire risk locations at BAGCO Lagos:

Figure 2: *Newly installed Morpack W&H auto CO2 suppression*

Figure 3: *Generator House- Newly installed Gas/Diesel Engine Auto DCP Fire Suppression system*

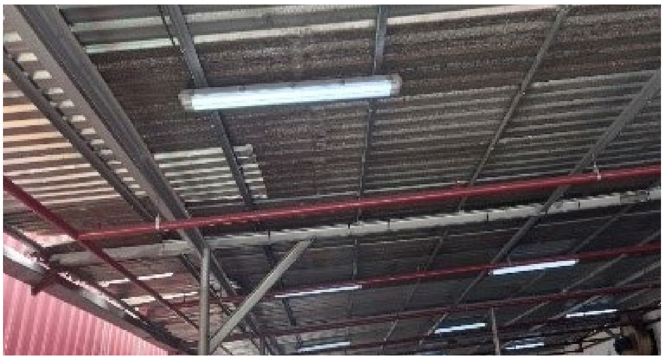


Figure 4: *Fire foam sprinkler system installed at the finished goods warehouses*

Figure 5: *Fire foam sprinkler system installed at the chemical warehouses.*

Figure 6: *Newly installed FM 200 fire suppression system- Switch room*

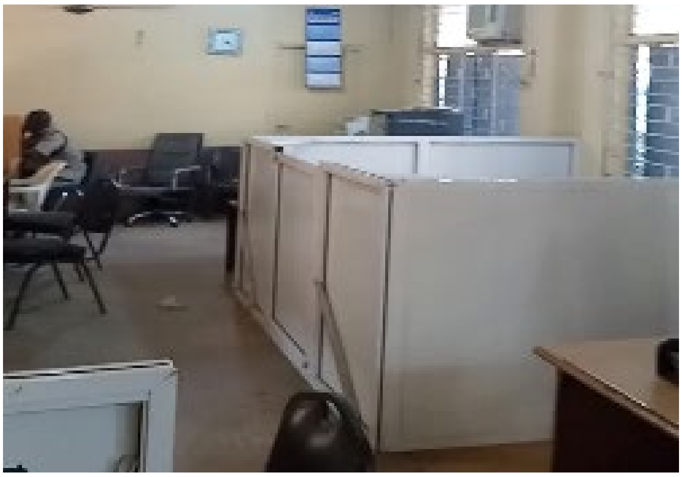
Figure 7: *Newly installed fire auto sprinkler system at Morpack Ink Mixing room foam*

Infrastructural Development

The organisation is committed to improving the quality of life and access to basic amenities through sustainable development of infrastructures. To support progress in this area, the following are some of the projects executed during the period.

Renovation & Beautification of the Command office of the Nigeria Immigration Service- Lagos State Command (On-going)

FMN recently offered its support to the Nigerian Immigration Service by renovating & beautifying critical areas of the office of the Lagos State Command Centre to create a more conducive environment of its stakeholders.



Renovation of Oyo Master Bakers Office

FMN through its Nigerian Eagle Flour Mills subsidiary, supported the Oyo Master Bakers association in completing the abandoned secretariat of the union in September 2021. This project has aided in motivating and encouraging the bakers who had been very loyal to our brand.

Renovation of Oyo Master Bakers Secretariat

Partnerships

Renovation Project in Partnership with Police-operations, Ibadan

FMN through its Premier Feeds Mills subsidiary refurbished the office wing of the Deputy Commissioner of Police-Operations Ibadan, to upgrade the workspace design and create a more conducive environment.

The END Fund partnership

The END Fund is the only private philanthropic initiative solely dedicated to ending the five most common neglected tropical diseases (NTDs), which affect more than 1.7 billion people globally. It efficiently puts private capital to work, advocating for NTD programs that are innovative, integrated, and cost-effective. It facilitates strong partnerships with the private sector and has supported national disease control programs in 30 countries. Since its founding in 2012, with its partners, the END Fund has provided more than 1 billion donated treatments worth over $1.3 billion, over 43,000 surgeries for people suffering from the effects of the advanced stages of elephantiasis and trachoma and trained more than 3.4 million health workers in NTD control and elimination efforts. In Nigeria, the END Fund has treated about 66 million people with over 169 million treatments at a value of 284 million dollars and trained more than 312 thousand health workers to date.

END Fund is dedicated to ending the five most common neglected tropical diseases (NTDs), the partnership with FMN Plc supports the safe delivery of life-changing treatments to affected communities in Akwa Ibom, Bauchi, Ekiti, Gombe, the Federal Capital Territory, Ondo, Osun and Oyo.

- *FMN's donation supports Nigeria's strategic plan to effectively tackle and eliminate neglected diseases as a public health concern in the nation.*
- *The collaboration also promotes positive outcomes for Education.*

Flour Mills of Nigeria Plc ("Flour Mills" or "FMN"), Nigeria's leading integrated food and agro-allied group, and owners of the iconic food brand, 'Golden Penny,' today announced that it has partnered with the END Fund to tackle prevalent neglected tropical diseases (NTDs) in eight locations across the country.

The investment by FMN into improving health in the country will specifically support the END Fund in delivering tens of thousands of treatments to those most affected by onchocerciasis, lymphatic filariasis, schistosomiasis and soil-transmitted helminthiasis, providing relief from the suffering, disability and poor health caused by these diseases enabling more children to stay in school, and considerably enhancing the quality of life of people receiving the treatments.

The partnership with the END Fund was announced on World NTD Day 2022, themed 'Achieving health equity to end the neglect of poverty-related diseases.' This day is marked on the 30th of January, annually.

Joseph Umolu - Company Secretary and Director, Legal Services, FMN, commented: "The collaboration with the END Fund is significant in many respects and of course aligns with our intervention strategy on health, which is one of the five pillars of our corporate social investments targets for the year. We are positive that this initiative will help reduce the prevalence of NTDs and improve Nigeria's public health indicators."

"The type of support that this partnership will provide is urgently required to enable Nigeria to achieve the Sustainable Development Goal (SDG) 3.3 on ending neglected tropical diseases by 2030. With the assistance of other private sector actors working in tandem with the government and with critical development partners like the END Fund, we will move the needle positively towards attaining the goal of co-creating a healthier and wealthier nation, free from the burden of NTDs," he added.

Oyetola Oduyemi, Director of Public Affairs at the END Fund, commented:

"The END Fund is pleased to build upon our work across Nigeria to end the burden of NTDs with this important new partnership with FMN. This partnership demonstrates FMN's leadership and commitment to continued progress towards the country's public health goals and allows the END Fund to sustain its mission of bringing an end to these preventable illnesses in Nigeria. By aligning the broader goals of our two organizations - contributing to improved nutrition and eliminating diseases that place a significant burden on families and health systems - we are jointly working to build a stronger, healthier future for Nigeria."

According to the World Health Organisation, over 165 million Nigerians require treatment for one or more NTDs, with over 136 million people at risk of lymphatic filariasis, which is more commonly known by its advanced form of elephantiasis; and in excess of 51 million people requiring treatment for onchocerciasis, also known as river blindness. The country bears approximately 40 per cent of Africa's NTD burden.

The END Fund has been a key partner in the Nigerian national framework for tackling NTDs and continues to support the country's plans to eliminate endemic NTDs. In order to achieve this goal, a multi-stakeholder engagement strategy is crucial, with the private sector playing a fundamental role. The partnership with FMN Plc supports the safe delivery of life-changing treatments to affected communities in Gombe, Osun, Ondo, Oyo, the Federal Capital Territory, Bauchi, Akwa Ibom, and Ekiti.

Positive Youth Development Through Sport

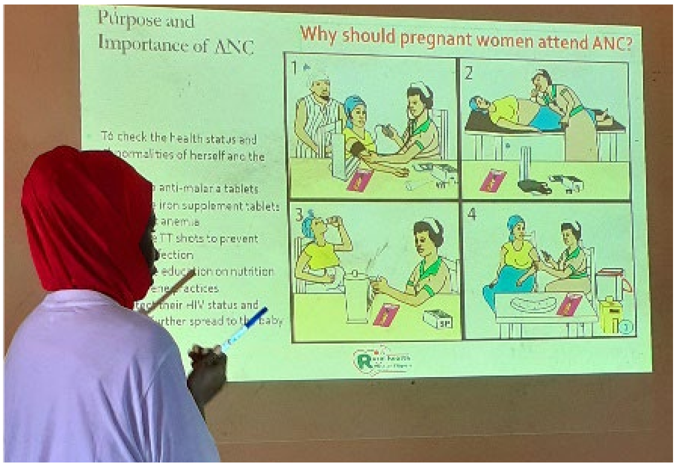
Sponsorship of the Raptors Basketball Academy has continued to position FMN has a passionate supporter for Youth development and empowerment in Nigeria. - As part of our sponsorship, the team will continue to adorn FMN branded Jerseys, both Nationally and at the Africa Basketball League.

In addition to the positive impact and brand exposure, our association with Raptors Academy will continue to guarantee them a sustainable platform for their outreach programs of getting youths off the streets and actively engaged in sports.

Projects in partnership with World Connect

In 2021, World Connect approved five grant requests for health initiatives related to the funding partnership with Flour Mills of Nigeria. The projects span a wide variety of critical healthcare services including maternal health, wash facilities, training for community birth attendants, a diabetic retinopathy awareness campaign, and hospital infrastructure projects.

Through the Flour Mills of Nigeria partnership, World Connect has committed to funding the training and access to quality healthcare across five states in Nigeria: Ogun, Yobe, Ondo, Bayelsa, and Oyo.



Security

As a responsible Company, we commit to building safe communities and promoting peace within the society. The following are some of the projects executed under this category during the period.

Donation of a Patrol vehicle to LASTMA

To aid the works and effort of the Apapa Special Traffic Management Committee in managing and controlling the traffic situation in the Apapa and Tin Can Island environs, FMN proudly donated a Patrol vehicle.

AWARDS/EVENTS

SERAS Awards

For the past three years FMN has consistently won awards at the prestigious Sustainability, Enterprise & Responsibility Awards (SERAS). The company emerged as the best company in Supply-Chain Management Category at the 2021 ceremony.

World Quality Week Celebration

The Quality week which was themed: Sustainability: Improving our products, people and planet was held from 8th to 12 of November 2021. This event was done to create awareness and show the company's commitment on sustainability issues especially in the areas of Food production

FMN Women's Network establishes outreach program to inspire and empower girls in Apapa

In honour of Women's Day, women from the FMN Women's Network visited Apapa Senior High School as part of an outreach program designed specifically for senior class girls.

This education outreach program was essentially hinged on the United Nations' Sustainable Development Goals - SDG 4 (Quality Education) and SDG 5 (Gender Equality) with the critical focus of empowering and inspiring young girls towards a more deliberate and impactful future. In keeping with tenets of this year's theme, Break the Bias - Stand out, the outreach sought to provide a platform where girls could discover and develop their true potentials through curated sessions on specific career mentorship and general question and answer sessions intended to inspire the girls.

Overall, the outreach program aimed to motivate and inspire girls to become better people for themselves and their communities and provide a safe space where young girls could discuss their ambitions openly and receive the necessary guidance and encouragement.

Over 100 students attended the program, which was part of FMN Women's Network's strategy of creating a substantial impact in their community and nation. In addition to learning first-hand from professionals on building strategies to help them stand out from the crowd, the girls and their teachers also received gifts at the end of the session.

The Commissioning of FMN Innovation Centre

The journey of creating an ideal innovation centre where transformative ideas would be incubated and utilized for a holistic organizational growth started about a year ago. The centre is a proactive representation of FMN's uniformity of vision in creating transformative solutions that would be valued by its stakeholders.

The innovation centre covers two floors - the 5th floor which comprises of our innovative staff office, the boardroom, the kitchen amongst other functional units while the 4th floor serves as the laboratory.

Golden Fertilizer Company Excites its top Performing Customers with huge rewards

In its traditional fashion, Golden Fertilizer company recognized and rewarded its top-performing customers at its annual customer conference. The event, which is returning after a brief hiatus due to COVID restrictions, saw Golden Fertilizer celebrating its partners who had made significant contributions to the company's success.

This year's event was themed Stronger Together: Celebrating the past, Transforming the present, Defining the future. The event was held at the Sheraton Hotels, Mobolaji Bank Anthony Way, Ikeja, Lagos and had in attendance Sadiq Usman, FMN's Director, Group Strategy & Stakeholder Relations, Falade Olusegun, the General Manager of Golden Agri Inputs Limited, a division of the FMN group and owners of the Golden Fertilizer brand and other Senior officials of the FMN Group and the esteemed customers of Golden Fertilizer from across several trading regions across the country.Golden Fertilizer Company excited its top Performing Customers with huge rewards

Big ideas emerge from the maiden edition of the FMN prize for innovation

As part of a social impact campaign to encourage and foster innovation within the country's food systems, FMN, in 2021 introduced the "FMN Prize for Innovation." The campaign was designed to inspire and revitalize food production in the country and ultimately contribute to attaining the 2030 Agenda for Sustainable Development,

The maiden edition of the campaign was focused on addressing the challenges of food waste, however, the campaign plans to target a different element of the food value chain to generate new and imaginative ways of thinking and encourage novel solutions to established problems.

Several small and medium-scale enterprises (SMEs) submitted exciting entries, including solar-powered storage systems, hydroponic farming solutions, bio-recycling plants, and newer methods of generating electricity from food waste. However, after the rigorous screening process Urban Akwu Agro-allied Limited from Rivers State emerged as the winner.

Their innovation project is on treating and converting food wastes to useful protein ingredients that could be used to make cheaper livestock feeds and organic fertiliser.

Soilless farm labs, where technology is used as an enabler for agriculture, was adjudged as the first runner up. FMN prize for Innovation was adjudged by a panel of notable experts in the food industry, including CEO FATE Foundation, Adenike Adeyemi; Managing Partner Sahel Capital Agribusiness Managers Ltd, Mezuo Nwuneli; Founder and CEO of Tomato Jos Farming and Processing Limited, Mira Mehta and Director, Group Strategy and Stakeholder Relations, FMN, Sadiq Usman.

The prize also had a second category which was open to entries from Nigerian students (undergraduate or post-graduate level).

Scan QR code to watch the recap of Live Pitch Event.

Mai Kwabo

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E-MANDATE ACTIVATION FORM

Instruction

Only Clearing Banks are acceptable

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

Kindly tick & quote your shareholders account no. in the box below

Tick	Name of Company	Shareholder's Account No.
	FLOUR MILLS OF NIG.PLC	
	NORTHERN NIG.FLOUR MILLS	

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

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

First Name

Other Name

Email

Mobile Phone

Date of Birth (DD/MM/YYYY)

CHN Number

Stockbroker's Name

Bank Verification Number

Old Address

New Address

Next of Kin

Next of Kin Mobile Number

Authorized Signatory

Website: www.atlasregistrars.com

Email: registrars@atlasregistrars.com

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
62ND ANNUAL GENERAL MEETING TO BE HELD BY 2PM ON WEDNESDAY 7TH SEPTEMBER, 2022 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 7th September, 2022 and at any adjournment thereof.

Dated this………..........day of………...……………2022

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. Ioannis Katsaounis - Mr. Thanassis Mazarakis - Alhaji Rabiu M. Gwarzo, OON - Dr. (Mrs.) Salamatu Hussaini Suleiman - Mr. Foluso Phillips ii) To confirm the appointment of the following Director: - Ms. Yewande Sadiku			
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 renew the resolution on the general mandate of shareholders to the company to enter into recurrent transactions with related parties.			
7. To consider and if thought fit, authorize directors to take steps to comply with the Companies and Allied Matters Act 2020 and Companies Regulations 2021 regarding the unissued shares of the Company.			
8. To consider and if thought fit, authorize directors to a. Remove and or separate all the manufacturing businesses of the Company. b. Remove and or separate all the power assets of the Company. c. raise additional capital for the company to the tune of N200,000,000,000.00 (Two Hundred Billion Naira)			

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 Gbededo	**- Mr. Yekini Adisa**
-Mr. Omoboyede Olusanya	- Mr. Taiwo Onifade.
-Dr. (Mrs.) Salamatu Suleiman	**- Mr. Robert Igwe**
-Sir Sunny Nwosu	**- Mr. S. O. Ogunnowo**
-Mr. Olayiwola T. O.	- Mr. Ayoola Gilbert Olufemi
-Mr. Kolawole Ibiyemi	-Mrs. Adebisi Oluwayemisi Bakare
-Mrs. Ganiat Adetutu Siyonbola	-Mr. Boniface Okezie
-Mr. U. I. Nornah Awoh	-Mrs. Obideyi Efunyemi Olatunde
-Chief Timothy Adesiyan	-Mrs. Esther Augustine

Before posting the above, Please tear off this part and retain it for admission to the meeting

ADMISSION CARD
FLOUR MILLS OF NIGERIA PLC
62ND ANNUAL GENERAL MEETING TO BE HELD BY 2 PM ON WEDNESDAY 7TH SEPTEMBER, 2022 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.

FLOUR MILLS OF NIGERIA PLC 2022 ANNUAL REPORT AND ACCOUNTS

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