FMN Flour Mills of Nigeria plc

Years of Feeding the Nation Everyday

ANNUAL REPORT 2020

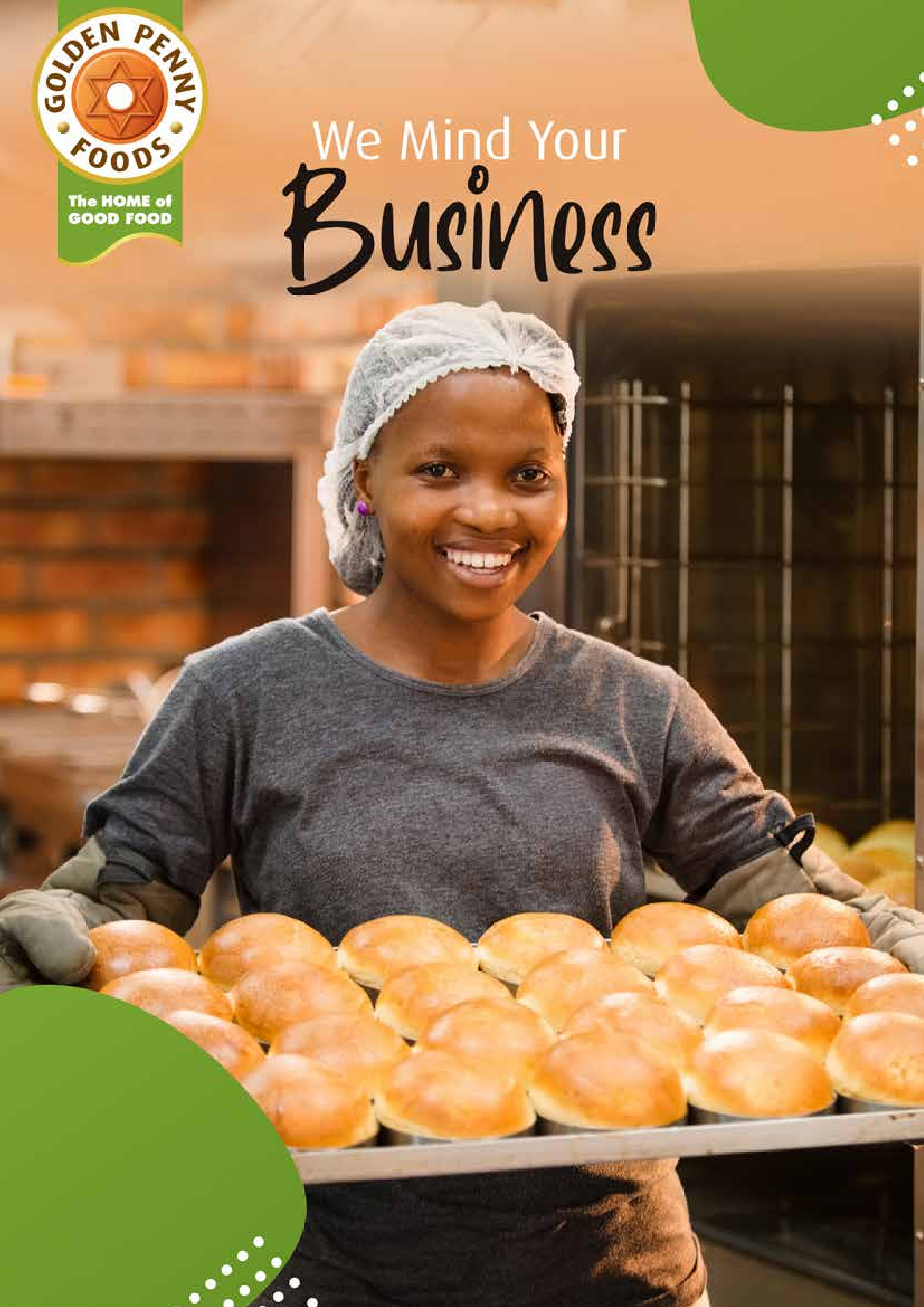
60 years of feeding the Nation, everyday and nurturing a brighter future.

As one of the leading foods and agro-allied groups in Nigeria, our business has evolved and become intrinsically linked to the livelihoods of millions of Nigerian families who trust us for delicious, healthy and nutritious foods that offer value for money.

Staying true to our purpose of 'feeding the Nation, everyday,' FMN will continue to adopt the latest technology and best practices; from farm to table to ensure that you, our consumer continue to get the highest quality of Golden Penny products which you love and trust.

Thank you for these 60 great years, and let's continue on this beautiful journey of Feeding the Nation, Everyday!

Content


GOLDEN PENNY FOODS
The HOME of GOOD FOOD
We Mind Your
Business

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

Lagos, 29 July 2020

NOTICE IS HEREBY GIVEN that the sixtieth (60th) ANNUAL GENERAL MEETING of Flour Mills of Nigeria PLC will be held at THE ABORA SUITE, EKO HOTEL & SUITES, ADETOKUNBO ADEMOLA STREET, VICTORIA ISLAND, LAGOS on Thursday 10th September 2020 at 2 pm to transact the following business:

ORDINARY BUSINESS:

1. Receive the Audited Financial Statements for the year ended 31st March 2020 and the Reports of the Directors, Auditors and Audit Committee thereon.
2. Declare a dividend.
3. Elect/Re-elect Directors.

To re-elect by special notice, Mr. Ioannis Katsaounis and Alhaji Yunus Olalekan Saliu who are over 70 years and eligible for re-election pursuant to Section 256 of CAMA.

4. Authorize the Directors to fix the remuneration of the Auditors.
5. Elect members of the Audit Committee.

SPECIAL BUSINESS BY ORDINARY RESOLUTION:

6. Fix the remuneration of the Directors.
7. Renew General Mandate for Related Party Transactions

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:

- Mr. John Coumantaros
- Mr. Adesina Olalekan Oladepo
- Dr. (Chief) Emmanuel Akwari Ukpabi (KJW)
- Mr. Boniface Okezie
- Mr. Paul M. Gbededo
- Mrs. Esther Funke Augustine
- Dr. (Mrs.) Salamatu Suleiman
- Mr. U.I. Nornah Awoh
- Sir Sunny Nwosu
- Chief Timothy A. Adesiyan

A proxy form is attached to the Annual Report and is also available at this url: shorturl.at/mp349

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

2. DIVIDEND

The Board recommends a dividend of N1.40 (2019 – N1.20) per ordinary share of 50 kobo each. This dividend being declared from accumulated pioneer profit, will not be subject to withholding tax.

3. DIVIDEND PAYMENT

If approved, the dividend will be payable on Monday 14th September 2020 to shareholders, whose names appear in the Register of Members at the close of business on Friday 14th August 2020. 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 17th August to Friday 21st August 2020 both days inclusive.

5. AUDIT COMMITTEE

In accordance with Section 359(5) of the Companies and Allied Matters Act CAP C20 LFN 2004, 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.

The Code of Corporate Governance of the Securities and Exchange Commission (SEC) requires that some of the members of the Audit Committee should have basic financial literacy and be knowledgeable in internal control processes. 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: shorturl.at/delmq

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

E-Dividend/Bonus Mandate

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

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: shorturl.at/ejzXY

All mandates and records update should be deposited at Atlas Registrars Limited, 34 Eric Moore Road, Iganmu, Lagos, P.O. Box 341, Apapa or via email at registrars@atlasregistrars.com.

7. RIGHT OF SHAREHOLDERS TO ASK QUESTIONS

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

8. ELECTRONIC ANNUAL REPORT:

The soft copy of the 2020 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 2020 Annual Report should request via email to: registrars@atlasregistrars.com.

9. LIVE STREAMING OF THE ANNUAL GENERAL MEETING

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

BY ORDER OF THE BOARD

UMOLU, JOSEPH A.O.
Company Secretary

FRC/2013/NBA/00000003687

29th July, 2020

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

Directors, Officers and Other Corporate Information

Board of Directors		
	John G. Coumantaros	Chairman (US Citizen)
	Dr. (Chief) Emmanuel A. Ukpabi (KJW)	(Vice - Chairman)
	Paul Miyonmide Gbededo	(Group Managing Director)
	Alhaji Abdullahi A. Abba	
	Prof. Jerry Gana, CON	
	Alfonso Garate	(Spanish)
	Alhaji Rabiu M. Gwarzo, OON	
	Ioannis Katsaounis	(Greek)
	Thanassis Mazarakis	(Greek)
	Atedo N. A Peterside, CON	Resigned 31 March 2020
	Foluso O. Phillips	
	Alhaji Y. Olalekan A. Saliu	
	Folarin R. A. Williams	
	Dr. (Mrs.) Salamatu Hussaini Suleiman	
Company Secretary	Joseph Odion Umolu	
Registration number	RC 2343	
Date of incorporation	September 29, 1960	
Independent Auditor	KPMG Professional Services KPMG Tower Bishop Aboyade Cole Street Victoria Island Lagos	
Registered office	1, Golden Penny Place, Wharf Road Apapa, Lagos	
Registrars	Atlas Registrars Ltd 34 Eric Moore Road, Iganmu, (Bagco Building) P.O.Box 341, Apapa, Lagos	
Principal Bankers	Access Bank Plc Citibank Nigeria Limited Ecobank Nigeria Limited Fidelity Bank Plc First Bank of Nigeria Limited First City Monument Bank Limited Guaranty Trust Bank Plc Stanbic IBTC Bank Plc Union Bank of Nigeria Plc	United Bank for Africa Plc Zenith Bank Plc Nova Merchant Bank Limited

GROUP PERFOMANCE HIGHLIGHT

	31-March-20	31-March-19	Increase/ Decrease
	N'000	N'000	%
Continuing operations			
Revenue	573,774,356	527,404,567	9%
Profit before minimum tax	17,496,815	10,174,275	72%
Minimum tax	(243,222)	(225,616)	8%
Profit after minimum tax	17,253,593	9,948,659	73%
Income tax expense	(5,876,850)	(5,948,513)	-1%
Profit from continuing operations	11,376,743	4,000,146	184%
Other comprehensive income for the year net of tax	(453,371)	292,881	-255%
Profit attributable to:			
Owners of the Company	10,467,673	4,108,369	155%
Non-controlling Interests	909,070	(108,223)	940%
Share Capital	2,050,197	2,050,197	0%
Shareholders' Fund	155,807,771	150,972,195	3%
Market Capitalisation	87,133,373	73,807,092	18%
Proposed Dividend	5,740,552	4,920,475	17%
Weighted average number of shares	4,100,394	4,100,394	0%
Per share data (kobo)			
Basic earnings per share	255	100	155%
Diluted earnings per share	255	100	155%
Dividend	140	120	17%
Dividend cover	1.82	1.00	82%
Stock Exchange quotation at 31st March	2,125	1,800	18%
Other Data			
Number of employees (Group)	5,027	7,420	-32%
Number of employees (Company)	3,680	3,566	3%

Corporate Profile

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

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

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

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

Our Human Capital Management

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

Our People

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

Employment Policy

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

History

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

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

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

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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. **https://fmnplc.com/investors/policy**

Value added to Society

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

FMN has continued to pursue strategic business opportunities, such as capacity expansion and realignment of its core food business whilst backwardly integrating in order to further mitigate reliance on imports and exposure to external volatility in the food business by increasing local content in a substantive and sustainable way.

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

- Successful Restructuring of our Agro Allied businesses and carving out of Golden Fertilizer business to serve as our Agro allied holding Company geared at improving operating efficiency and enhancing shareholder value from expected improved profitability.
- Concluded Merger transactions involving: Sunti Golden Sugar Estates and Golden Sugar Company Limited; Olympic Towers Ltd and Apapa Bulk Terminal Limited.
- Launch of new Golden Penny Jollof (Chicken flavour) Noodles Brand, Dawavita and Mai Kwabo brands.
- Recognition of Golden Sugar Company Limited with Global Food Safety Initiative Award for Africa at the Annual FSSC meeting in Nice, France.
- SON MANCAP Awards on Golden Penny Mai Kwabo Flour

- West Mills expansion – Completion of the new "V- mills" complex. This is a 570 MT Pasta and Semovita swing mill.
- Upgrade of ISO 2009 Quality System to ISO 2015 as product quality remains the key focus for the business
- Restructuring of the businesses' Route – to-market model

Further value has been created for stakeholders by reinforcing the Group's commitment to educational advancement, health, safety, security and the 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.


John G. Coumantaros
Chairman

The Chairman's Statement

Distinguished Shareholders, Colleagues, Business partners and loyal Consumers, it gives me great pleasure to welcome you to our 60th Annual General Meeting and the presentation of our Annual Report and Accounts for the year ended 31st March 2020.

This year's Annual General Meeting is particularly special because it marks the 60th anniversary of our great company. This milestone achievement reminds us of the lasting vision of our Founding Father, George Stavros Coumantaros, whose unwavering belief in Nigeria, many years ago still inspires us today and guides the pursuit of our purpose of 'feeding the nation, every day.'

John G. Coumantaros
Chairman, FMN

Business Environment
2019 started on a positive note for Nigeria with the successful completion of the Parliamentary, Gubernatorial and Presidential elections. President Muhammad Buhari's re-election and his swearing-in on 29th May 2019, for the most part, helped to disperse fears of political uncertainty in the country, created a peaceful atmosphere and refocused attention on building the economy.

In line with the promise of the President to continue to focus on fighting corruption, tackling insecurity, and boosting the general standards of living, the Nigerian economy witnessed a noticeable, albeit, tepid growth in 2019. According to the National Bureau of Statistics (NBS), Nigeria's Gross Domestic Product (GDP) witnessed an increase of 2.55% in real terms in Q4 2019, up by 2.38% from Q4 2018. However, by the end of Q1 2020, the potential for sustainable growth had been cut short by the combined impact of Coronavirus (COVID-19) and

the resulting disruption to global economies and supply chains. Due to the country-wide lockdown at the end of Q1 2020, which was later relaxed, economic activities slowed down drastically in the retail, real and service sectors with the accompanying loss of income and subdued purchasing power.
By Q1 2020, Nigeria's GDP had grown by a mere 1.87% (year-on-year) from N16.57 trillion in Q1 2019, to N16.89 trillion in Q1 2020. This represented a decline of 0.23% when compared to Q1 2019 and a decline of 0.68% when compared to Q4 2019. Similarly, the non-oil sectors also experienced a slowdown - the sector only grew by 1.55% in real terms in Q1 2020, compared to 2.26% and 2.47% growths recorded in the preceding quarter of Q4 2019 and the corresponding quarter in 2019 respectively.

The Year at FMN

Despite these economic headwinds, the Group had a good and prosperous year with strong growth in all three key segments of Food, Agro-Allied and Sugar. The Agro-Allied division achieved profitability in 2019/20 behind the consistent and focused investments that have been made in this locally sourced segment over the last few years. With sugar having reached a similar pivotal point two years ago, and now contributing strongly to the Group profitability, we are well-positioned to further drive the Group's organic growth strategy through the three core segments of Food, Sugar and Agro-Allied, with a strong and increasing local content base.

The Group's Revenue grew by 9% from 527 billion Naira to 574 billion Naira, with food's revenues increasing by 7% and those of Agro-Allied and Sugar by double digits. The Profit Before Tax increased by 7.3 billion Naira (72%) to 17.5 billion Naira, whereas the Profit After Tax nearly tripled from 4.0 billion Naira last year to 11.4 billion Naira in the current year. This remarkable profit improvement was driven by the continuous focus on Agro-Allied and profitable local products with a strong performance in both the Animal Feed and Edible Oil segments. Food continues to grow and diversify behind our continuous focus on delivering superior quality and broadening the Consumer offerings in the B2C (Business to Consumer) segment.

The Group's investments into profitable local content and value addition areas, make us well positioned for further profitable growth in 2020/21 with very encouraging signs during the first few months.

Dividend

The Board recognises the importance of dividends and the need to generate returns for shareholders' investment. It is in this regard, and the continued confidence of the prospects of our business and keeping with our excellent and unbroken tradition of annual dividend payment, supported by the reliable 2019/20 Financial Year results that the Directors will propose to shareholders at the Annual General Meeting the payment of a dividend of N1.40 for every ordinary share of 50 kobo, a 17% increase from last year's dividend.

Our Business

As our company marks another significant milestone in its history and progresses into the future, we have continued to realign and reposition our businesses to effectively adapt to the changing landscape of the consumer market in Nigeria. As leaders in the foods and agro-allied industry, we understand that our consumers expect us to continue to meet their expectations for quality even as their tastes, hobbies and lifestyles evolve.

Food Division

For the period under review, our food business remained on winning ways by continuing to focus on improving quality and service delivery. It is in this regard that we introduced the 'Gold Standard' of manufacturing for most of our wheat-based products, including bread flour and Semovita. The introduction of the 'Gold Standard' essentially means that we now have in place the highest and most stringent manufacturing processes to ensure the superiority of production for Golden Penny products in line with global best practices and the desires of our consumers. Our continuing focus on quality has resulted in our accreditation by Bureau Veritas, a world leader in testing, inspection and certification, with the Food Safety System Certification (FSSC 22000), a Global Food Safety Initiative (GFSI) standard. To further support our focus on excellence in quality, we have introduced a new 2.5 kg fresh pack solution for our 5kg and 10kg Semovita packs, double packed to ensure the products remain fresh with a longer shelf life.

In response to the changing lifestyle and needs of our consumers, we introduced some new product categories and packaging to the delight of our customers in 2019. As a homage to the rich cultural heritage and the taste of our local delicacies in Nigeria, we unveiled Golden Penny Jollof Noodles, which combines the ease of preparation with the exciting, yet familiar flavours that are reminiscent of the famous Nigerian Jollof Rice. The Pasta and Semolina segments also witnessed the entry of 'Auntie B,' pasta and Semovita. The Auntie B range was introduced as a response to the market's demand for high quality but a pocket-friendly product, broadening our product offerings to further consumer segments.

Similarly, we have introduced the 50-gram Golden Penny Garri, and the 15-gram sachets for Golden Penny spread to create an opportunity for consumers who also want single-serve options.

Golden Penny continues to expand its market leadership in both the pasta and semo categories. The commissioning of our 5th pasta line in Agbara and the growing offerings in the ball food segment serve our commitment to our customers and consumers providing an expanding range of healthy, nutritious, high quality, affordable well-loved food for families across the Nation, everyday.

Our Business to Consumer (BTC) segment led by Pasta and Ball Foods with the iconic Golden Penny and sister brands achieved growth levels in excess of 20 percent from prior year. BTC continues to be a core focus in our business strategy, and we expect to see continued high growth in that sector to include oils, spreads and margarine, as well as small pack sugar in the coming year. In addition, we continue to seek innovative healthy products for the nation's family table, bringing more Golden Penny quality to your home and kitchen, every day.

The growth in our food categories is supported as well by a concentrated effort in route to market to our over 500,000 points of sale across the nation. We work to ensure that our products are continuously/readily available to our customers and that we have a market presence with strong customer and consumer insight and focus.

Recognising the importance of

our Golden Penny family of dealers and partners in our continued mutual success, we delivered over 20 trucks to dealers in the financial year under review. In the same manner, we have also continued to strengthen our partnership with the Association of Master Bakers through the introduction of a Corporate baker's loyalty scheme, which commenced with 35 key bakeries in Lagos.

Sugar Division

2019 was indeed an exceptional year for Golden Sugar Company (GSC) as we reached a unique milestone of selling more than 400,000 tons of sugar in 12 months. This achievement is particularly significant because it underscores our commitment to continue to invest in the development of the sugar value chain in Nigeria. In addition to our wholesale offerings, we have established a growing presence in the retail market with our small pack granular sugar and Golden Penny sugar cubes. Golden Penny is certainly becoming known as the sweetest.

I am also happy to report that at Sunti, we have successfully navigated the flood season, and we had our first proper season in which we harvested as much as 146,200 tons of cane and produced as much as 15,860 tons of sugar. Our target for next season is to continue with this trajectory of progress and to produce over 20,000 metric tons of sugar.

Esteemed Shareholders, I am happy to announce also, that during the last season, Sunti Golden Sugar Estates introduced a mechanised system for cane harvesting which we envisage will tremendously boost the supply of freshly chopped cane to the factory.

We are making remarkable progress at Sunti Golden Sugar Estates. In 2019, when Otunba Niyi Adebayo, the Honourable Minister of Industry, Trade and Investment visited Sunti for a familiarisation tour, he agreed as much. I confirmed to the Honourable Minister that we remain committed

to investing even more in the development of the Sugar value chain as we pursue the strategic vision of achieving self-sufficiency in the production of sugar in Nigeria. I am happy to inform that Sunti Sugar Estate had already commenced with plans to develop additional sugarcane fields to bring our total area under cane in excess of 6,000 hectares from the current 3,000 hectares of which 1,000 hectares will be under drip irrigation with options to expand an additional 1,000 hectares under our out-grower scheme. This is in addition to plans to expand to another plantation and factory site.

We understand the importance of the sugar value chain to the overarching strategy of the Government to increase the profile of agriculture while diversifying the economy. As such, I am proud to inform that as at today, we have invested well over 64 billion Naira in our Sunti project with plans for further investments. Sunti Golden Sugar Estates remains the best performing and most significant investment of a Sugar Backward Integration Project under the National Sugar Master plan today.
To continue with the pace of transformation and progress being recorded on the estate, we are introducing a housing project to provide additional, fully serviced accommodation for at least 1,200 of our employees at Sunti in line with our policy to invest in the welfare of our staff continually in addition to medical care and the provision of daily meals.

Sunti project has continued to enjoy remarkable relations with its host communities. As part of our strategy to enrich lives and empower the communities from where we operate over 4,500 employees at the estate are indigenes of the local community. Additionally, we have continued to invest in the communities surrounding the estate through carefully designed social responsibility projects that provide support in education, the provision of clean water, and other infrastructure

development and economic empowerment projects.

Agro-Allied Division

As one of the largest food and agro-allied businesses in Nigeria, we are very conscious of how vital our businesses are within the food value chain. We understand that millions of families across the country depend on our products for their daily nourishment; as such, we have continued to invest in developing competitive and world-class internal supply chains.

During the last financial year, we further developed and enhanced our five key value chains of Grains; Oils & Fats; Sugar; Feeds & Proteins, and Cassava Starch with the ultimate goal of being fully involved in all stages of the food value chain, bringing nourishment from farm to table. Within the year under review, we have continued to implement our strategy of repositioning our agro-allied focused businesses to improve synergy and efficiency within the FMN Group.

Agro Inputs and Distribution

Golden Agri Inputs (GAIL) remains an essential and integral part of our operations, by acting as the facilitator in the aggregation and supply of locally sourced grains which are critical raw materials for our production process. GAIL also allows our agro-allied businesses to maintain close links with farmers while providing them with inputs such as seeds, fertilizers, storage solutions, agronomic support and agricultural extension services.

Furthermore, Golden Fertilizer Company which is the backbone of Golden Agri Inputs Limited (GAIL) continues to align with the Federal Government's Presidential Fertilizer Initiative to ensure that farmers across the country always have access to

fertilizer blends. In 2019, our daily production of fertilizer increased significantly to over 1,500 metric tons per day, and Golden Fertilizer continued its market leadership as the "Farmer's Friend" and most favoured brand. Besides participating in the Government's scheme, Golden Fertilizer will likewise, continue to roll out our blended NPK in sizeable commercial quantity to avail our customers with a range of options.

Within the period under review, we also initiated a unique branding campaign to improve the physical appearance of the depots of our major fertilizer and agro-input dealers successfully rebranding over 100 dealer shops across the country.

Oils and Fats

As part of our strategy to continue to improve synergy, increase efficiency, and ultimately position the brand for greater operational and financial flexibility, we have continued to implement our brand revitalisation process for all our agro-allied focused businesses. In that regard, we have completed the rebranding and change of name process for our automated edible oil refinery, 'ROM Oil Mills Limited' which will now be known as 'Premium Edible Oil Products Limited' (PEOPL).

PEOPL's spread and margarine (ours was the first factory to produce consumer spread and margarine in Nigeria) is seeing rapid growth along with our soya and vegetable oil offerings. Our soya oil and spreads add to the Nigerian health basket and are made exclusively from Nigerian Soyabeans sourced by our solid aggregation team and infrastructure. Additionally, we are expanding the capability of the refinery to meet up with new products development in line with our long-term strategy to stimulate organic growth. As such, the refinery capacity will be increased from 400mt/day to 550mt /day with a total expected volume output of 36,000mt per year. I am happy to report that PEOPL's operations have significantly improved within the period under review. As a result of our planned raw materials aggregation program which has been implemented, coupled with the Liquified Natural Gas (LNG) project commissioned for stable gas supply and other innovative ideas, the refinery's volume increased with as much as 25% when compared to the previous year.

Feeds and Proteins

Reiterating our position as the most trusted and respected brand for animals and fish feeds, I am happy to inform you that our feeds business delivered another year of strong performance.

During the year under review, Premier Feeds launched a brand revitalising campaign titled, "New TOPFEEDS Is Taking Shape." The campaign was designed to Reset, Transform and Sustain the team as we continued to implement a large-scale transformation and turnaround for the business and get employees ready to meet emerging opportunities in the feeds sector. In 2019, we also unveiled a new extrusion Line for producing floating fish feed that increases the production capacity of Premier Feeds with as much as 60,000mt a year. Premier Feeds continues to grow and expand in the protein value chain growing its market leadership position through regional growth, different product and category offerings, and expansion into new categories of animal protein consistent with our five-year plan. It is today one of Africa's largest feed milling companies.

Starches

Given the increasing importance of cassava in Nigeria, I am happy to inform you that we are positioning our subsidiary, Premium Cassava Products Limited (PCPL) strategically, to explore emerging opportunities. The success of Golden Penny Garri, the 100% local content product of PCPL is a perfect example of the opportunities that abound in this value chain. The crunchy, delicious Golden Penny Garri is the best in its class and a hit in local markets, with an increasing demand for export.

Following the success of Golden Penny Garri, I am happy to announce that we have also developed a new Industrial Cassava Starch product, which will act as a substitute to the importation of corn starch in the Nigerian market.

Support Services Division(s)

Like most economic policies that are introduced by the Government, the issue of border closure gained mixed reactions with interesting implications

for businesses across the country. Bagco, our bagging and packaging division, on the one hand, experienced some disruptions to projected sales of harvest bags due to initial market reactions to the closure of the land borders. On the other hand, however, our Morpack laminated packaging solution enjoyed some benefits of the border closure with increasing demand for locally produced fast-moving consumer goods.

In anticipation of the emerging market opportunities in that space, we immediately initiated plans to expand our operational capacity. First, we installed a new lamination line at Morpack ahead of an additional slitting and rewinding line required to improve production efficiency. Then, we implemented further expansions to the printing operations to meet with increasing demands.

At our transport division, we have continued to focus on improving operational efficiency and excellence in service delivery. We initiated a renewal and revitalisation strategy for our transport and logistics operations for our fleet of over 400 trucks.

At Apapa Bulk Terminals, we faced some unique challenges in the financial year under review. Like most of the operators at the port, the varying circumstances in the country had severe implications on our operations. The seeming lack of enforcement of maritime-related policies, poor seaport access roads, the absence of truck holding bays, cumbersome customs clearance processes and the ineffective traffic management around the ports area have become a recurring problem. Nonetheless, our commitment to optimise the value creation opportunities of our heavy equipment and commercialising idle cargo storage areas have started to yield the desired results.

Workplace Health and Safety

In our journey towards zero accident and zero solid waste to landfill, I am happy to inform that we have made considerable progress including the reduction of Lost Time Incident Frequency Rate from 1.44 in 2018 to 0.65 in 2019. This was because of our commitment to protecting people, environment and equipment by complying with all the statutory requirements and standards, and in most cases, even going further.

In furtherance of our strategy to adopt the use of more energy-efficient technologies and environmentally friendly processes that reduce our carbon footprints and allow us to operate in the most sustainable manner possible; we have installed a wastewater treatment Plant (WWT), with a capacity of treating 250 cubic meters of effluent per day at Golden Penny Pasta Iganmu. Also, we have, within the period under review, significantly improved our firefighting capability by increasing the fire trucks in our fleet by two. The additional vehicles are equipped with a telescopic boom, which enables firefighting at high or elevated structures.

Sustainability / Corporate Social Responsibility

At FMN, we remain committed to integrating social responsibility into our business strategy. We have continued to conduct ourselves as responsible citizens by taking into cognizance the impact our business has on the society, particularly on the environment, social and governance (ESG) issues. In addressing and advancing socio-economic concerns, we continue to play our part by investing in areas of interest to our Communities and other Stakeholders because we understand that long-term positive social investment serves to strengthen our leadership role.

Our sustainability statement of contributing to the preservation of biodiversity, reducing water consumption, waste and greenhouse gas emission continues to guide our operations. As such, the livelihood, health and welfare of our employees and local communities remain a critical concern as we continue to engage in ethical and transparent business practices that we are confident will improve our competitiveness and reputation.
Our five key areas of impact remain:

- Education, research and skills development
- Environmental sustainability
- Health, safety and welfare
- Infrastructural development
- Security

It is worth mentioning too, that the different businesses within our Group are given the necessary flexibility to determine the most appropriate CSR intervention which they believe are most important and impactful to their communities.
Within the last financial year, we ensured that our projects and initiatives are targeted towards the needs of our communities and are sustainable. Additionally, as part of our commitment to internalise and improve our focus on sustainability, we are already developing a Sustainability Report which will be unveiled to stakeholders very soon.
For our CSR/Sustainability projects and activities within the year under review, please turn to pages 189 to 197 of the Annual Report.

Human Capital Development

As we commemorate our 60th anniversary as one of the largest and most diverse foods and agro-allied businesses in Nigeria, I must once again seize this opportunity to congratulate and appreciate our talented workforce. Their sacrifices and deep passion for the vision and purpose of our great company has gotten us to where we are today, and I am immensely proud of what we have achieved together.

As we move into the next phase in our journey of feeding the nation every day and creating value for stakeholders, I want to highlight the quality of our people and our commitment to continue to invest in their development. Against this backdrop, we introduced several talents and leadership development initiatives, including the iLead Programme, which is designed to help participants develop self-awareness about their strengths and weaknesses while getting mentoring support to lead transformational projects that add value to the business. We also launched the Inspirational leadership series to entrench FMN Leadership standard through interactive sessions with thought leaders in the industry.

As part of our ongoing strategy to encourage gender inclusivity at all levels of the business, the FMN Women's network continues to nurture female leaders through a series of carefully developed programmes. It is in this regard that we commemorated International Women's Day. The core message at this year's event which focused on the issues surrounding 'Gender balance' was organised by the FMN women's network.

As you must be aware, the outbreak of the Coronavirus (COVID-19) pandemic presented unique challenges for our business as it did across several industries around the globe. The restriction of movement and need to enforce social distancing meant that we had to come up with new ideas to mitigate the challenges, particularly as it affects our workforce. As such, we introduced FAME – Focused, Agile and aligned, Metric-based Execution in providing employee support, tracking and responding quickly to changes. Within the period of the outbreak, we have continued to deliver results by engaging our employees remotely through the appropriate use of enabling technology. Additionally, we have continued to explore opportunities to entrench our core values, PIILOT (Performance, Integrity, Initiative, Leadership, Ownership & Teamwork), in every aspect of work-life within the Group.

On behalf of the members of the Board of Directors and you our esteemed shareholders, I like to thank the Management and staff of our Company for their loyalty, commitment, hardwork, discipline and dedication which ensured the Company was able to deliver a good performance.

Board and Management changes

In March 2020, Mr. Omoboyede Olusanya, a highly experienced business leader with prowess in creating long-term strategic and financial value across several industries joined our management team as our Group Chief Operating Officer and was elevated to the Board as an Executive Director. This is part of our strategy to strengthen the leadership structure of our Group.

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

I am very delighted to welcome Boye to the Golden Penny family as he brings his wealth of experience and dynamism to our Company and our Board.

With mixed feelings, I also want to inform you of the resignation of one of our Non-Executive Directors, Mr. Atedo N. A. Peterside, CON who intends to focus greater and more deliberate attention on the fight against Covid-19. Having set up the "ANAP FOUNDATION COVID-19 THINK TANK", he wants to personally lead the work of the Foundation which would make it difficult for him to adequately serve on the Board of Flour Mills of Nigeria Plc. We thank him for his substantial contributions on the FMN board and wish him well in this noble endeavour.

We would undoubtedly miss Mr. Peterside's intelligent, mature and professional approach to issues and his wise counsel. On behalf of the members of the Board of Directors, I will like to thank Mr. Peterside for his distinguished service and outstanding contributions to the growth of the Company.

Looking Ahead

Perhaps more than any other event, 2020 has been most impacted by the outbreak of the Coronavirus (COVID-19), with far-reaching health and economic implications across the world. In Sub-Saharan Africa, the world bank already estimates that growth will fall significantly from 2.4% in 2019 to -2.1 to -5.1% in 2020, with the first major recession in the region over the past 25 years.

While the outbreak portends challenging times, we are hopeful because we witnessed first-hand the true nature of humans to support one another during such trying times. In response to the devastating effects of the outbreak, several organisations in both the public and the private sectors rallied to support the Government and give our country a fighting chance.

As expected, our great company, Flour Mills of Nigeria Plc (supported by its subsidiaries) was at the forefront of the battle against the virus – Please see pages 184 to 187 for a detailed account of our response to COVID-19, which was substantial.

While we understand that the journey back to a period of growth will be challenging, we will not lose sight of the opportunities that are inherent in the next financial year to sustain profitability and growth. As such, the Board and our management team will continue to work towards positioning our business to seek out more possibilities of creating wealth for our shareholders during the coming years.

In closing, I must once again, thank my colleagues on the Board, members of the Audit Committee, our Management team and employees, and all our stakeholders, including our esteemed shareholders, our business partners, our bankers, our dealers and consumers, for the outstanding support we enjoyed during the year. We are one of the largest and most diverse foods and agro-allied businesses in the country because you believed and supported our dream of improving the wellbeing of Nigerians.

Finally, I want to both thank and congratulate everyone for the support given to the dream of our Founding Father, George Stavros Coumantaros, that has made us a proudly Nigerian company that has been Feeding the Nation, Everyday for 60 years.

J. G. Coumantaros

John Coumantaros.
Chairman

GOLDEN PENNY FOODS
The HOME of GOOD FOOD
Enjoy Lump Free Semovita
#FeedingNaija

Board Of Directors and Company Secretary

The Board of Directors is the decision making body of the FMN Group. The Board which is made up of 14 highly experienced leaders and business experts from a variety of disciplines, nationalities and cultures, ensures the strategic orientation and implementation of FMN's vision of 'Feeding the Nation Everyday.'

MR. JOHN GEORGE COUMANTAROS

Chairman

Mr. John G. Coumantaros is the Chairman, Board of Directors, Flour Mills of Nigeria Plc (FMN).

Mr. Coumantaros, an experienced and successful entrepreneur, sitting on the Board of several international companies, was born in 1961. He graduated from Yale University with a B.A. Degree in History in 1984.

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

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

CHIEF (DR.) EMMANUEL A. UKPABI

Vice Chairman

Chief Ukpabi was the Group Managing Director, Flour Mills of Nigeria Plc from January 2002 to 31st March 2013 when he retired and was elevated to the position of Non-Executive Vice Chairman.

Chief Ukpabi studied at the University of Ibadan and proceeded to the University of Nigeria, Nsukka where he obtained a Bachelor's Degree in Chemistry (1970). He further studied at Ashridge Management College and attended Advance Management Programme of the Lagos Business School in 1996 as well as IESE Management Programme, Spain in 1998. He also participated in a good number of technical and management training programmes in the UK, USA and Switzerland.

Chief Ukpabi who virtually spent his entire working career at FMN demonstrating a high level of passion, dedication and competence, joined the company as a Management Trainee in 1972 and gained vast experience in milling and management over the years. He held several challenging managerial positions including Macaroni Production Manager, Mill Production Manager and Golden Penny Flour Production Manager. He was appointed Production Director in 1990, Personnel Director in 1999 and Flour Operations Director in 2000. Chief Ukpabi was a renowned miller well known for his pioneering efforts in pasta production which led to Pasta's remarkable growth from a mere 18 metric tons per day to its present position.

In 2001, Chief Ukpabi spearheaded FMN's team which was responsible for the acquisition of Calcemco from its Liquidator and renamed it United Cement Company of Nigeria Ltd (UNICEM). He was foundation chairman of UNICEM, which currently operates 2.5 million metric tons per annum cement plant at Mfamosing, Calabar.

Chief Ukpabi, a recipient of a number of awards, a knight of John Wesley and a Fellow of the Nigerian Institute of Marketing; Nigerian Institute of Management and Nigerian Institute of Food Science and Technology. In 2008, he was awarded a Doctor of Science Degree Honoris Causa, by Lautech University, Ogbomoso, Osun State, Nigeria.

MR. PAUL MIYONMIDE GBEDEDO

Group MD / CEO

Paul Gbededo, a Fellow of the Polymer Institute of Nigeria has been the Group Managing Director / Chief Executive Officer of FMN since 1stApril, 2013.

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.

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 is presently the Pro-Chancellor and Chairman of Council of the University of Lagos, UNILAG.

MR. ATEDO N. A. PETERSIDE, CON

Non-Executive Director

Mr. Atedo Peterside is the Founder of Stanbic IBTC Bank Plc and the Chairman of Cadbury Nigeria Plc. He is also the Chairman and Founder of ANAP Business Jets Limited.

He was the Chairman of the Committee that crafted the first Corporate Governance Code for Public Companies in Nigeria. Mr. Peterside also sits on the Board of Directors of Nigerian Breweries Plc (Heineken Subsidiary), Standard Bank Group Limited., The Standard Bank of South Africa Limited and Unilever Nigeria Plc and he is also the Chairman of Endeavor High Impact Entrepreneurship Ltd/GTE and an Alternate Vice Chairman (Private Sector) of the Nigerian Industrial and Competitiveness Advisory Council which is chaired by the Vice President of Nigeria.

Mr. Atedo Peterside resigned from the Board as at 31st March 2020.

ALFONSO GARATE

Non-Executive Director

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

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

ALHAJI RABIU M. GWARZO, OON

Non-Executive Director

Alhaji Rabiu Gwarzo, OON, Vice Chairman of Northern Nigeria Flour Mills Plc started his educational career with a brief stint at Bayero University Kano and proceeded to West Ham College and North East London Polytechnic, both in London where he studied Commercial Accounting between 1972 and 1975. He holds a Certificate in Accounting and Finance of University of Strathclyde, Glasgow, Scotland (1982).

He joined Northern Nigeria Flour Mills Plc as an Accountant in 1985, rose to the position of Deputy Managing Director in 1991 ; Managing Director in 1997 and was elevated to the position of Vice-Chairman of the Company in 2011.

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

MR. IOANNIS KATSAOUNIS

Non-Executive Director

Mr. Ioannis Katsaounis is a non-executive member of the Board of Directors of Flour Mills of Nigeria Plc, a position he has occupied since September, 1993

Mr. Katsaounis, an Honourary Doctorate Degree holder in Business Administration from the University of Bolton, Manchester, UK (2017), is a Graduate of Economics from the University of Geneva (1972); Graduate Degree holder in Regional Development, University of Athens (1975); Bachelor of Science Degree in Mechanical Engineering (University of Minnesota 1969) and an MBA in Economics from the University of California, Berkeley (1970). He is an alumnus of Harvard Business School of Post Graduate Studies.

Prior to joining Flour Mills, Mr. Katsaounis was the founder and owner of Plexus Construction Company, Greece (1974 – 1985). He has also served as Managing Director and General Manager of Alucanco S.A. Greece, an aluminum cans manufacturing company (1985-2000).

DR. (MRS.) SALAMATU HUSSAINI SULEIMAN

Independent 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 8th 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 Plc, is an experienced professional in corporate business development and an amazon in the Nigerian political sphere widely known for her advocacy for the education of the girl-child and women development.

Dr. (Mrs.) Suleiman obtained an LLB (Hons) degree from Ahmadu Bello University, Zaria, Kaduna State, Nigeria in 1981 as well as an LLM (with Distinction in "Multinational Enterprise and the Law") from the London School of Economics & Political Science in 1987. She commenced her professional career as a State Counsel with the Ministry of Justice Sokoto in 1981 and thereafter worked with Continental Merchant Bank from 1988 to 1996 and NAL Merchant Bank from 1996 to 1997. She also worked as Secretary/Legal Adviser with the Aluminum 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, 15th June 2019 in Abuja.

MR. THANASSIS MAZARAKIS

Non-Executive Director

Thanassis Mazarakis is a non-executive member of the Board of Directors of Flour Mills of Nigeria PLC, a position he has occupied since 3rd July, 2006.

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

MR. FOLUSO OLAJIDE PHILLIPS

Independent Non-Executive Director

Foluso is the Executive Chairman and Founder of Phillips Consulting Limited, a business and management consulting firm, with offices in Nigeria and representation in South Africa. He joined the Board of Flour Mills of Nigeria Plc as a non-executive director on 12th March, 2014.

He is a qualified Industrial Economist, a Fellow of the Chartered Institute Of Management Accountants of the United Kingdom, and a Fellow of the Institute of Chartered Accountants of Nigeria. He brings with him experience and expertise in finance, business management, enterprise development and macro-economic policy management.

Mr. Phillips who is very active in the Nigerian corporate scene, sits on the boards of diverse commercial and non-governmental organizations and charities, as director, trustee or shareholder. He is a Board member of the Nigeria Economic Summit Group; Chairman, Nigeria/South Africa Chamber of Commerce; Chairman PRIMERA Africa Group (a Finance and Financial Advisory Group). Mr. Phillips also serves as Director, Special Olympics of Nigeria; Director, Vigeo Holdings (a Power & Energy company in Nigeria); Chairman of The Sickle Cell Advocacy and Managment Initiative; a Director of the Institute of Human Virology of Nigeria; Chairman Yellow Brick Road (a leading advertising and PR company in Nigeria); and is a member of the Board of Africa.Com. (a Pan African digital news and communication platform)

ALHAJI YUNUS OLALEKAN A. SALIU

Non-Executive Director

Alhaji Saliu, a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and a Fellow of Association of Certified Chartered Accountants UK 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 Saliu retired as the Company Secretary on 31st December 2015 and remains on the Board of Directors as a Non-Executive Director of the Company. He sits on the Board of Golden Sugar Company Ltd.

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

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

MR. FOLARIN ROTIMI ABIOLA WILLIAMS

Non-Executive Director

Mr. F. R. A. Williams, joined the Board of Flour Mills of Nigeria Plc as a non-executive member on 20th May, 2005.

He was educated at Imperial College of Science and Technology, London where he graduated Bs.c (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 ABDULLAHI ABBA

Non-Executive Director

Alhaji Abdullahi was educated at Yola Middle School and later proceeded to further his educational career in London between 1963 and 1967 where he attended the College for Distributive Trade and later University of London for his Diploma in Livestock Production.

His work experience includes being Kaduna Abattoir Manager, Production Manager/ Deputy Managing Director Mokwa Cattle Ranch; and, Managing Director at the Bauchi Meat Company Ltd and former Commissioner for Agriculture in North Eastern State and later Gongola State from 1975 -1979.

Alhaji Abdullahi who joined the Board of Flour Mills of Nigeria Plc as a Non-Executive Director in 1983 is presently the Chief Executive of Abbas Agro Limited .In addition, he runs a medium-sized dairy plant for the production of yoghurt, ice cream and citrus fruit drinks as well as being the Proprietor of Alkama Bakery, Yola.

MR. JOSEPH O. UMOLU

Company Secretary

Mr. Joseph Odion Umolu, a Member of the Nigerian Bar Association (NBA), is currently the Company Secretary of Flour Mills of Nigeria Plc. Prior to this appointment, Joseph was the Company's Head of Legal Services.

He holds an Upper Second-Class Honours Bachelor of Arts Degree in Philosophy from the University of Ibadan and an Upper Second-Class Honours Degree in Law, from the University of Lagos. He was called to the Nigerian Bar in October 2000 and subsequently obtained a Master's degree in Law from the University of Lagos.

Joseph's career in corporate legal practice cuts across both the private and public sectors. He served as a counsel in Gocuz Chambers where he was the Managing Counsel before joining the Nigerian Civil Aviation Authority as Senior Legal Officer in 2003. He proceeded to the Legal Department of Union Bank of Nigeria Plc where he rose to the position of a Manager.

Joseph began his career with FMN as Manager, Legal Services in January 2012 and later became Head, Legal Services in 2014. He was appointed the Company Secretary effective 14 January 2016 and was elevated to become Director, Legal Services in 2017.

Change Leadership Team

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1. Paul Gbededo
GMD / CEO

2. Boye Olusanya
Group Chief Operating Officer

3. Devlin Hainsworth
MD, Foods Division

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

5. Captain Marvin Abe
MD, ABTL

6. Wale Adediran
Human Resource Director

7. Jack Cwach
Flour Operations Director

8 Yiannis Katsichtis
Supply Chain Director

9. Anders Kristiansson
Chief Finance Officer

10. Narhari Tripathi
Director of Manufacturing
and Technical Services

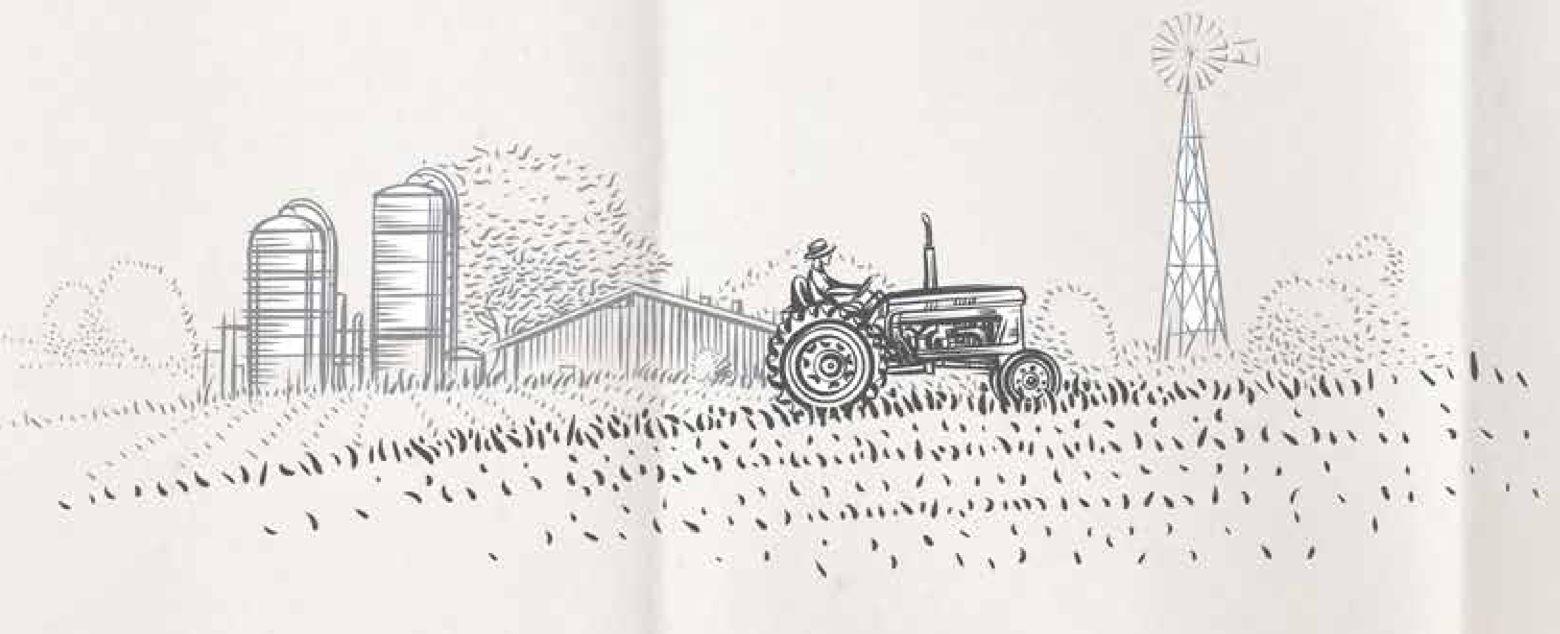
11. Vlassis Liakouris
Management Information Analyst

12. Sadiq Usman
Deputy, COO Agro-allied

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

- **1960** — Flour mills of Nigeria limited was Incoporated
- **1962** — FMN commissioned its first wheat mill in Apapa with a grinding capacity of 600 metric tons per day
- **1964** — FMN commenced the production of Semovita.
- **1971** — FMN Macaroni Factory was built in Apapa
- **1979** — Flour mills of Nigeria plc (FMN) became a Public limited company (Plc)
- **1975** — The company invests in a large cement terminal at Apapa and marketed its cement under the name, "Burham Cement."
- **1972** — Flour Mills invests in Nigerian Bag Manufacturing Company
- **1971** — Northern Nigeria Flour Mills Ltd (NNFM) was incorporated
- **1997** — FMN Golden fertilizer company was incorporated.
- **1999** — FMN's shareholders approved Rights Issue.
- **2001** — FMN Golden Pasta Company ltd was incorporated
- **2001** — FMN unveils ultra-modern laboratory with separate testing bakery.
- **2003** — FMN and the Nigeria Ports Authority signed a Memorandum of Understanding
- **2002** — Golden Pasta Company Limited, a fully owned subsidiary company of FMN commenced operations
- **2002** — United Cement Company of Nigeria Ltd (UNICEM) was incorporated in September 2002 as a Joint venture between FMN and Holcim Trading SA of Spain
- **2002** — FMN clocked fifty years of operation

Incorporated on the 29th of September 1960, as a limited liability company and pioneer wheat miller in Nigeria, Flour Mills of Nigeria Plc (FMN) started out on a journey that has seen the company evolve into what is now one of the biggest brands in the foods and agro-allied industry in Africa.

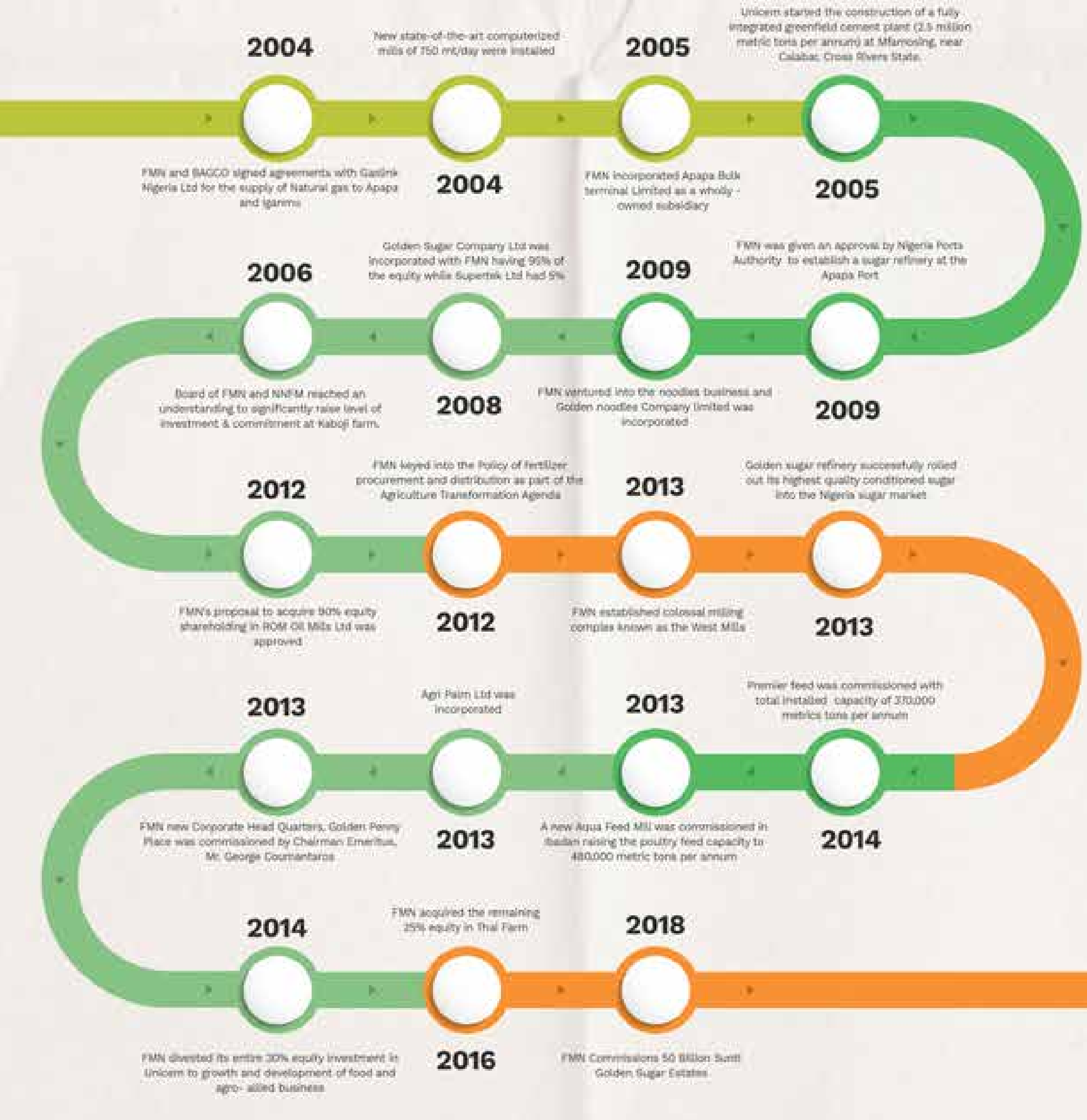


60 Years of Feeding the Nation Everyday

Over the years, the FMN brand grew tremendously from operating as a single business, flour miller, to a vast business group with strategic investments covering key sectors of the Nigerian economy. The group's operations can be categorized into four major sectors of Food, Sugar, Agro-allied, and Support services.

Our foray into the Agric sector started in 1978, with the acquisition of a 10,000-hectare farm in Kaboji, Niger state as part of an investment and expansion strategy designed to create value in the supply chain and reduce the reliance on imported raw materials. Since then, we have made substantial investments in the primary processing of locally grown soybean, palm fruit, cassava, maize, sugar cane, sorghum, and the storage, aggregation and distribution of locally sourced grains.

At FMN, we are passionate about, 'feeding the nation.' for over six decades, we have maintained a rich tradition of enhancing the quality of living for Nigerian families by producing a wholesome portfolio of food options – The company's iconic food brand, 'Golden Penny,' is a household name that is trusted by many for good food and for daily nourishment.



Report of the Directors

1. Accounts

The Directors are pleased to present the 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 2020.

2. 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 the Nigerian Stock Exchange.

3. Principal activities

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

4. Results

	Group		Company	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	N '000	N '000	N '000	N '000
Revenue	573,774,356	527,404,567	394,884,217	370,205,529
Operating profit	35,079,636	32,296,859	15,076,927	16,216,041
Profit before minimum taxation	17,496,815	10,174,275	17,537,685	18,536,249
Profit from continuing operations	11,376,743	4,000,146	12,582,571	17,549,507
Total comprehensive income for the year	10,923,372	4,293,027	12,250,413	19,537,762

5. Dividend

The Directors are pleased to recommend to shareholders at the forthcoming annual general meeting the declaration of a total of N5.74 billion (2019: N4.92 billion) representing a dividend of N1.40 (2019: N1.20) per ordinary share of 50 kobo each. This dividend has been declared from accumulated pioneer profits; which is withholding tax exempt.

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6. Directors and directors' interests

The names of Directors who are currently in office during the year are detailed on page 9.

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

Retiring by rotation:

Mr. Ioannis Katsaounis
Mr. Thanassis Mazarakis
Alhaji Olalekan Saliu
Mr. Folarin Williams

Mr. Folarin Williams is a Partner in the firm of Chief Rotimi Williams Chambers, one of the law firms providing professional legal services to the Company and has notified the Company of this position

Mr. Omoboyede Oyebolanle Olusanya, our new Group Chief Operating Officer, who was appointed to the Board as an Executive Director of the Company on Wednesday, 29 July 2020 will seek confirmation of his appointment at the Annual General Meeting.

7. Profile of Directors seeking re-election

The profile of Directors seeking re-election or confirmation at the Annual General Meeting.

Mr. Ioannis Katsaounis

Mr. Thanassis Mazarakis

Alhaji Olalekan Saliu

Mr. Folarin Williams

Mr. Omoboyede Oyebolanle Olusanya

Mr. Ioannis Katsaounis

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

Prior to joining Flour Mills, Mr. Katsaounis was the founder and owner of Plexus Construction Company, Greece (1974 – 1985). He has also served as Managing Director and General Manager of Alucanco S.A. Greece, an aluminum cans manufacturing company (1985-2000).

Mr. Thanassis Mazarakis

Thanassis Mazarakis is a non-executive member of the Board of Directors of Flour Mills of Nigeria PLC, a position he has occupied since 3rd July, 2006.

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

Mr. Folarin Rotimi Abiola Williams

Mr. F. R. A. Williams Jnr, a Chemical Engineer and a legal practitioner, 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 BSc. (Hons.) AGGI Chemical Engineering. He received an award for Outstanding Work in the Humanities at the University of London in 1976

Following a study at Selwyn College Cambridge from 1981 to 1983, Mr. Williams obtained MA Cantab Law and subsequently attended the Nigerian Law School from 1983 to 1984.

Mr. Williams is a highly experienced legal practitioner who is principally active in commercial and corporate advisory work and litigation

He is currently serving on the Board of Pharma-Deko Plc, G. Cappa Plc, Smithkline Beecham Plc and a number of other companies.

Alhaji Yunus Olalekan A. Saliu

Alhaji Saliu is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and a Fellow of Association of Certified Chartered Accountants, U.K.

Alhaji Saliu who holds an Upper Second Class honours Bachelor of Science Degree in Economics, University of Ibadan (June 1969) had a brief stint with the Civil Service of the old Western Nigeria before travelling to the United Kingdom in January 1971 for training in Accountancy which he completed in June 1973.

On return to Nigeria in 1974, he joined the accounting firm of KPMG Audit (formerly Peat Marwick Ani Ogunde & Co) and rose to the position of a Partner before joining Flour Mills of Nigeria Plc in February 1994 as Finance Director/Company Secretary. He stepped aside from his role of Finance Director in September, 2011 and continued to serve Flour Mills as an Executive Director and Company Secretary.

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

Mr. Omoboyede Oyebolanle Olusanya

Mr. Omoboyede Oyebolanle Olusanya was appointed to the Board of Flour Mills of Nigeria Plc. as an Executive Director on Wednesday 29th July 2020.

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 serves 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.

8. Directors' Responsibilities

The Directors are responsible for the preparation of financial statements which give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C.20 Laws of the Federation of Nigeria, 2004. 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 and;
- Internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets and also prevent and detect fraud and other irregularities.

9. Directors' interests in shares

The Directors’ interests in the issued share capital of the Company as recorded in the Register of members and/or as notified by them for the purpose of Section 275 of the Companies and Allied Matters Act,Cap C20 Laws of the Federation of Nigeria, 2004 are as follows:

Interests in shares

	31-Mar-20		**31-Mar-19**	
Director	**Direct**	**Indirect**	**Direct**	**Indirect**
*John G. Coumantaros	-	2,581,286,589	-	2,256,437,696
Alhaji Abdullahi A. Abba	12,343	-	12,343	-
Dr. (Chief) Emmanuel A. Ukpabi (KJW)	6,554,665	-	6,554,665	-
Paul Miyonmide Gbededo	2,720,109	-	2,720,109	-
Prof. Jerry Gana, CON	44,000	-	68,750	-
**Ioannis Katsaounis	3,561,512	8,295,673	3,430,625	8,295,673
Folarin R. A. Williams	30,082	-	30,082	-
***Atedo N.A Peterside, CON	-	2,500,000	-	2,500,000
Alhaji Rabiu M. Gwarzo, OON	199,722	-	199,722	-
Alhaji Y. Olalekan A. Saliu	1,668,985	-	1,668,985	-

Foluso O. Phillips	-	-	-	-
Alfonso Garate	-	-	-	-
Thanassis Mazarakis	-	-	-	-
Dr. (Mrs.) Salamatu Hussaini Suleiman	-	-	-	-

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

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

***Mr. Atedo N. A. Peterside, CON owns these shares indirectly through The First ANAP Domestic Trust.

10. Substantial Interest in shares

The Registrar has advised that according to the Register of Members on 31 March 2020, apart from Excelsior Shipping Company Limited with 2,581,286,589 (2019: 2,256,437,696), representing 62.95% of the paid up share capital respectively, no other individual shareholder held up to 5% of the issued share capital of the Company.

11. Analysis of Shareholding Structure

As at 31 March, 2020:

Share Range	No of shareholders	Percentage (%)	No of shares held	Percentage (%)
1-1,000	28,923	35.87	11,678,337	0.28
1,001-5,000	38,935	48.28	92,951,374	2.27
5,001-10,000	5,774	7.16	40,813,623	1.00
10,001-50,000	5,230	6.49	110,814,803	2.70
50,001-100,000	783	0.97	55,688,995	1.36
100,001-500,000	765	0.95	163,316,313	3.98
500,001-1,000,000	113	0.14	80,447,428	1.96
1,000,001 and above	116	0.14	3,544,684,733	86.45
	80,639	**100.00**	**4,100,395,606**	**100.00**

12. Donations and Charitable Gifts

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

Donations and charitable gifts amounting to N1.20 billion were made during the year (2019: N10.85 million):

Donations

	31-Mar-20
	N.
Donation of Bus to Association of Master Bakers and Caterers of Nigeria	17,640,000
Sponsorship of Investiture Ceremony/Annual Conference - Chartered Institute of Personnel Management	3,500,000
Donation to Polymer Institute of Nigeria	1,000,000
Sponsorship of Manufacturers Association of Nigeria 47th AGM	1,400,000
Sponsorship of 25th Nigeria Economic Submit	30,000,000
The Nigerian Private Sector Coalition Against COVID-19	1,000,000,000
Donation of COVID-19 relief materials to Federal and State governments	149,413,148
	1,202,953,148

13. Post balance sheet events

There were no significant developments since the balance sheet date which could have had a material effect on the state of affairs of the Company at 31 March 2020 and the profit for the year ended on that date which have not been adequately provided for or disclosed in the financial statements.

14. Major distributors

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

15. Suppliers

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

16. Property, plant and equipment

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

17. Human Capital

(a) Employment and Employees

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

(b) Employee Developments

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

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

(c) Equal Employment Opportunity and Diversity

Subject to applicable laws, we recruit, hire, train, promote, discipline and provide other conditions of employment without regard to a person's race, colour, religion, sex, age, national origin, disability or other classifications protected under law. This includes providing reasonable accommodation for members' disabilities or religious beliefs and practices.

(d) Health, Safety and Environment

The Company appreciates the value of a safe work environment to business success and therefore embarks on periodic assessments to ensure compliance and safety. Employees are continuously sensitized and pep talks on safe work procedures precede the commencement of each shift in the operational areas. The Company provides Personal Protective Equipment to employees as required by the nature of their jobs and safety officers perform regular monitoring to ensure usage compliance.

With the advent of the novel coronavirus (2019-nCov) confirmed by World Health Organization in December 2019, periodic health advisory published on banners, posters, handbills, pocket booklets and through the internal communication platform were circulated on the nature of the virus, mode of transmission and basic precautionary measures. Safety measures were mobilized including the provision of hand sanitizers, nose masks, activation of wash points, strict monitoring on social distancing practices across business sites leveraging on the Ebola virus prevention protocol.

There is a fully equipped clinic at the docksite to cater for employees located at the Port. This is in addition to the well-equipped Clinics at Apapa and Iganmu. Needful employees requiring referrals on health issues are handled by the retainer hospital

There are fully equipped clinics at its various sites of operations

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

(e) HIV/AIDS Policy

HIV/AIDS policy guidelines are in place and employees are encouraged to undertake voluntary counseling and testing (VCT) in order 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.

(f) Performance Management/Target Setting

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

18. Sustainability Statement

FMN's Sustainability approach is based on respect for our people, cultures and the natural environment.

We are committed to preserving biodiversity, reducing water usage, waste and the emission of Greenhouse gases. We care for the livelihood of the local communities and our employees in terms of health and welfare. We continually strive to improve the environmental, social and economic aspects 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 clients, communities and the environment.

We have the capacity to grow sustainably.

19. Auditors

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors to the Company. In accordance with Section 357(2) of the Companies and Allied Matters Act Cap C20 Laws of the Federation of Nigeria, 2004 therefore, the auditors will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

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

BY ORDER OF THE BOARD

UMOLU, JOSEPH A.O.
Company Secretary
FRC/2013/NBA/00000003687
1 Golden Penny Place,
Wharf Road, Apapa.
Lagos, Nigeria.
29 July, 2020


GOLDEN PENNY FOODS
The HOME of GOOD FOOD
My Pasta
FIRES ME UP
ALL DAY.
SPAGHETTI
FMN
Food and Agro-Allied Group

Corporate Governance Report

1. Introduction

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

2 Board Composition

The Company's Articles of Association provide that the Company's Board of Directors shall consist of not more than fifteen directors. Presently, the Board has a non-executive Chairman, a non-executive Vice Chairman, one executive director and eleven non-executive directors, two 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 258(2) of the Companies and Allied Matters Act Cap. C.20 Laws of the Federation of Nigeria, 2004, record of Directors' attendance at Board meetings is available for inspection at the Annual General Meeting.

4 Role of Directors

The highlights of the role of directors include:

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

5. Frequency and Attendance of Board Meetings

The Board held four (4) meetings during the financial year ended 31 March 2020. The notice for each meeting was in line with the Company's Articles of Association and Board papers were provided to directors in advance.

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

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

	16-Jul-19	04-Sep-19	11-Dec-19	04-Mar-20
John G. Coumantaros	Yes	Yes	Yes	Yes
Dr. (Chief) Emmanuel A. Ukpabi (KJW)	Yes	Yes	Yes	Yes
Paul Miyonmide Gbededo	Yes	Yes	Yes	Yes
Alhaji Abdullahi A. Abba	Yes	Yes	Yes	Yes
Prof. Jerry Gana, CON	Yes	Yes	Yes	No
Alfonso Garate	Yes	Yes	Yes	Yes
Alhaji Rabiu M. Gwarzo, OON	Yes	Yes	Yes	Yes
Ioannis Katsaounis	Yes	Yes	Yes	Yes
Thanassis Mazarakis	Yes	Yes	Yes	Yes
* Atedo N. A Peterside, CON	Yes	Yes	Yes	No
Foluso O. Phillips	Yes	Yes	Yes	Yes
Alhaji Y. Olalekan A. Saliu	Yes	Yes	Yes	Yes
Folarin R. A. Williams	Yes	Yes	Yes	Yes
Dr. (Mrs.) Salamatu Hussaini Suleiman	Yes	Yes	Yes	Yes

Yes - Present

No- Absent
* Mr. Atedo N. A. Peterside, CON resigned from the Board of Directors effective 31 March 2020.

6 Company Secretary

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

7. Board Committees and Statutory Audit Committee

The Board of Directors has two principal board committees in line with Securities and Exchange Commission (SEC)'s Code of Corporate Governance. These are listed below with the summary of attendance at meetings held during the financial year ended 31 March 2020:

a Remuneration/Governance Committee

Members of the committee include:

- Mr. Foluso Phillips- Chairman
- Chief E. A. Ukpabi
- Mr. T. Mazarakis
- Mr. Joseph Umolu – Company Secretary

Record of attendance at Meetings:

	16-Jul-19	11-Dec-19
Mr. Foluso Phillips	Yes	Yes
Chief E. A. Ukpabi	Yes	Yes
Mr. T. Mazarakis	Yes	Yes
Mr. Joseph Umolu	Yes	Yes

Yes - Present

The Board also presently has two ad-hoc committees:
1) Board Nomination/Selection Committee
2) Board Local Content/Local Wheat Production Committee

b Audit and Risk Management Committee

Members of the committee include:

- Mr. T. Mazarakis- Chairman
- Mr. P. M. Gbededo
- Alhaji R.M. Gwarzo, OON
- Alh. Y. O. A. Saliu
- Mr. Joseph Umolu - Company Secretary

Record of attendance at Meetings:

	16-Jul-19	02-Sep-19	09-Dec-19	02-Mar-20
Mr. P. M. Gbededo	Yes	Yes	No	No
Mr. T. Mazarakis	Yes	Yes	Yes	Yes
Alhaji R.M. Gwarzo, OON	Yes	No	Yes	Yes
Alh. Y. O. A. Saliu	Yes	Yes	Yes	Yes
Mr. Joseph Umolu	Yes	Yes	Yes	Yes

Yes - Present

No - Absent

c Statutory Audit Committee

Composition

Pursuant to section 359(3) of the Companies and Allied Matters Act Cap C.20 Laws of the Federation of Nigeria, 2004, the Company's Audit Committee comprises three Directors and three shareholders as follows:

Mr. Ajani Babajide Adetunji - Former Chairman	resigned 4th September 2019
Mr. Adesina Olalekan Oladepo -Incumbent Chairman	appointed 4th September 2019
Mr. Shekoni Nurudeen Adebayo	re- appointed 4th September 2019
Mr. Adeshina Tajudeen Imran	re- appointed 4th September 2019
Dr. (Chief) Emmanuel Akwari Ukpabi (KJW)	
Mr. Foluso Olajide Phillips	
Alhaji Yunus Olalekan Saliu	
Mr. Joseph Umolu	- Secretary

The functions of the Committee are laid down under section 359(6) of the Companies and Allied Matters Act Cap C.20 Laws of the Federation of Nigeria, 2004.

Meetings:

Members of the Statutory Audit Committee receive regular reports and updates on financial matters and internal control reviews from internal and external auditors. A summary of the record of attendance at Statutory Audit Committee meetings held during the financial year ended 31 March 2020 is shown below:

	27-Jun-19	09-Jul-19	05-Dec-19	03-Mar-20
Mr. Ajani Babajide Adetunji	Yes	Yes	N/A	N/A
Mr. Adesina Olalekan Oladepo	N/a	N/a	Yes	Yes
Mr. Shekoni Nurudeen Adebayo	Yes	Yes	Yes	Yes
Mr. Adeshina Tajudeen Imran	Yes	Yes	Yes	Yes
Mr. Foluso Phillips	Yes	Yes	Yes	Yes
Dr. (Chief) Emmanuel Akwari Ukpabi (KJW)	Yes	Yes	Yes	Yes
Alhaji Yunus Olalekan Saliu	Yes	Yes	Yes	Yes
Mr. Joseph Umolu	Yes	Yes	Yes	Yes

Yes - Present

No - Absent

N/A - Not Applicable (not a member on this date)

8 Divisions and Directorates

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

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

9 Gender Diversity on the Board

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

10 Board Appointments

The Board of Directors is responsible for the overall direction, supervision and control of the company. The company's Articles of Association, FMN Code of Conduct and the Securities and Exchange Commission's (SEC) Corporate Governance Guidelines and the Nigerian Code of Corporate Governance 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.

Corporate Governance Report

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

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

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

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

11 Board Evaluation Process and Summary of Evaluation Results

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

The Board designed questionnaires for evaluation on areas such as the review of FMN's Corporate Governance framework, with specific focus on the Board structure and composition, responsibilities, proceedings and relationships, individual director's competencies and respective roles in the performance of the Board.

The questionnaire for evaluation for the year ended 31st March 2020 was completed by members online and the summary of the results compiled electronically.

On the basis of the evaluation exercise, the Board of FMN demonstrated good understanding of and compliance with the responsibilities as provided in the SEC Code of Corporate Governance and the Nigerian Code of Corporate Governance 2018 during the year ended 31st March 2020

12 The Corporate Governance Rating System Certification

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

13 Report on Compliance with the Nigerian Code of Corporate Governance 2018

The Company confirms its compliance with the principles in the Nigerian Code of Corporate Governance 2018 (NCCG 2018). The Company's full Report on Compliance with the Nigerian Code of Corporate Governance 2018 is available on the company's website and can be assessed through the link herein - https://fmnplc.com/investors/policy/

Please find below the summary on the level of Compliance with the NCCG 2018.

S/N	PARTICULARS	REMARKS
1.	General Information	General Information is as provided for in this Annual Report
2.	Attendance at Board Meetings; Audit Committee and Board Committee meetings	Satisfactory

Corporate Governance Report

3	Part A - Board of Directors and Officers of the Board: Principle 1 – Role of the Board	The Board is the ultimate decision-making body of the Company and is responsible for exercising leadership, enterprise, integrity and judgment in its oversight and control of the Company so as to achieve the Company's continued survival and prosperity; The Company has a Board Charter and Code of Conduct approved by the Board which provides guidance to members on the operations of the Board, duties and obligations of members, Code of Conduct and how to avoid conflict of interest in any business relationship with the Company.
	Principle 2 – Board Structure and Composition	The Board is comprised of a diverse mix of professionals with the right mix of skills and expertise including the business, commercial and industry experience needed to govern the Company.
	Principle 3 – Chairman	The Chairman's roles and responsibilities are clearly defined in the Board Charter including to ensure the effective operation of the Board such that the Board works as a group towards achieving the Company's strategic objectives. Provide leadership to the Board and ensure its effectiveness in all aspects of its role.
	Principle 4 – Managing Director/Chief Executive Officer	The Managing Director/Chief Executive Officer's roles and responsibilities are clearly defined in the Board Charter including ensuring that the policies spelt out by the Board in the Company's overall corporate strategy are implemented. The MD/CEO is the head of Management assigned with the responsibility of running the affairs of the Company to achieve its strategic objectives for sustainable corporate performance. The MD/CEO is equipped with a broad understanding of the Company's business and demonstrates entrepreneurial skills, credibility and integrity earning the confidence of the Board and management.
	Principle 5 – Executive Directors	The Executive Directors' roles and responsibilities are clearly defined in the Board Charter including providing support to the MD/CEO in the proper implementation and achievement of the Company's strategic imperatives, as well as prudent management of the Company's finances and other resources.
	Principle 6 – Non Executive Directors (NED)	The Non-Executive Directors (NED)'s roles and responsibilities are clearly defined in the Board Charter including constructive contribution to the development of the Company's strategy.
	Principle 7 – Independent Non Executive Directors (NED)	The Independent Non-Executive Directors (NED)'s roles and responsibilities are clearly defined in the Board Charter including being independent in character and judgment and accordingly be free from such relationships or circumstances with the Company, its management, or substantial shareholders as may, or appear to, impair his ability to make independent judgment. The Independent Non-Executive Directors represent a strong independent voice on the Board and bring a high degree of objectivity to the Board for sustaining stakeholder trust and confidence.
	Principle 8 – Company Secretary	The Company Secretary functionally reports to the Board through the Chairman and administratively reports to the MD/CEO. The Company Secretary is the Secretary of the Board and provides guidance to the Board on its duties and responsibilities and on other matters of governance;

Corporate Governance Report

	Principle 9- Access to Independent Advice	The Board ensures members obtain external advice, as may be required, at the company's expense and shall invite senior management to provide technical advice as needed.
	Principle 10 - Meetings of the Board	The meetings of the Board of Directors are organized optimally to ensure a seamless review of the business of the Board and in fulfilling the strategic objectives of the Company In order to effectively perform its oversight function and monitor management's performance, the Board shall meet at least once every quarter. Every Director shall endeavour to attend all Board meetings. The attendance record of Directors shall be among the criteria for the re- election of a Director. Minutes of meetings of the Board and its committees, as a record of what transpired at those meetings are prepared and sent timeously to Directors.
	Principle 11 – Board Committees	The board Committees are structured to ensure efficiency and effectiveness of the Board. The Board discharges its responsibilities through Board Committees appointed from amongst its members subject to the applicable laws The Board has established the following committees: • Board Audit and Risk Management Committee • Board Remuneration and Governance Committee The Board also presently has two ad-hoc committees: 1) Board Nomination/Selection Committee 2) Board Local Content/Local Wheat Production Committee
	Principle 12 – Appointment to the Board	Key parameters are considered for effective appointment to the Board. 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	There is an effective process in place for the Board and Board Committees' evaluation.
	Principle 15 – Corporate Governance Evaluation	There is an effective process in place for Corporate Governance evaluation over the affairs of the Company.
	Principle 16 – Remuneration Governance	There is a Board approved Director's remuneration policy regularly reviewed. The remuneration for the directors shall be tabled for approval by Shareholders at this Annual General meeting. The applicable allowances paid by the Company to Non-executive Directors include: Director's Fee- N200,000 and Sitting Allowance - N500,000.

	Principle 17 – Risk Management	The Company has a robust Risk Assessment and Management framework and systems in place. The Company's Risk Management Policy is available through the link provided for under the Risk Management item of this Corporate Governance Report.
	Principle 18 – Internal Audit	The Company has an effective Internal Audit function carried out by its Business Assurance Department and is regularly assessed by an Independent Business Advisory/Assurance firm on the effectiveness of its functions.
	Principle 19 – Whistle blowing	The Company has an effective and anonymously maintained whistleblowing system that encourages staff and other stakeholders to bring out information helpful in enforcing good corporate governance practices.
	Principle 20 – External Audit	The Company's external professional audit partners are rotated regularly to ensure Independence of auditors
	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	The Board has approved that the Group's Code of Conduct shall apply to Directors.
	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 about its operations.

14 Management Committee

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

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

The composition of the Management Committee is as set out in page 34 of this Annual Report.

15 Sustainability Policies and Environmental 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.

16 Human Resources Policies and other matters

The Company recognizes that its human resources 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.

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 circulars and newsletters – "Golden Penny News".

17 Risk Management, Internal Audit and Control and Compliance

The Board is responsible for maintaining a sound system of internal control to safeguard shareholder's investments and the Company's assets in line with extant laws, regulations and FMN's policies.

The Company's efforts to continuously ensure sound financial discipline and adherence to high ethical standards, as part of its robust corporate governance strategy, have resulted in the setting up of a strong Group Internal Audit which is risk focused.

Internal audit function is currently manned by a team of professionals charged with the responsibility of ensuring that strategic business risks facing the Group are promptly identified, effectively mitigated, recommendations proffered and continuously monitored. 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 Risk Management Committee of the Board.

The Company's Risk Management Policy is available on the company's website and can be assessed through www.fmnplc.com

18 Code of Business Conduct

In demonstration of strong commitment to best practices in corporate governance, integrity and high ethical standards in all aspects of our business, FMN has a Code of Conduct in place. Apart from being in line with current global trends, FMN's Code of Conduct aligns with the requirements of regulatory authorities.

Through the provisions of the Code, FMN instills in its Directors and Employees the need to maintain high standard of corporate values, transparency, accountability, professionalism and promote good corporate governance.

19 Whistle Blowing

Under the Company's whistle blowing policy and procedures, employees and other stakeholders including third parties are encouraged to report any observed or suspected acts of fraud, corruption or other irregularities, orally or anonymously contact the independent helpline by telephone or online without fear of reprisal or recrimination.

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

The robust system has been embraced by all employees and stakeholders and it is producing good results.

20 Security Trading Policy

Flour Mills of Nigeria Plc has in place a Code of Conduct which aligns with section 14 of the Amendment to the Listing Rules of the Nigeria Stock Exchange.

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 FMN Code on Insider Trading.

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 www.fmnplc.com

The electronic complaints register is updated on a daily basis 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.

BY ORDER OF THE BOARD

UMOLU, JOSEPH A.O.
Company Secretary
FRC/2013/NBA/00000003687
1 Golden Penny Place,
Wharf Road, Apapa.
Lagos, Nigeria.
29 July 2020

Director's Responsibilites in Relation to the Financial Statements

The Directors accept responsibility for the preparation of the annual consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act Cap C.20 Laws of the Federation of Nigeria, 2004 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 Cap C.20 Laws of the Federation of Nigeria, 2004 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.

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:

Paul Miyonmide Gbededo
Group Managing Director
FRC/2013/IODN/00000003828
29 July, 2020

Alhaji Y. Olalekan A. Saliu
Director
FRC/2013/ICAN/00000003595
29 July, 2020

Audit Committee Report

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

In compliance with section 359 (3) to (6) of the Companies and Allied Matters Act, Cap C 20 , Laws of the Federation of Nigeria, 2004, the Audit Committee received the Audited Financial Statements for the year ended 31st March 2020 together with the Management letter from the External Auditors and management response thereto at the duly convened meeting of the Committee.

We reviewed the scope and planning of the audit requirements and found them adequate.

After due consideration the Committee accepted the Report of the External Auditors that the financial statements give a true and fair view of the state of the Company's financial affairs as at 31st March 2020 having been prepared in accordance with International Financial Reporting Standards (IFRS). The Committee reviewed Management's response to the External Auditors findings in the Management letter and we are satisfied with Management responses.

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

We confirm that the internal control system was constantly and effectively monitored through effective internal audit function.

The External Auditors confirmed that they received full cooperation from Management in the course of their statutory audit.

The Committee therefore recommended that the Audited Financial Statements for the year ended 31st March 2020 and the External Auditors' Report thereon be presented for adoption at this Annual General Meeting.

Dated 16th July, 2020

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

Chief (Dr) Emmanuel Akwari Ukpabi, (KJW)

Mr. Foluso Phillips

Alhaji Yunus Olalekan Saliu

General Mandate Cirular

In accordance with the Rules on Transactions with Related Parties recently issued by the Nigerian Stock Exchange, the Company is seeking the renewal of the general mandate from shareholders based on the Agenda for the Annual General Meeting slated for Thursday, 10^{th} September 2020.

The aggregate value of all transactions entered into with related companies during the financial year as stated in the Annual Report and Accounts is more than 5% of the latest net tangible assets or the issued share capital of the Company.

In order to ensure smooth operations, the Company will continue to procure goods and services and engage in other transactions that are necessary for its operations from related parties in the next financial year and hereby seeks a general mandate from shareholders for the related company transactions of trading nature and those necessary for the day-to-day operations, that are more than 5% of the latest net tangible assets or the issued share capital of the Company. Relevant items for the consideration of the shareholders are stated below:

i. The class of interested persons with which the Company will be transacting during the next financial year are its subsidiaries;

ii. The transactions with the related companies are transactions of trading nature and those necessary for the day-to-day operations;

iii. The rationale for the transactions are that they are indispensable to the operations of the Company to be competitive;

iv. The method and procedure for determining transaction prices are based on the transfer pricing policy;

v. KPMG Advisory Services, the transfer pricing consultants of the Company issued its opinion based on the transfer pricing compliance exercise it earlier conducted confirming that the method and procedure in (iv) are sufficient to ensure that the transactions shall be carried out on normal commercial terms and shall not be prejudicial to the interests of the issuer and its minority shareholders;

vi. The audit committee of the Company confirms that the transfer pricing method and procedure for determining the transaction prices as earlier reviewed by KPMG Advisory Services are adequate;

vii. The Company shall obtain a fresh mandate from shareholders if the method and procedure become inappropriate; and

viii. The interested persons shall abstain and have undertaken to ensure that its associates shall abstain, from voting on the resolution approving the transactions.

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet home.kpmg/ng

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 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information, as set out on pages 66 to 174.

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 2020, 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, Cap C.20, Laws of the Federation of Nigeria, 2004 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.

1. Revenue recognition	
Refer to significant accounting policies (Note 2.3) and Revenue (Note 6) in the consolidated and separate financial statements	
Key Audit Matter	**How the matter was addressed in our audit**
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. These factors make revenue an area of significance in our audit.	The following audit procedures were performed among others: • We evaluated the design, implementation and operating effectiveness of key controls over customer invoicing, three-way match, price approvals and customer credit limits. • We engaged our Information Technology (IT) specialist to apply computer assisted audit techniques to recompute revenue based on the sales quantities and approved selling prices and to identify manual entries recorded in the revenue general ledger. • We inspected contractual agreements on a sample basis to determine the appropriateness and timing of revenue recognition in accordance with the requirements of the relevant accounting standards. • We checked the completeness, existence and accuracy of inter-division and intra-group transactions and checked that such transactions were reconciled and eliminated in preparing the financial statements of the Company and the Group. • We selected a sample of manual journals recorded in the respective revenue ledgers and inspected the underlying documentation for existence of the appropriate approvals, as well as justification for recording the journal entries. • We selected a sample of discounts and rebates granted to customers and inspected relevant underlying documentation to assess if they were accurately computed and accounted for in the appropriate financial period. • We performed cut-off procedures by checking that revenue transactions occurring both prior to and post the year end date were recognized in the appropriate period.

2. Recoverability of intercompany and third-party loans and trade receivables	
Refer to significant accounting policies (Note 2.8.1) and Long-term loan receivables and Trade and other receivables (Notes 25 & 27) in the consolidated and separate financial statements.	
Key Audit Matter	**How the matter was addressed in our audit**
A number of companies within the Group are financed through intercompany loans and 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 incorporated the estimated impact of the COVID 19 pandemic on receivable collections. Recoverability of intercompany and third-party loans and receivables remains a matter of significance in our audit due to the level of judgement involved, the magnitude of the intercompany and third-party loans and receivables as well as uncertainties inherent in estimating the recoverable amounts.	The following audit procedures were performed among others: • We obtained receivable confirmation responses on a sample basis and checked for evidence of subsequent cash collections. • We assessed the reasonability and appropriateness of management's assumptions, key inputs and judgements exercised by management in incorporating the estimated impact of COVID 19 in the ECL impairment model. • We re-performed the calculation of the impairment allowance by checking available industry data and the reasonableness of the loss rates applied by management. • We assessed the adequacy of the impairment allowance recognized in the general ledger and the adequacy of disclosures in the financial statements in relation to impairments recognized.

3. Impairment of investment in subsidiaries	
Refer to significant accounting policies (Note 2.2 & 2.14) and investment in subsidiaries (Note 22) in the separate financial statements.	
The Key audit matters	**How the matter was addressed in our audit**
As disclosed in Note 22 to the financial statements, the carrying amount of the Company's investment in subsidiaries is significant. Some of these subsidiaries are currently loss making and a number of them are dependent on financial support mostly in the form of loans and advances from the parent Company for their ongoing operations. The Company applies the value in use methodology in accordance with IAS 36	The following audit procedures were performed among others: • We held inquiry sessions with management to understand and evaluate the plans for the subsidiaries. • We assessed the reasonableness of the Company's forecasts by comparing them with historical performance.

Impairment of assets in estimating the recoverable amount for its investment in subsidiaries. Given the market volatility triggered by the COVID-19 pandemic, key parameters such as the discount rates were updated by the Directors for the impact of the pandemic. Judgement is required in estimating the recoverable amounts of the investments in subsidiaries and involves making assumptions regarding the future performance of the businesses, the inherent uncertainty involved in preparing forecasts/future cash flow projections and determining an appropriate discount rate. The significance of the amounts involved and the uncertainties inherent in estimating the recoverable amounts makes this a significant matter in our audit.	• We assessed the objectivity of significant management judgments and assumptions related to impairment test for the subsidiaries. • We independently derived applicable discount rates and long-term growth rates from available external data and compared these with that used by management. • We considered the adequacy of the disclosures in the financial statements.

4. Inventory count observation and valuation of specialized inventory	
Refer to significant accounting policies (Note 2.11) and Inventories (Note 26) in the consolidated and separate financial statements.	
Key Audit Matter	**How the matter was addressed in our audit**
The Group's inventories are warehoused in multiple geographical locations and consist mainly of raw materials, finished goods, engineering spares and consumables. The COVID-19 pandemic resulted in restriction of movement and social distancing thereby making observation of the year-end inventory count difficult.	The following audit procedures were performed among others: • We assessed the design, implementation and operating effectiveness of relevant inventory management controls. • We observed the inventory count in major locations during the year and involved our IT specialists to perform quantity roll-forward from the date of the inventory count observation and compared the results to the inventory count report as at 31 March 2020.

Included in the Group's Raw materials are un-bagged grains and granules which require specialized measurement. Furthermore, inventory is required to be measured at lower of cost and net realizable value, which requires a level of judgement relating to allowance for slow moving and or obsolete inventories. The risk of inaccurate inventory counts and the judgement inherent in inventory measurement and obsolescence makes inventory of significance to the audit.	• We performed additional alternative procedures such as: o We assessed the competence and independence of the Group's internal audit function and involved them in the observation of the year-end inventory count exercise conducted at various inventory count locations. o We compared the internal audit function inventory observation count report to the inventory count report provided by management and selected items on a sample basis from the inventory count report and inspected underlying documentation to ascertain the existence of the inventory items. • We observed the specialized inventory measurement exercise conducted by the Company's expert remotely and assessed the reasonability of the inputs and assumptions used in the valuation of the specialized inventory. • We checked the appropriateness of the inventory costing on a sample basis. • We performed net realizable value tests to ascertain the reasonableness of the carrying value of inventory in the general ledger. • We assessed the adequacy of allowance for identified obsolete and slow-moving inventory items recorded in the general ledger.

5. Recognition and measurement of Derivatives – Forward exchange contracts and Non-Deliverable Forwards	
Refer to significant accounting policies (Note 2.8.6) and Derivatives (Notes 28, 45 & 46) in the consolidated and separate financial statements.	
Key Audit Matter	**How the matter was addressed in our audit**
The Group purchases majority of its raw materials from foreign suppliers. The Group sources for foreign currencies used to purchase these raw materials from the NAFEX/Investors & Exporters (I&E) window via Letters of credits. Due to the scarcity of foreign currencies at the Investors & Exporters (I&E) window, the Company enters into forward exchange contracts to ensure it meets its foreign exchange requirements and to hedge against potential exchange risk. The valuation of the forward exchange contracts requires inputs and assumptions that are based on judgement and are subject to uncertainties. This makes recognition and measurement of derivatives a key audit matter.	The following audit procedures were performed among others: • We obtained the listing of the derivative contracts and on a sample basis, inspected the underlying derivative contracts and checked the completeness of the contracts to bank confirmation responses obtained and to margin deposits made by the Company. • We obtained and inspected the valuation report of the external expert engaged by management to value the derivatives. • We checked the parameters in the valuation report to the derivative contracts obtained from management. • We engaged our KPMG valuation specialists to: o challenge the Company's assumptions with respect to the fair value of the derivative assets by comparing inputs in the Company's valuation model to externally available market data such as Nigerian Autonomous Foreign exchange rates (NAFEX). o assess whether the valuation model used by the Company and the inputs are reasonable and comply with the requirements of the relevant accounting standards. o recompute the fair value of the derivatives using inputs considered appropriate. • We assessed the adequacy of the disclosures in the financial statements in relation to the derivatives.

Other Information

The Directors are responsible for the other information. The other information comprises the Board of Directors, Officers and Other Corporate Information, Report of the Directors, Corporate Governance Report, Directors' Responsibilities in Relation to the Financial Statements and Audit Committee Report 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, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with 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 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and 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.

Adetola P. Adeyemi, FCA
FRC/2012/ICAN/00000000620
For: KPMG Professional Services
Chartered Accountants
03 August 2020
Lagos, Nigeria

Consolidated and Separate Statements of Financial Position as at

		Group		Company	
	Note(s)	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Assets					
Non-Current Assets					
Property, plant and equipment	18	216,890,095	221,465,325	89,144,006	88,803,208
Investment property	19	1,633,141	1,737,559	56,844	58,899
Biological assets	24	156,723	111,784	-	-
Right of use asset	40	14,933,340	-	3,671,094	-
Goodwill	21	4,148,022	4,148,022	1,876,816	1,876,816
Intangible assets	20	953,855	1,316,670	734,047	1,022,676
Investments in subsidiaries	22	-	-	44,666,634	44,005,134
Long term loans and receivables	25	358,689	1,402,210	48,864,528	33,617,060
Other Investments	23	22,440	41,140	22,440	41,140
Deferred tax	16	3,578,421	3,963,819	-	-
Prepayments	29	47,429	2,365,692	47,429	2,056,477
Total non-current assets		**242,722,155**	**236,552,221**	**189,083,838**	**171,481,410**
Current Assets					
Biological assets	24	147,599	18,498	-	-
Inventories	26	115,596,185	118,867,186	61,693,906	68,230,014
Trade and other receivables	27	25,731,446	26,085,312	28,471,323	50,322,189
Derivatives	28	3,702,659	198,026	2,906,508	198,026
Prepayments	29	18,342,824	17,894,815	16,079,088	13,848,251
Cash and cash equivalents	30	26,210,974	17,205,546	16,032,397	9,978,297
Total current assets		**189,731,687**	**180,269,383**	**125,183,222**	**142,576,777**
Total Assets		**432,453,842**	**416,821,604**	**314,267,060**	**314,058,187**

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

Consolidated and Separate Statements of Financial Position as at

		Group		Company	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	Note(s)	N. '000	N. '000	N. '000	N. '000
Equity and Liabilities					
Equity					
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		(113,016)	(94,316)	(113,016)	(94,316)
Retained earnings		71,629,892	66,377,553	69,002,265	61,595,948
Equity attributable to the owners of the Company		148,944,517	143,710,878	146,316,890	138,929,273
Non-controlling interest	22	6,863,254	7,261,317	-	-
Total Equity		**155,807,771**	**150,972,195**	**146,316,890**	**138,929,273**
Liabilities					
Non-Current Liabilities					
Borrowings	33	80,675,376	46,231,074	46,741,771	21,795,459
Lease liabilities	41	10,702,733	-	341,612	-
Retirement benefit obligation	34	7,135,477	5,848,372	5,648,770	4,798,945
Deferred income	36	14,787,589	16,370,523	1,650,826	172,410
Deferred tax	16	11,848,855	10,587,507	10,665,100	8,150,526
Long service award	35	2,737,787	2,183,131	2,277,821	1,881,868
Total non-current liabilities		**127,887,817**	**81,220,607**	**67,325,900**	**36,799,208**
Current Liabilities					
Trade and other payables	37	83,613,863	79,040,345	68,333,644	66,343,291
Borrowings	33	23,343,851	71,053,087	10,275,267	55,425,053
Lease liabilities	41	2,654,089	-	1,298,974	-
Deferred income	36	4,117,580	2,818,229	435,579	52,925
Current tax payable	15	5,531,160	4,104,046	2,566,482	775,960
Dividend payable	38	3,984,940	2,566,783	2,370,330	2,177,173
Customer deposits	39	19,970,243	15,395,174	13,790,645	12,036,155
Bank overdrafts	30	5,542,528	9,651,138	1,553,349	1,519,149
Total current liabilities		**148,758,254**	**184,628,802**	**100,624,270**	**138,329,706**
Total Liabilities		**276,646,071**	**265,849,409**	**167,950,170**	**175,128,914**
Total Equity and Liabilities		**432,453,842**	**416,821,604**	**314,267,060**	**314,058,187**

These financial statements were approved by the board on July 29, 2020 and were signed on its behalf by:

Paul Miyonmide Gbededo
Group Managing Director
FRC/2013/IODN/00000003828

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

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

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

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income for Year Ended

		Group		Company	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	Note(s)	N. '000	N. '000	N. '000	N. '000
Continuing operations					
Revenue	6	573,774,356	527,404,567	394,884,217	370,205,529
Cost of sales	7	(507,987,179)	(474,057,010)	(354,952,741)	(337,073,874)
Gross profit		**65,787,177**	**53,347,557**	**39,931,476**	**33,131,655**
Net operating gains	9	4,905,683	6,211,205	472,846	2,287,514
(Impairment loss)/write-back on trade and intercompany receivables	27	(2,988,628)	327,976	(2,399,634)	(244,360)
Selling and distribution expenses	10	(9,278,394)	(8,165,792)	(7,361,829)	(6,297,386)
Administrative expenses	11	(23,346,202)	(19,424,087)	(15,565,932)	(12,661,382)
Operating profit		**35,079,636**	**32,296,859**	**15,076,927**	**16,216,041**
Investment income	13	2,392,649	768,592	14,754,035	18,346,048
Finance costs	14	(19,975,470)	(22,891,176)	(12,293,277)	(16,025,840)
Profit before minimum taxation		**17,496,815**	**10,174,275**	**17,537,685**	**18,536,249**
Minimum tax	15	(243,222)	(225,616)	-	-
Profit after minimum tax		17,253,593	9,948,659	17,537,685	18,536,249
Income tax expense	15	(5,876,850)	(5,948,513)	(4,955,114)	(986,742)
Profit from continuing operations		**11,376,743**	**4,000,146**	**12,582,571**	**17,549,507**
Discontinued operations					
Profit from discontinued operations	52	-	-	-	1,768,147
Profit for the year		**11,376,743**	**4,000,146**	**12,582,571**	**19,317,654**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurements of defined benefit liability	34	(607,665)	462,709	(460,968)	355,687
Income tax relating to items that will not be reclassified		172,994	(148,068)	147,510	(113,819)
Total items that will not be reclassified to profit or loss		**(434,671)**	**314,641**	**(313,458)**	**241,868**
Items that may be reclassified to profit or loss:					
Loss on investments in equity instruments		(18,700)	(21,760)	(18,700)	(21,760)
Other comprehensive income for the year net of taxation		**(453,371)**	**292,881**	**(332,158)**	**220,108**
Total comprehensive income for the year		**10,923,372**	**4,293,027**	**12,250,413**	**19,537,762**

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

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income for Year Ended

		Group		Company	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	Note(s)	N. '000	N. '000	N. '000	N. '000
Profit attributable to:					
Owners of the Company		10,467,673	4,108,369	12,582,571	19,317,654
Non-controlling interest		909,070	(108,223)	-	-
		11,376,743	**4,000,146**	**12,582,571**	**19,317,654**
Total comprehensive income attributable to:					
Owners of the Company		10,096,435	4,395,980	12,250,413	19,537,762
Non-controlling interest		826,937	(102,953)	-	-
		10,923,372	**4,293,027**	**12,250,413**	**19,537,762**
Earnings per share					
Per share information					
Basic earnings per share (kobo)	17	255	100	307	471
Diluted earnings per share (kobo)	17	255	100	307	471
From continuing operations					
Basic earnings per share (kobo)	17	255	100	307	428
Diluted earnings per share (kobo)	17	255	100	307	428

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

The Group and Company initially adopted IFRS 16 Leases effective 1 April 2019. Under the transition chosen, comparative information has not been restated. See (Note 41) for details

Consolidated Statements of Changes in Equity for the Year Ended 31 March 2020

	Share capital	Share Premium	Fair Value Reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	₦'000	₦'000	₦'000	₦'000	₦'000	N'000	N'000
Group							
Balance at April 1, 2018	**2,050,197**	**75,377,444**	**(72,556)**	**67,903,735**	**145,258,820**	**5,357,888**	**150,616,708**
Adjustment on initial application of IFRS 9, net of tax				(246,554)	(246,554)	(24,318)	(270,872)
Restated Balance at April 1, 2019	**2,050,197**	**75,377,444**	**(72,556)**	**67,657,181**	**145,012,266**	**5,333,570**	150,345,836
Profit for the period	-	-	-	4,108,369	4,108,369	(108,223)	4,000,146
Other comprehensive income	-	-	(21,760)	309,371	287,611	5,270	292,881
Total comprehensive income for the year	**-**	**-**	**(21,760)**	**4,417,740**	**4,395,980**	**(102,953)**	**4,293,027**
Transactions with owners recorded directly to equity							
Dividends declared	-	-	-	(5,697,368)	(5,697,368)	-	(5,697,368)
Additional investment in subsidiary	-	-	-	-	-	2,030,700	2,030,700
Total Contribution by and distribution to owners of the company recognised directly in equity	-	-	-	**(5,697,368)**	**(5,697,368)**	**2,030,700**	**(3,666,668)**
Balance at March 31, 2019	**2,050,197**	**75,377,444**	**(94,316)**	**66,377,553**	**143,710,878**	**7,261,317**	**150,972,195**
Balance at April 1, 2019	**2,050,197**	**75,377,444**	**(94,316)**	**66,377,553**	**143,710,878**	**7,261,317**	**150,972,195**
Total Comprehensive income							
Profit for the year	-	-	-	10,467,673	10,467,673	909,070	11,376,743
Other comprehensive income	-	-	(18,700)	(352,538)	(371,238)	(82,133)	(453,371)
Total comprehensive income for the year	**-**	**-**	**(18,700)**	**10,115,135**	**10,096,435**	**826,937**	**10,923,372**
Transactions with owners recorded directly to equity							
Dividends declared (Note 38)	-	-	-	(4,920,475)	(4,920,475)	(1,225,000)	(6,145,475)
Write-back of unclaimed dividend	-	-	-	57,679	57,679	-	57,679
Total Contribution by and distribution to owners of the company recognised directly in equity	-	-	-	(4,862,796)	(4,862,796)	(1,225,000)	(6,087,796)
Balance at March 31, 2020	**2,050,197**	**75,377,444**	**(113,016)**	**71,629,892**	**148,944,517**	**6,863,254**	**155,807,771**

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

Separate Statements of Changes in Equity for the Year Ended 31 March 2020

	Share capital	Share Premium	Fair Value Reserve	Retained earnings	Total attributable to equity holders of the Company	Total equity
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Company						
Balance at April 1, 2018	**2,050,197**	**75,377,444**	**(72,556)**	**74,091,211**	**151,446,296**	**151,446,296**
Adjustment on initial application of IFRS 9, net of tax	-	-	-	(27,954,389)	(27,954,389)	(27,954,389)
Restated Balance at April 1, 2018	**2,050,197**	**75,377,444**	**(72,556)**	**46,136,822**	**123,491,907**	**123,491,907**
Proft for the period	-	-	-	19,317,654	19,317,654	19,317,654
Other comprehensive income	-	-	(21,760)	241,868	220,108	220,108
Total comprehensive income for the year	**-**	**-**	**(21,760)**	**19,559,522**	**19,537,762**	**19,537,762**
Transactions with owners recorded directly in equity						
Dividends declared	-	-	-	(4,100,396)	(4,100,396)	(4,100,396)
Total Contribution by and distribution to owners of the company recognised directly in equity	-	**-**	**-**	**(4,100,396)**	**(4,100,396)**	**(4,100,396)**
Balance at March 31, 2019	**2,050,197**	**75,377,444**	**(94,316)**	**61,595,948**	**138,929,273**	**138,929,273**
Balance at April 1, 2019	**2,050,197**	**75,377,444**	**(94,316)**	**61,595,948**	**138,929,273**	**138,929,273**
Total Comprehensive income						
Profit for the year	-	-	-	12,582,571	12,582,571	12,582,571
Other comprehensive income	-	-	(18,700)	(313,458)	(332,158)	(332,158)
Total comprehensive income for the year	**-**	**-**	**(18,700)**	**12,269,113**	**12,250,413**	**12,250,413**
Transactions with owners recorded directly in equity						
Dividends declared (Note 38)	-	-	-	(4,920,475)	(4,920,475)	(4,920,475)
Write-back of unclaimed dividend				57,679	57,679	57,679
Total Contribution by and distribution to owners of the company recognised directly in equity	**-**	**-**	**-**	**(4,862,796)**	**(4,862,796)**	**(4,862,796)**
Balance at March 31, 2020	**2,050,197**	**75,377,444**	**(113,016)**	**69,002,265**	**146,316,890**	**146,316,890**

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

Consolidated and Separate Statements of Cash Flows for the Year Ended

		Group		Company	
	Note(s)	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Cash flows from operating activities					
Cash generated from operations	31	70,323,546	75,279,237	32,920,733	5,039,206
Tax paid	15	(2,562,378)	(2,583,747)	(336,250)	(1,116,414)
Long service award benefit paid	35	(140,327)	(291,474)	(41,586)	(247,869)
Retirement benefit paid	34	(940,525)	(164,792)	(603,078)	(130,170)
Net cash generated from operating activities		**66,680,316**	**72,239,224**	**31,939,819**	**3,544,753**
Cash flow from investing activities					
Purchase of property, plant and equipment	18	(16,216,197)	(26,223,342)	(11,740,814)	(17,210,136)
Proceeds from sale of property, plant and equipment		229,340	2,190,386	76,893	39,105
Acquisition of right of use asset	40	(33,095)	-	(33,095)	-
Acquisition of other intangible assets	20	(2,142)	(330,363)	(2,142)	(58,988)
Loans repayments from related companies	25	-	128,661	19,172,139	92,046,897
Loans granted to related companies	25	-	(586,399)	(10,051,568)	(58,904,085)
Purchase of biological assets	24	(163,562)	(969,873)	-	-
Interest Income	13	2,392,649	-	10,779,035	6,011,448
Dividends received	13	-	-	3,975,000	12,334,600
Net cash (used in)/generated from investing activities		**(13,793,007)**	**(24,989,243)**	**12,175,448**	**34,258,841**
Cash flow from financing activities					
Proceeds from borrowings	33	126,950,415	362,092,863	76,384,800	199,727,133
Repayment of borrowings	33	(139,604,896)	(378,107,786)	(96,205,655)	(208,873,876)
Repayment of lease liabilities	41	(2,541,665)	-	(1,370,689)	-
Dividends paid	38	(4,669,639)	(5,488,599)	(4,669,639)	(4,257,175)
Unclaimed dividend received	38	-	352,200	-	352,200
Finance costs paid	14	(19,975,470)	(22,891,176)	(12,293,277)	(16,025,840)
Additional investment by NCI		-	2,030,700	-	-
Net cash used in financing activities		**(39,841,255)**	**(42,011,798)**	**(38,154,460)**	**(29,077,558)**
Net increase in cash and cash equivalents		**13,046,054**	**5,238,186**	**5,960,807**	**8,726,036**
Cash and cash equivalents at the beginning of the year		7,554,408	2,311,327	8,459,148	(165,774)
Effect of exchange rate movement on cash balances		67,984	4,895	59,093	4,232
Transfer to Golden Fertilizer Company Limited		-	-	-	(105,346)
Cash and cash equivalents at 31 March	30	**20,668,446**	**7,554,408**	**14,479,048**	**8,459,148**

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

Notes to the Consolidated And Separate Financial Statements for the Year Ended 31 March 2020

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

1.3 Going concern status

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

1.4 Ownership structure

Name of shareholder	No. of shares held	Percentage of share capital
Excelsior Shipping Company Limited	2,581,286,589	62.95
Other individuals and institutional shareholders	1,519,109,017	37.05
	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 2019 to 31 March 2020, with comparatives for year ended 31 March 2019.

1.6 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and the requirements of the Companies and Allied Matters Act Cap C.20 Laws of Federation of Nigeria, 2004 and the Financial Reporting Council (FRC) of Nigeria Act, 2011.

The financial statements were authorised for issue by the board on 29 July 2020.

1.7 Basis of preparation

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

- Agricultural produce: Fair value less cost to sell.
- Non-bearer plant biological assets: Fair value where possible and cost where it is impossible to determine the fair value.
- Financial instruments: Initially measured at fair value and subsequently measured at amortised cost.
- Inventories: Lower of cost and net realisable value

. Corporate information (continued)

- Defined benefits obligations: Present value of the obligation
- Investments in equity instruments: Fair value through other comprehensive income
- Derivative financial assets and liabilities: Fair value

1.8 Functional and presentation currency

For the purpose of these financial statements, the results and financial position of the Company and its subsidiaries are expressed in Naira, which is the functional currency of the Company, and the presentation currency for the Company and the Group financial statements.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2. Significant accounting policies

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

Changes in Accounting policies

The Group and Company adopted IFRS 16 Leases from 1 April 2019, the impact of the adoption of the new lease standards and changes in accounting policies are disclosed in Note 5.

The principal accounting policies applied in the preparation of these consolidated and separate annual report are set out below:

2.1 Segmental reporting

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

The Group's primary format for segment reporting is based on business operating segments. Where applicable, segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The basis of segmental reporting has been set out in note 8

2.2 Consolidation

Basis of consolidation

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

The financial information of the subsidiaries are prepared as of the same reporting date and consolidated using consistent accounting policies. Subsidiaries are consolidated from the date on which control is transferred to the Group and are included until the date on which the Group ceases to control them.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

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

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

2.2 Consolidation (continued)

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. 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.

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

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair value of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

Business combination of entities under common control

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

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

2.2 Consolidation (continued)

Interests in subsidiaries in Company separate financial statements

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

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

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

Loss of Control

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

2.3 Revenue from contracts with customers

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

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

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 customers. Invoices are generated at that point in time. Invoices are usually payable within 30 days. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Revenue recognition

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

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

Revenue from contracts with customers (continued)

Rendering of services

Revenue represents the net value of services in respect of various services which includes haulage services, port services, packaging services etc. 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 financial position and revenue is recognised as soon as goods have been delivered or services have been rendered.

2.4 Biological assets

Biological asset or agriculture produce is recognised only when the Group controls the asset as a result of past events, it is probable that future economic benefits will flow to the entity, and the fair value or cost of the asset can be measured reliably.

Biological assets comprise growing sugar cane, oil palm fresh fruit bunches and cassava as well as poultry. Biological assets are measured on initial recognition and subsequently at fair value less cost to sell.

Agricultural produce at the point of harvest are measured at fair value less cost to sell and are subsequently reclassified from agricultural produce to inventory and measured in accordance with the accounting policy on inventories.

Fair value gain or loss arising on initial and subsequent measurement is recognised in profit or loss and presented as part of cost of sale for the period in which it arises.

2.5 Investment property

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

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

Depreciation of Investment property is calculated on a straight line basis to allocate cost less residual values of the assets over their estimated useful lives.

Investment property (building) is depreciated over a useful life of 50 years.

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

Rental income from the investment property is recognised as other revenue or income on a straight-line over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

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 select entity; and
- the cost of the item can be measured reliably.

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

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

2.6 Property, plant and equipment (continued)

When the use of a property changes from owner-occupied, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement, is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss. However, to the extent that an amount is included in the revaluation surplus of that property, the loss is recognised in OCI and reduces the revaluation surplus within equity.

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:

Item	Average useful life
Buildings	50 years
Plant and machinery	5-25 years
Furniture and equipment	3-10 years
Motor vehicles	4-5 years
Mature bearer plants	25-35 years
Freehold land	Not depreciated
Berth rehabilitation	Over the lease period

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

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

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

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

2.7 Intangible assets

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. 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.

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 - 5years

2.7 Intangible assets (continued) - Derecognition of intangible assets

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

2.8 Financial instruments

i. Recognition and initial measurement:

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

The Group and Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

ii. Classification and subsequent measurement

Financial assets

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

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

A financial asset is measured at mortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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

Financial assets - Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group and Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

Financial instruments (continued)

- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group and Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

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

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

- contingent events that would change the amount or timing of cash flows:

- terms that may adjust the contractual coupon rate, including variable-rate features;

- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

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

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments. On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income; or fair value through profit or loss.

Broadly, the classification possibilities, which are adopted by the Group ,as applicable, are as follows:

Financial assets which are equity instruments:

- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or

Financial instruments (continued)

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or

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

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method, The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in OCI are reclassified to profit or loss.
Equity investment at FVOCI	These assets are subsequently measured a 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.

Derecognition

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

The Group and Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised. The Group derecognise a financial liability when its contractual obligations are discharged or cancelled or expire. The Group and Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

On derecognition of a financial asset other than in its entirely (e.g. when the entity retains an option to repurchase part of a transferred asset), the entity allocates the previous carrying amount of the fianncila asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair value of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the bais of the relative fair values of those parts.

The Group derecognises a financial liability only when its obligation is settled, cancelled or expired.

Financial instruments (continued)

2.8.1 Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 27).

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 contact 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 assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and Company considers a financial asset to be in default when;

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

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

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.

Financial instruments (continued)

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

ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets
At each reporting date, the Company assesses financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- a breach of contract such as a default or being more than 90 days past due.

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

Presentation of allowance for ECL in the Statement of Financial Position
Loss allowance for financial assets measured at amortised costs are deducted from the gross carrying amount of the assets.
For debt securities at FVOCI, the loss allowances is charged to profit or loss and is recognsied 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 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 1 year or less are also included in cash and cash equivalents if they are held for short term cash commitments rather than for investment or other purposes. Cash equivalents are readily convertible into known amounts of cash and have an insignificant risk of changes in value. Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

2.8.3 Borrowings and loans from related parties

Recognition and measurement

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

They are subsequently measured at amortised cost using the effective interest method.

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

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

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

Financial instruments (continued)

2.8.4 Trade and other payables

Recognition and measurement

They are recognised when the Group and Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

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 (Note 14).

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

2.8.5 Bank overdrafts

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

Financial instruments (continued)

2.8.6 Derivatives and hedge accounting

Classification

The Group and Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

At inception of the designated hedging relationship, the Group and Company documents the risk management objective and strategy for undertaking the hedge. The Group and Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Group and Company enters into a variety of derivative financial instruments in order to manage its exposure to foreign exchange risk and interest rate risk. Derivatives held by the Group and Company which are not in designated hedging relationships, include forward exchange contracts. (Note 28).

Recognition and measurement

Derivatives are recognised when the Group and Company becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Directly attributed transaction costs are also recognised in profit or loss.

Fair value gains or losses are included in other operating gains (losses) (Note 9). Details of the valuation policies and processes are presented in Note 46.

2.8.7 Offsetting

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

2.8.8 Derecognition

Financial assets

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

Financial liabilities

The Group and Company derecognises financial liabilities when, and only when, the Group and Company obligations are discharged, cancelled or they expire. The Group and Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.9 Taxation

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

Current tax

The current tax is based on taxable profit for the year and any adjustment in respect of previous years. Taxable profit differs from profit as reported in the consolidated and separate statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in future years and items that are never taxable or deductible. The amount of current tax is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. The Group and Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and liabilities are offset only if certain criteria are met.

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 is computed as 0.5% of turnover less franked investment income and it is applicable to companies with no total profit or companies whose computed tax is less than the minimum tax. The Group and the Company recognises minimum tax payable to the tax authority as part of its company income tax payable in the statement of financial position.

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

Implementation of Finance Act

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

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

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

Accounting for uncertain tax treatments

Uncertainty over Income Tax Treatments

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

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

The Company's judgements with respect to income taxes are based on the likelihoods that the tax authority will accept an uncertain tax treatment that has been taken or is expected to be taken on its tax returns. The Company specifically reviews whether its tax treatments are consistent with requirements and recommendations of the tax laws while ensuring its proper coverage of avoidable tax risks and exposures in process.

2.9 Taxation (continued)

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.10 Leases

Policy applicable before 1 April 2019.

Arrangement that contains a lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

2.10 Leases (continued)

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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 are recognised in investment income in the Group financial statement.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the consolidated and separate statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated and separate statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating asset.

Any continent rents are expensed in the period they are incurred.

Policy applicable from 1 April 2019

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 April 2019.

2.10 Leases (continued)

i. As a lessee

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

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

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

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

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

Lease payments included in the measurement of the lease liability comprise the following:

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

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

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.

2.10 Leases (continued)

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.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

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

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

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

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

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

2.12 Goodwill

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

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

2.12 Goodwill (continued)

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

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

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

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

Non-current assets (or disposal groups) held for sale (distribution to owners) are measured at the lower of their carrying amount and fair value less costs to sell (distribute).

A non-current asset is not depreciated (or amortised) while it is classified as held for sale (held for distribution to owners), or while it is part of a disposal group classified as such.

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

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

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

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

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

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

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

2.15 Share capital and equity

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

2.15 Share capital and equity (continued)

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 S.120(3) of CAMA. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Incremental costs directly attributable to the issue of Ordinary shares are recognised as deduction from equity.

Fair value reserve comprises the cumulative net change in the fair value of available for sale financial assets until the assets are derecognised or impaired.

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

2.16 Deposit for imports

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

2.17 Employee benefits

Short-term employee benefits

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

Defined contribution plans

The Group and Company operate a defined contribution based retirement benefit scheme for its staff, in accordance with the Pension Reform Act of 2014 with employee contributing 8% and the employer contributing 10% each of the employee’s relevant emoluments (basic salaries, housing and transport allowances). Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions. Employees contributions are deducted through payroll.

Defined benefits

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

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

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense
- 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 fund is not funded the Group ensures that adequate arrangements are in place to meet its obligations under the scheme.

2.17 Employee benefits (continued)

Long service award

In addition, the Group operates long service award for its qualified staff. The benefits are graduated depending on the employees number of years in service to the Group. The Group's obligation in respect of the scheme is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximate to the term of the Group's defined benefits obligation. The obligation is determined by an independent actuary at each reporting period.

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

Termination benefits

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

2.18 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a 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.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cashflows (when the effect of the time value of money is material).

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

Restructuring

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

Contingent liabilities

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

2.19 Government grants

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

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.19 Government grants (continued)

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

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

2.20 Investment income

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

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

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 as other operating income.

2.21 Earnings per share

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

2.22 Borrowing costs

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

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Notes to the Consolidated And Separate Financial Statements for the Year Ended 31 March 2020

2.23 Foreign currencies translations

Foreign currency transactions

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

Exchange differences on monetary items are recognised in the profit or loss in the period in which they arise.

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

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

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

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets are regarded as an adjustment to interest costs on those foreign currency borrowings.

2.24 Statement of cash flows

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

2.25 Dividends

Dividends which remain unclaimed for a period exceeding twelve(12) years from the date of declaration and which are no longer actionable by shareholders in accordance with section 385 of the Companies and Allied Matters Act Cap C.20 Laws of the Federation of Nigeria, 2004 are written back to retained earnings.

2.26 Net Operating Gains/Losses

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

2.27 Cost of Sales

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

2.28 Prepayment

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

2.29 Other investments

Other investments are equity instruments of unrelated entities owned by the Group. The Group assesses the fair value of the instrument at the end of each reporting period. The Group and the Company has designated other investments as at fair value through other comprehensive income.

3 Significant judgements, assumptions and sources of estimation uncertainty

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

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

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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 of future taxable profit against which deductible temporary difference and tax losses carried forward can be utilised;

Assumptions and estimation uncertainties
Information about assumptions and estimation uncertainties as at 31 March 2020 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 (6)- Revenue recognition; estimate of expected returns

Note (34) and (35)- recognition of defined benefit obiligation: key actuarial assumptions;

Note (24) determining the fair value of biological assets on the basis of significant unobservable inputs;

Note (20) and (21)- impairment test of intangible assets and goodwill; key assumptions underlying recoverable amounts, including the recoverability of development costs;

Note(37) and (52)- recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources;

Note (27) measurement of ECL allowance for the receivables and contract assets; key assumptions in determining the weighted-average loss rate; and

Note (22)- acquisition of subsidiary; fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed measured on a provision basis.

The following are the areas of estimation uncertainties and critical judgements, that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements:

3. Significant judgements, assumptions and sources of estimation uncertainty (continued)

Biological assets

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

Allowance for credit losses

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

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

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

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group, accounting for about 50% of the Group's total assets. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in the reduced depreciation charge in profit or loss.

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. There were no changes in the useful lives of Property, plant and equipment in the current year.

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.

Valuation of financial liabilities

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

Provision for gratuity

The Company operates an unfunded defined benefit scheme which entitles staff who put in a minimum qualifying working period of five years to gratuity upon leaving the employment of the Company. IAS 19 requires the application of the Projected Unit Credit Method for actuarial valuations. Actuarial measurements involve the making of several demographic projections regarding mortality, rates of employee turnover etc. and financial projections in the area of future salaries and benefit levels, discount rate, inflation etc.

Provision for long service award

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

3. Significant judgements, assumptions and sources of estimation uncertainty (continued)

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 calculations requires directors to estimate the future cashflows expected to arise from the cash generating unit and use a suitable discount rate to calculate the present value. The determination of the expected future cashflows requires judgement to be made by management. Where the actual future cashflows are less than expected, an impairment loss may arise.

Discounted Operations

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:
- represents a separate major line of business or geographical area operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is represented as if the operation had been discontinued from the start of the comparative year.

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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

Further information about the basis of determination of fair values are as follows:

i) **Property, plant and equipment**

The fair value of property, plant and equipment recognized as a result of a business combination is based on the quoted market prices for similar items when available and depreciated replacement cost based on independent valuation when appropriate.

ii) **Intangible assets**

The fair value of intangible assets acquired in a business combination is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

3. Significant judgements, assumptions and sources of estimation uncertainty (continued)

iii) **Inventories**

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories

iv) **Trade and other receivables**

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes. For short term trade receivables, no disclosure of fair value is presented when the carrying amount is a reasonable approximation of fair value due to the insignificant impact of discounting.

v) **Non-derivative financial instruments**

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Further information about the assumptions made in measuring fair value is included in the following notes:

- Biological asset (note 24)

- Financial instruments - Financial risk management and fair values (Note 45).

Financial instruments comprising financial assets and financial liabilities are recognised in the statement of financial position when the Group and Company become a party to the contractual provisions of the instrument. The Group and Company have adopted IFRS 9 Financial Instruments from 1 January 2018. As permitted by the standard, comparative figures have not been restated and these are presented in accordance with the Group's and Company's previous policies. Both the new and old accounting policies are described in note

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.

4. New Standards and Interpretations

4.1 Standards and interpretations effective and adopted in the current year

In line with IFRS, entities are required to disclose among others, known or a reasonable estimable information relevant to assessing the possible impact(s) of those Standards and Interpretations that have been issued but not yet effective on the financial statements in the year of initial application.

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year

The effective interpretations and standards that have been considered for financial year ended 31 March 2020 are listed below:

(a) IFRIC 23 Uncertainty over Income Tax Treatments

(b) IFRS 16 Leases

Other standards effective in the year which had no material impact on the financial statement include;

c) Prepayment Features with Negative Compensation (Amendments to IFRS 9)

(d) Long-term interests in Associates and Joint Ventures (Amendments to IAS 28)

(e) Plan Amendment, Curtailment or Settlement(Amendment to IAS 19)

(f) Annual Improvements to IFRS Standards 2015/2017 Cycle (various standards)

4. New Standards and Interpretations (continued)

Uncertainty over Income Tax Treatments (IFRIC 23)

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 probabilities to reflect the uncertainty. Changes in facts and circumstances are required to be treated as changes in estimates and applied prospectively.

The Group has adopted the requirements of IFRIC 23 effective 1 April 2019 and noted no significant impact on its financial statements.

4. New Standards and Interpretations (continued)

4.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after April 1, 2020 or later periods:

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 31 December 2019, and have not been applied in preparing these financial statements. Management is yet to assess the effect of the following standards on the financial statements of the Company. These include:

Definition of Material – Amendments to IAS 1 and IAS 8 (1 January 2020)

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments to the definition of material is not expected to have a significant impact on the Company's financial statements.

Conceptual framework for financial reporting - Revised (effective date - 1 Jan 2020)

These amendments were issued in March 2018. Included in the revised conceptual framework are revised definitions of an asset and a liability as well as new guidance on measurement and derecognition, presentation and disclosure. The amendments focused on areas not yet covered and areas that had shortcomings.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group and the Company.

5. Changes in significant accounting policies

The financial statement have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

5. Changes in significant accounting policies (continued)

IFRS 16 - Leases

The Group and Company initially applied IFRS 16 Leases from 1 April 2019. A number of other new standards are also effective from 1 April 2019 but they do not have a material impact on the Group's financial statements. The Group and Company applied IFRS 16 using the modified retrospective approach, and applied the practical expedient of not adjusting the opening balance of retained earnings. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

On transition to IFRS 16, the Group and the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group and the Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 April 2019.

As a lessee, the Group and the Company leases silos, warehouses, office buildings, flats and apartments. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group and Company. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet. At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property the Group and the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Impact on financial statements
Impact on transition

On transition to IFRS 16, the Group recognised additional right-of-use assets, and additional lease liabilities, no retained earnings impacts was recognised. The impact on transition is summarised below

	Group	Company
In Thousands of Naira	1 April 2019	1 April 2019
Right of use assets	16,267,672	4,885,286
Deferred tax asset	-	-
Lease liabilities	(12,784,790)	(2,589,094)
Prepayments	(3,482,882)	(2,296,192)
Retained earnings	-	-

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted average incremental borrowing rate applied on foreign denominated and Naira denominated lease payments are 7.7 % and 15.02 % respectively.

	Group	Company
In thousands of Naira	1 April 2019	1 April 2019
Operating lease commitments at 31 March 2019	18,146,143	1,330,000
Discounted using incremented borrowing rate	8,252,272	956,221
Extension options reasonably certain to be exercised	4,532,518	1,632,873
Lease liabilities recognised at 1 April 2019	12,784,790	2,589,094

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
6. Revenue				
Revenue from contracts with customers				
Sale of goods	561,447,304	506,405,466	374,211,021	346,119,721
Rendering of services	12,327,052	20,999,101	20,673,196	24,085,808
	573,774,356	**527,404,567**	**394,884,217**	**370,205,529**
Analysis by segment				
Sale of goods - point in time				
Food	358,353,952	335,614,122	370,800,950	342,955,211
Agro Allied Products	105,463,639	88,100,141	3,410,071	21,893,363
*Agro Allied (Fertilizer division)	-	-	-	(18,728,853)
Sugar	97,629,713	82,691,203	-	-
Provision of services - over time				
Support services	12,327,052	20,999,101	20,673,196	24,085,808
	573,774,356	**527,404,567**	**394,884,217**	**370,205,529**

7. Cost of sales (by nature)

Cost of raw and packaging materials	435,482,212	407,207,732	317,813,610	316,139,546
Production employee costs	17,510,118	16,125,743	11,638,229	11,103,623
Depreciation	20,043,536	19,205,028	9,865,073	9,904,683
Fuel, gas and oil	16,524,838	14,300,523	8,265,710	7,842,551
Factory rents and rates	293,007	2,058,453	40,848	1,335,623
Repairs and maintenance	10,518,732	9,752,174	5,045,250	6,065,897
Insurance	550,767	387,468	228,332	142,775
Other production expenses	7,063,969	5,019,889	2,055,689	1,417,292
*Agro allied (Fertilizer Division)	-	-	-	(16,878,116)
	507,987,179	**474,057,010**	**354,952,741**	**337,073,874**

*In prior year, the Company discontinued the operations of its fertilizer division and transferred its operations, including assets and liabilities, to Golden Fertilizer Company Limited. See further details in Note 52.

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.

Basis of Segmentation

The Group has the following four strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they require different operational and marketing strategies.

Inter-segment pricing is determined on an arm's length basis.

The following summary describes the operations of each reportable segment:

8. Segment information (continued)

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

The Board of Directors of Flour Mills of Nigeria Plc reviews the internal management reports of each segment on a periodic basis.

There are varying levels of integration between the Food and the Agro allied segments and the Sugar and Services segments. This integration includes transfer and sale of raw and packaging materials and shared distribution services respectively.

All non-current asset of the Group are domiciled in Nigeria.

Group

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 2020
Group

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

31 March 2019
Group

	Revenue N '000	Cost of sales N '000	Gross profit N '000
Food	335,614,122	321,889,958	13,724,164
Agro Allied	88,100,141	68,878,617	19,221,524
Sugar	82,691,203	66,974,531	15,716,672
Support Services	20,999,101	16,313,904	4,685,197
	527,404,567	**474,057,010**	**53,347,557**

8. Segment information (continued)

	Group		Group	
	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
	N '000	N '000	N '000	N '000
	Segment revenue	Segment profit/(loss)	Segment revenue	Segment profit/(loss)
Food	404,613,601	26,522,007	379,194,752	22,263,837
Agro Allied	120,859,450	502,717	108,701,888	(1,027,506)
Sugar	101,687,189	5,132,020	85,082,555	7,407,417
Support Services	39,013,467	(2,615,236)	30,717,935	(6,210,761)
Elimination of Inter-segment revenue	(92,399,351)	-	(76,292,563)	-
Elimination of Inter-segment profit/loss	-	(12,044,693)	-	(12,258,712)
	573,774,356	**17,496,815**	**527,404,567**	**10,174,275**

Revenue from customers domiciled in Nigeria amounted to N569.4 billion (2019: N520.2 billion), while revenue from foreign customers (export revenue) amounted to N4.3 billion (2019: N7.2 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

	31-Mar-20	31-Mar-19
	N '000	N '000
Segment assets		
Food	333,527,975	312,222,423
Agro Allied	116,935,062	147,316,169
Sugar	138,606,694	109,091,246
Support Services	21,568,682	46,105,960
Elimination of Inter-segment Assets	(178,184,571)	(197,914,194)
Total assets	**432,453,842**	**416,821,604**

	31-Mar-20	31-Mar-19
	N '000	N '000
Segment liabilities		
Food	166,888,847	178,443,119
Agro Allied	43,898,988	57,781,316
Sugar	105,546,832	107,081,152
Support Services	23,132,799	30,152,368
Elimination of Inter-segment Liabilities	(62,821,395)	(107,608,546)
Total liabilities	**276,646,071**	**265,849,409**

Major customer

Revenues from one customer of the Group’s food segments represented approximately N12 billion (2019: N15 billion) of the Group’s total revenues.

8. Segment information (continued)

Other material items

Group

March 31, 2020	Food	Agro Allied	Sugar	Support Services	Reportable segment totals	Adjustments	Consolidated total
	NC	N. '000	N. '000	N'000	N. '000	N'000	N'000
Interest income	(11,055,812)	(1,342,736)	(25,083)	(68,086)	(12,491,717)	10,099,068	(2,392,649)
Interest expense	12,754,541	5,132,232	9,618,404	2,474,123	29,979,300	(10,003,830)	19,975,470
Capital expenditure	8,799,742	1,845,715	2,861,308	2,709,432	16,216,197	-	16,216,197
Depreciation and amortisation	9,428,708	3,001,980	5,124,103	2,555,011	20,109,802	-	20,109,802
Fair value gain on derivatives	2,961,519	34,889	761,261	10,991	3,768,660	-	3,768,660
	22,888,698	**8,672,080**	**18,339,993**	**7,681,471**	**57,582,242**	**95,238**	**57,677,480**

March 31, 2019	Food	Agro Allied	Sugar	Support Services	Reportable segment totals	Adjustments	Consolidated total
	N. '000	N. '000	N. '000	N. '000	N. '000	N. '000	N. '000
Interest income	(19,682,975)	(57,242)	(8,422)	(1,431,941)	(21,180,580)	20,411,988	(768,592)
Interest expense	16,377,713	3,965,853	8,274,640	2,350,357	30,968,563	(8,077,387)	22,891,176
Capital expenditure	15,263,694	4,423,634	3,968,010	2,898,369	26,553,707	-	26,553,707
Depreciation and amortisation	9,977,212	2,586,450	5,350,054	2,820,942	20,734,658	-	20,734,658
	21,935,644	**10,918,695**	**17,584,282**	**6,637,727**	**57,076,348**	**12,334,601**	**69,410,949**

Notes to the Consolidated And Separate Financial Statements for the Year Ended 31 March 2020

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
9. Net operating gains and (losses)				
Fees earned	441,660	467,575	-	-
Fair value gain on derivatives	3,768,660	182,253	2,971,472	182,253
Rental income	646,183	201,549	241,200	269,965
Insurance claim	389,843	62,699	62,592	36,841
Sundry (loss)/ income	(866,190)	1,209,694	(698,468)	1,020,347
Bad debts recovered	98,699	67,170	7,300	67,170
Impairment of investment in subsidiary (Note 22)	-	-	-	(50,000)
Government grants (Note 36)	4,082,033	3,041,243	207,611	201,822
(Loss)/ profit on disposal of property, plant and equipment	(8,710)	(2,650)	20,889	2,434
(Loss)/ gain on exchange differences	(3,646,495)	981,672	(2,339,750)	556,682
	4,905,683	**6,211,205**	**472,846**	**2,287,514**
10. Selling and distribution expenses (analysed by nature)				
Employee costs	3,017,793	2,633,597	2,485,979	1,697,467
Advertisement	1,900,864	1,793,408	1,818,411	1,614,476
Selling expenses	4,359,737	3,738,787	3,057,439	2,985,443
	9,278,394	**8,165,792**	**7,361,829**	**6,297,386**
11. Administrative expenses (analysed by nature)				
Auditors remuneration	470,660	567,696	248,585	339,590
Bank charges	1,408,016	1,059,623	1,109,900	814,444
Legal and professional fees	942,622	892,649	538,041	551,595
Depreciation	2,016,072	1,529,632	2,165,187	1,199,489
Employee costs	8,750,849	6,603,291	6,232,958	4,692,416
Non income taxes, fines and penalty	1,119,908	825,825	552,532	646,049
Insurance	422,261	276,546	225,013	133,711
Computer related expenses	940,171	942,089	644,616	670,550
Medical, canteen and welfare expenses	1,164,592	867,751	949,666	615,754
Motor vehicle expenses	185,883	131,570	134,777	94,867
Fuel, gas and oil	322,677	580,157	192,780	405,326
General administrative expenses	1,866,722	2,146,949	218,078	1,028,102
Postages, telephone and cables	193,961	217,427	147,517	171,504
Printing and stationery	106,802	106,376	52,473	61,624
Rent and rate	323,126	324,314	183,428	185,507
Repairs and maintenance	753,481	1,263,142	361,212	375,587
Subscriptions and donations	1,419,649	217,578	1,111,526	154,115
Security services	410,834	250,419	90,497	86,045
Travelling expenses	527,916	621,053	407,146	435,107
	23,346,202	**19,424,087**	**15,565,932**	**12,661,382**

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000

12. Employee information

Employee costs

Salaries, wages and other benefits	24,810,923	21,689,295	16,829,742	14,484,296
Pensions	2,152,889	1,864,933	1,891,200	1,606,366
Long service awards	694,983	526,318	510,019	416,200
Gratuity	1,619,965	1,282,085	1,126,205	986,644
	29,278,760	**25,362,631**	**20,357,166**	**17,493,506**

Total employee costs recognised in profit or loss				
Cost of sales	17,510,118	16,125,743	11,638,229	11,103,623
Administrative expenses	8,750,849	6,603,291	6,232,958	4,692,416
Selling and distribution expenses	3,017,793	2,633,597	2,485,979	1,697,467
	29,278,760	**25,362,631**	**20,357,166**	**17,493,506**

During the year, the Group and Company initiated and completed a restructuring program for which termination benefits paid amounted to N824 million (2019:Nil) and N656 million (2019:Nil) respectively.

Average number of persons employed as at year end

	Group		Company	
	31-Mar-20 Number	31-Mar-19 Number	31-Mar-20 Number	31-Mar-19 Number
Managerial	910	1,205	724	930
Non-managerial staff	4,117	6,215	2,956	2,636
	5,027	**7,420**	**3,680**	**3,566**

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

	Group		Company	
	31-Mar-20 Number	31-Mar-19 Number	31-Mar-20 Number	31-Mar-19 Number
N.100,001 - N.200,000	164	1,002	164	320
N.200,001 - N.300,000	37	958	18	321
N.300,001 - N.400,000	212	1,051	104	397
N.400,001 - N.500,000	88	832	53	254
N.500,001 - N.600,000	181	566	119	211
N.600,001 - N.700,000	358	293	292	92
N.700,001 - N.800,000	301	282	248	82
N.800,001 - N.900,000	279	195	143	102
N.900,001 - N.1,000,000	355	169	127	93
N.1,000,001 and above	3,052	2,072	2,412	1,694
	5,027	**7,420**	**3,680**	**3,566**

Notes to the Consolidated And Separate Financial Statements for the Year Ended 31 March 2020

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
13. Investment income				
Dividend income				
Dividend from subsidiaries	-	-	3,975,000	12,334,600
Interest income				
Interest income from short term investments and bank deposits	2,392,649	768,592	2,108,842	743,471
Interest income from related companies	-	-	8,670,193	5,267,977
Total investment income	**2,392,649**	**768,592**	**14,754,035**	**18,346,048**
14. Finance costs				
Interest expense on related parties transactions	-	-	1,611,616	2,134,762
Interest on bond and commercial papers	3,381,180	7,745,300	3,381,180	7,745,299
Interest expense on lease liabilities	1,417,199	-	389,523	-
Interest on bank loans and overdrafts	15,177,091	15,145,876	6,910,958	6,145,779
Total finance costs	**19,975,470**	**22,891,176**	**12,293,277**	**16,025,840**
15. Taxation				
Per profit or loss				
Income tax charged	3,739,099	1,136,387	1,974,954	-
Tertiary education tax	1,016,142	1,446,511	590,651	344,386
Withholding tax on Dividend income (i)	-	-	-	166,260
Police Trust Fund Levy	1,229	-	876	-
Under/(over) provision in prior year	(699,359)	495,783	(273,451)	260,864
Current tax expense	4,057,111	3,078,681	2,293,030	771,510
Deferred taxation	1,819,739	2,869,833	2,662,084	215,232
Net income tax expense as per profit or loss	**5,876,850**	**5,948,514**	**4,955,114**	**986,742**

Corporation tax is calculated at 30% (2019: 30%) of the estimated taxable profit for the year while tertiary education tax is calculated at 2% (2019: 2%) of the estimated assessable profit for the year. The deferred tax charge recognised in the year relates to the origination and reversal of temporary differences and write-down of previously recognised deferred tax asset.

Per statement of financial position				
At 1 April	4,104,046	3,151,317	775,961	1,179,641
Charge for the year	4,057,111	3,078,681	2,293,031	771,510
Minimum tax	243,222	225,616	-	-
Capital Gains Tax	-	993,685	-	-
Payment during the year				
Cash	(2,562,378)	(2,583,747)	(336,250)	(1,116,414)
Withholding tax utilised	(310,841)	(761,506)	(166,260)	(58,777)
Current tax payable	**5,531,160**	**4,104,046**	**2,566,482**	**775,960**

Minimum Tax

Minimum tax has been computed for the Group subsidiaries with no assessable profits year end. During the year, the Group applied the provisions of Finance Act, which required minimum tax to be computed based on 0.5% of turnover and this amounted to N243 million. Minimum tax in prior year was computed based on the Company Income Tax Act (CITA) and this amounted to N226 million.

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000

15. Taxation (continued)

Reconciliation of effective tax rate				
Profit before tax on continuing operations (A)	17,253,593	9,948,659	17,537,685	18,536,249
Tax at the statutory corporation tax rate of 30% (2019:30%)	5,176,078	2,984,598	5,261,306	5,560,875
Effect of police trust fund levy	1,229	-	877	-
Effect of income that is exempt from taxation	(1,334,988)	(4,133,150)	(1,267,679)	(3,938,494)
Effect of expenses that are not deductible in determining taxable profit	1,152,260	5,414,842	944,489	888,887
Effect of investment allowance and other incentives	(430,254)	(491,018)	(301,079)	(388,526)
Education tax at 2% of assessable profits	1,016,142	1,245,918	590,651	420,735
Current year losses for which no deferred tax was recognised	1,388,552	-	-	-
Derecognition of previously recognised deferred tax	1,068,881	-	-	-
Effect of previously unrecognised deferred tax now recognised	-	(2,368,765)	-	-
(Over) or under provision in prior year	(699,359)	495,782	(273,451)	260,864
Effect of tax on dividend income	-	-	-	166,260
Change in recognised deductible temporary differences	-	(1,236,748)	-	(1,983,859)
Effect of multiple tax due to commencement rule (Effect of the transition to Finance Act on current year deferred tax)	(1,461,691)	4,037,054	-	-
Income tax expense recognized in profit or loss (relating to continuing operations)	5,876,850	5,948,513	4,955,114	986,742
Income tax expense recognized in profit or loss (B)	**5,876,850**	**5,948,513**	**4,955,114**	**986,742**
Effective tax rate (B/A)	**34 %**	**60 %**	**28 %**	**5 %**

The Finance Act 2019 became effective on 13 January 2020 and introduced significant changes to some sections of the Companies Income Tax Act (CIT). These changes have been applied in determining the estimated income tax charge for the year in line with the provisions of the Finance Act and the clarification circulars issued by the Federal Inland Revenue Service (FIRS).

16. Deferred tax

Analysis of deferred tax balances

Deferred tax asset	3,578,421	3,963,819	-	-
Deferred tax liability	(11,848,855)	(10,587,507)	(10,665,100)	(8,150,526)
Net deferred tax liability	**(8,270,434)**	**(6,623,688)**	**(10,665,100)**	**(8,150,526)**

The Group has unrecognised capital allowance and unused tax losses amounting to N3.6 billion and 17.5 billion (2019:N8.6 billion and N6.5 billion) respectively. No deferred tax assets has 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.

16. Deferred tax (continued)

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

2020
Deferred tax (assets)/liabilities in relation to:

	Opening balance N '000	Recognised in profit or loss N '000	Recognised in other comprehensive income N '000	Closing balance N '000
Property, plant and equipment	19,052,568	3,060,547	-	22,113,115
Tax losses	(3,695,876)	1,311,257	-	(2,384,619)
Exchange difference	(280,654)	(23,675)	-	(304,329)
Employee benefits	(2,795,397)	252,365	(172,994)	(2,716,026)
Inventories and trade and other receivables	(5,680,219)	(2,566,598)	-	(8,246,817)
Right of use assets	-	(480,792)	-	(480,792)
Fair valuation of derivatives instrument	-	243,604	-	243,604
Gain on fair valuation of biological assets	23,267	23,031	-	46,298
	6,623,689	**1,819,739**	**(172,994)**	**8,270,434**

March 31, 2019
Deferred tax (assets)/liabilities in relation to:

	Opening balance N '000	Recognised in profit or loss N '000	Recognised in equity N '000	Recognised in other comprehensive income N '000	Closing balance N '000
Property, plant and equipment	14,159,104	4,893,464	-	-	19,052,568
Tax losses	(2,085,637)	(1,610,239)	-	-	(3,695,876)
Exchange difference	(1,536,945)	1,256,291	-	-	(280,654)
Employee benefits	(2,165,245)	(778,220)	-	148,068	(2,795,397)
Inventories and trade and other receivables	(2,523,433)	(914,730)	(2,242,057)	-	(5,680,219)
Gain on fair valuation of biological assets	-	23,267	-	-	23,267
	5,847,844	**2,869,833**	**(2,242,057)**	**148,068**	**6,623,688**

Company

2020
Deferred tax (assets)/liabilities in relation to:

	Opening balance N '000	Recognised in profit or loss N '000	Recognised in other comprehensive income N '000	Closing balance N '000
Property, plant and equipment	15,551,034	3,504,057	-	19,055,091
Exchange difference	(269,017)	83,300	-	(185,717)
Employee benefits	(2,368,765)	(20,233)	(147,510)	(2,536,508)
Inventories and trade and other receivables	(4,762,726)	(856,490)	-	(5,619,216)
Right of use assets	-	(48,550)	-	(48,550)
	8,150,526	**2,662,084**	**(147,510)**	**10,665,100**

16. Deferred tax (continued)

2019 Deferred tax (assets)/liabilities in relation to:	Opening balance	Recognised in equity	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
	N '000	N '000	N '000	N '000	N '000
Property, plant and equipment	15,589,730	-	(38,696)	-	15,551,034
Exchange difference	(1,526,153)	-	1,257,137	-	(269,017)
Employee benefits	(1,924,468)	-	(558,116)	113,819	(2,368,765)
Inventories and trade and other receivables	(2,333,774)	(1,983,859)	(445,093)	-	(4,762,726)
	9,805,335	**(1,983,859)**	**215,232**	**113,819**	**8,150,526**

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	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Reconciliation of profit or loss for the year to earnings per share				
Profit or loss for the year attributable to equity holders of the parent				
Profit or loss for the year from continuing operations	10,467,673	4,108,368	12,582,571	17,549,507
Profit or loss for the year from discontinued operation	-	-	-	1,768,147
	10,467,673	**4,108,368**	**12,582,571**	**19,317,654**
Weighted average number of shares ('000)*	4,100,394	4,100,394	4,100,394	4,100,394
Basic earnings per share				
From total operations (kobo per share)	255	100	307	471
From continuing operations (kobo per share	255	100	307	428
From discontinued operations (kobo per share)	-	-	-	43

17. Earnings per share (continued)

Diluted earnings per share

In the determination of diluted earnings per share, profit or loss attributable to the equity holders of the Company and the weighted average number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares.

Where there is a discontinued operation, diluted earnings per share is determined for both continuing and discontinued operations.

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Reconciliation of profit or loss for the year to earnings per share				
Profit or loss for the year attributable to equity holders of the parent				
Profit or loss for the year from continuing operations	10,467,673	4,108,369	12,582,571	17,549,507
Profit or loss for the year from discontinued operation	-	-	-	1,768,147
	10,467,673	**4,108,369**	**12,582,571**	**19,317,654**
Weighted average number of shares ('000)	4,100,394	4,100,394	4,100,394	4,100,394
Diluted earnings per share				
From continuing operations (kobo per share)	255	100	307	428
From discontinued operations (kobo per share)	-	-	-	43

The Company has no potentially dilutive instruments as at year end

Notes to the Consolidated And Separate Financial Statements for the Year Ended 31 March 2020

18. Property, plant and equipment

Group	Land and building	Plant and machinery	Furniture and equipment	Vehicles	Bearer plants	Berth Rehabilation	Capital work-in-progress (CWIP)	Total
	N. '000	N. '000	N. '000	N. '000	N. '000	N. '000	N. '000	N. '000
Cost								
Balance at 1 April 2018	76,876,409	226,367,909	6,988,831	11,350,365	1,591,945	763,547	11,915,285	335,854,291
Additions	463,069	3,827,340	682,944	1,629,824	2,876	-	19,617,289	26,223,342
Disposals	(1,607,003)	(1,870,438)	(134,367)	(516,294)	(250,701)	-	-	(4,378,803)
Transfer from inventory	-	606,715	-	-	-	-	412,817	1,019,532
Transfer to intangible assets (Note 20)	-	-	-	-	-	-	(271,730)	(271,730)
Transfer - capital work in progress	3,637,358	13,313,767	1,124,766	234,720	151,278	-	(18,461,889)	-
Write off/ impairment	-	(1,177,820)	-	(82,390)	-	-	(501,635)	(1,761,845)
Balance at 31 March 2019	**79,369,833**	**241,067,473**	**8,662,174**	**12,616,225**	**1,495,398**	**763,547**	**12,710,137**	**356,684,787**
Balance at April 1, 2019	79,369,833	241,067,473	8,662,174	12,616,225	1,495,398	763,547	12,710,137	356,684,787
Additions	186,414	2,996,254	316,421	1,868,922	-	-	10,848,186	16,216,197
Disposals	(389,520)	(356,775)	(1,681)	(498,317)	-	-	-	(1,246,293)
Reclassification	-	(13,849)	2,449	11,400	-	-	-	-
Transfer to intangible assets (Note 20)	-	-	-	-	-	-	(45,686)	(45,686)
Transfer to ROU asset (Note 40)	-	-	-	-	-	-	(33,095)	(33,095)
Transfer from CWIP	2,100,791	12,726,161	188,818	6,971	49,262	-	(15,072,003)	-
Write-off/ impairment	22,287	(342,487)	85,654	(35,521)	19,860	-	(200,864)	(451,071)
Balance at March 31, 2020	**81,289,805**	**256,076,777**	**9,253,835**	**13,969,680**	**1,564,520**	**763,547**	**8,206,675**	**371,124,839**
Accumulated depreciation and impairment								
Balance at April 1, 2018	11,014,320	91,269,262	5,534,083	8,581,884	222,073	229,254	1,102,015	117,952,891
Charge for the year	2,528,502	15,908,502	844,657	862,209	169,388	40,660	-	20,353,918
Disposals	(238,587)	(407,344)	(126,974)	(527,752)	-	-	(852,015)	(2,152,672)
Write-off/impairment	-	(859,141)	-	(75,534)	-	-	-	(934,675)
Balance at 31 March 2019	**13,304,235**	**105,911,279**	**6,251,766**	**8,840,807**	**391,461**	**269,914**	**250,000**	**135,219,462**
Balance at 1 April 2019	13,304,235	105,911,279	6,251,766	8,840,807	391,461	269,914	250,000	135,219,462
Charge for the year	2,473,973	15,395,730	859,487	1,161,855	177,087	41,667	-	20,109,799
Disposals	(278,346)	(290,320)	(1,393)	(470,572)	-	-	-	(1,040,631)
Write-off/impairment	(120,005)	61,352	3,303	1,464	-	-	-	(53,886)
Balance at 31 March 2020	**15,379,857**	**121,078,041**	**7,113,163**	**9,533,554**	**568,548**	**311,581**	**250,000**	**154,234,744**
Carrying amount								
Balance as at 31 March 2020	**65,909,948**	**134,998,736**	**2,140,672**	**4,436,126**	**995,972**	**451,966**	**7,956,675**	**216,890,095**
Balance as at March 31, 2019	**66,065,598**	**135,156,194**	**2,410,408**	**3,775,418**	**1,103,937**	**493,633**	**12,460,137**	**221,465,325**

18. Property, plant and equipment (continued)

Company

	Land and building N. '000	Plant and machinery N. '000	Furniture and equipment N. '000	Vehicles N. '000	Capital work-in-progress (CWIP) N. '000	Total N. '000
Cost						
Balance at 1 April 2018	31,283,569	110,263,171	4,490,503	8,763,403	6,585,864	161,386,510
Additions	175,081	3,073,042	284,997	1,373,867	12,303,149	17,210,136
Disposals	(94,765)	(53,182)	(107,454)	(488,557)	-	(743,958)
Transfer - inventory	-	606,715	-	-	-	606,715
Transfer to intangible assets (Note 20)	-	-	-	-	(247,905)	(247,905)
Transfer - capital work in progress	458,756	9,077,353	973,318	206,685	(10,716,112)	-
Write-off/impairment	-	-	-	(81,480)	(252,937)	(334,417)
Transfer to Golden Fertilizer Company Ltd.	(504,291)	(1,982,138)	(44,356)	(312,652)	(167,945)	(3,011,382)
Balance at 31 March 2019	**31,318,350**	**120,984,961**	**5,597,008**	**9,461,266**	**7,504,114**	**174,865,699**
Balance at 1 April 2019	31,318,350	120,984,961	5,597,008	9,461,266	7,504,114	174,865,699
Additions	45,683	1,370,770	183,471	1,345,928	8,794,962	11,740,814
Disposals	-	(48,234)	(562)	(322,054)	-	(370,850)
transfer- capital work in progress	1,371,600	8,574,688	134,365	-	(10,080,653)	-
Transfer to subsidiaries	-	(30,513)	-	(26,972)	(472,685)	(530,170)
Transfer to Intangible assets (Note 20)	-	-	-	-	(45,686)	(45,686)
Transfer to ROU Asset (Note 40)	-	-	-	-	(33,095)	(33,095)
Reclassification	-	(13,849)	2,449	11,400	-	-
Write-off/ impairment	22,287	(338,542)	85,932	(21)	(141,080)	(371,424)
Balance at 31 March 2020	**32,757,920**	**130,499,281**	**6,002,663**	**10,469,547**	**5,525,877**	**185,255,288**
Accumulated depreciation and impairment						
Balance at 1 April 2018	6,016,061	60,907,242	3,879,357	6,496,601	250,000	77,549,261
Charge for the year	1,231,043	8,508,252	346,143	646,078	-	10,731,516
Disposals	(95,632)	(26,339)	(108,323)	(476,993)	-	(707,287)
Transfer to Golden Fertilizer Company Ltd.	(35,344)	(1,224,472)	(35,898)	(139,753)	-	(1,435,467)
Write-off/ impairment	-	-	-	(75,532)	-	(75,532)
Balance at 31 March 2019	**7,116,128**	**68,164,683**	**4,081,279**	**6,450,401**	**250,000**	**86,062,491**
Balance at 1 April 2019	7,116,128	68,164,683	4,081,279	6,450,401	250,000	86,062,491
Charge for the year	1,136,542	7,782,436	594,825	919,255	-	10,433,058
Disposals	-	(48,224)	(456)	(299,261)	-	(347,941)
Write off/ impairment	(119,605)	71,032	7,784	4,463	-	(36,326)
Balance at 31 March 2020	**8,133,065**	**75,969,927**	**4,683,432**	**7,074,858**	**250,000**	**96,111,282**
Carrying amount						
Balance as at 31 March 2020	**24,624,855**	**54,529,354**	**1,319,231**	**3,394,689**	**5,275,877**	**89,144,006**
Balance as at 31 March 2019	**24,202,222**	**52,820,278**	**1,515,729**	**3,010,865**	**7,254,114**	**88,803,208**

18. Property, plant and equipment (continued)

Analysis of bearer plants

31-Mar-20	Cost	Accumulated depreciation	Carrying amount
	N. '000	N. '000	N. '000
Mature bearer plants	1,564,520	(568,548)	995,972
	1,564,520	**(568,548)**	**995,972**

31-Mar-19	Cost	Accumulated depreciation	Carrying amount
	N. '000	N. '000	N. '000
Mature bearer plants	1,495,398	(391,461)	1,103,937

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.

Impairment losses/(reversal)

The reversal of impairment is recognised in net operating gains and losses in the consolidated and separate Statement of profit or loss and other comprehensive income.

Pledged as security

As at 31 March 2020, there were no assets pledged as security (2019: same). There are negative pledges over the other 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 2020 amounted to 1.86 billion (2019: N10.3 billion) in respect of various capital projects.

Capital work in progress

Capital work in progress comprises building and plant and machinery under construction during the year as well as uninstalled intangibles assets during the year. Included in the amount are capitalised borrowing cost of approximately N357 million (2019: N258 million) calculated using an average capitalization rate of 14%.

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Closing Capital WIP is analysed as follows:				
Buildings	933,538	996,575	585,390	648,427
Plant and machinery	7,023,137	11,463,562	4,690,487	6,605,687
	7,956,675	**12,460,137**	**5,275,877**	**7,254,114**

19. Investment property

Group

	Building N.'000
Cost	
Balance at 1 April 2018	2,189,057
Addition	-
Balance at 31 March 2019	2,189,057
Balance at 1 April 2019	2,189,057
Addition	-
Balance at 31 March 2020	2,189,057
Accumulated depreciation	
Balance at April 1, 2018	347,080
Charge for the year	104,418
Balance at 31 March 2019	451,498
Balance at 1 April 2019	451,498
Charge for the year	104,418
Balance at 31 March 2020	555,916
Carrying amount	
Balance as at 31 March 2020	1,633,141
Balance as at 31 March 2019	1,737,559

Company	**Building N. '000**
Cost	
Balance at 1 April 2018	87,750
Addition	-
Balance at 31 March 2019	87,750
Balance at 1 April 2019	87,750
Addition	-
Balance at 31 March 2020	87,750
Accumulated depreciation	
Balance at 1 April 2018	26,796
Charge for the year	2,055
Balance at 31 March 2019	28,851
Balance at 1 April 2019	28,851
Charge for the year	2,055
Balance at March 31, 2020	30,906
Carrying amount	
Balance as at 31 March 2020	56,844
Balance as at 31 March 2019	58,899

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

19. Investment property (continued)

Measurement of fair value

The fair value of the Group's and Company's investment property as at 31 March 2020 is N7.1 billion (31 March 2019: N5.1 billion) N579.8 million (2019: N558.6 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/2012/0000000000254). 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.

There has been no change in the valuation technique during the year.

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Fair value Level 3				
Abuja residential property	450,000	400,456	450,000	400,456
Ibadan residential property	129,800	158,101	129,800	158,101
Lagos residential property	6,500,000	4,576,000	-	-
	7,079,800	**5,134,557**	**579,800**	**558,557**

Investment property comprise of a number of commercial properties that are leased to third parties. Each of the leases contains the lease period as well as the rental charge for the duration of the lease. Rental income earned by the Group amounted to N646 million (2019: N201 million) and direct operating expenses amounted to N241 million (2019: N265 million).

19. Investment property (continued)

Details of valuation

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 N2.25 million per square meter (2019: N1.63 million per square meter)	The estimated fair value will increase/ (decrease) if: - estimated adjusted cost of construction per square meter were higher (lower)
The cost of construction is determined by reference to the current construction rate of a similar property to the gross floor area including other associated costs which is further depreciated to reflect present physical conditions, functional and economic obsolescence on the property before including the value of the bare site at the date of the valuation.	Adjusted forced sale cost of construction per floor area N1.65 million per square meter (2019: N1.14 million per square meter)	The estimated fair value will increase/ (decrease) if: - estimated adjusted forced sale cost of of construction per square meter were higher (lower)

20. Intangible assets

Group	Computer software
	N.'000
Cost	
Balance at April 1, 2018	1,813,085
Addition	330,363
Transfer from Property, plant and equipment (Note 18)	271,730
Balance at 31 March 2019	2,415,178
Balance at 1 April 2019	2,415,178
Addition	2,142
Transfer from Property, plant and equipment (Note 18)	45,685
Write-off	(15,722)
Balance at 31 March 2020	2,447,283
Accumulated amortisation	
Balance at April 1, 2018	717,768
Charge for the year	380,740
Balance at March 31, 2019	1,098,508
Balance at April 1, 2019	1,098,508
Charge for the year	394,920
Balance at March 31, 2020	1,493,428
Carrying amount	
Balance as at March 31, 2020	953,855
Balance as at March 31, 2019	1,316,670

20. Intangible assets (continued)

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.

Company	Computer software N.'000
Cost	
Balance at April 1, 2018	1,655,403
Addition	58,988
Transfer from Property, plant and equipment (Note 18)	247,905
Balance at March 31, 2019	1,962,296
Balance at April 1, 2019	1,962,296
Addition	2,142
Transfer from Property, plant and equipment (Note 18)	45,685
Write-off	(15,722)
Balance at March 31, 2020	1,994,401
Accumulated amortisation	
Balance at April 1, 2018	566,963
Charge for the year	372,657
Balance at March 31, 2019	939,620
Balance at April 1, 2019	939,620
Charge for the year	320,734
Balance at March 31, 2020	1,260,354
Carrying amount	
Balance as at March 31, 2020	734,047
Balance as at March 31, 2019	1,022,676

Computer software relates to acquired software license and other costs directly attributable to the preparation of the computer software for its intended use. Amortisation 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

Group	31-Mar-20			31-Mar-19		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	4,148,022	-	4,148,022	4,148,022	-	4,148,022

Company	31-Mar-20			31-Mar-19		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	1,876,816	-	1,876,816	1,876,816	-	1,876,816

	Group	
	31-Mar-20 N. '000	31-Mar-19 N. '000
Goodwill on acquisition of Premium Edible Oil Products Limited (ROM Oil Mills Company Limited)	1,351,067	1,351,067
Goodwill on acquisition of Premium Cassava Products Limited (Thai Farms Limited)	920,139	920,139
Goodwill on acquisition of Quilvest through New Horizon Flour Mills Limited	1,876,816	1,876,816
	4,148,022	**4,148,022**

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 2020, 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 2019; 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

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

	PEOPL	**PCPL**	**Quilvest**	**Total**
	N.'000	N.'000	N.'000	N.'000
Flour Mills of Nigeria Plc	769,754	801,153	1,876,816	3,447,723
Premier Feed Mills Company Limited	581,313	-	-	581,313
Nigerian Eagle Flour Mills Limited	-	118,986	-	118,986
	1,351,067	**920,139**	**1,876,816**	**4,148,022**

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 13.71% - 17.26% (2019: 13.71%- 17.26% per annum).

Key forecast assumptions

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

21. Goodwill (continued)

- Discount rate (WACC): 13.71%-17.26% (2019: 12.8% - 17.26%)
- Net cash flow: The Net cash flow is based on 5-year forecast using 2020 as the base year.
- Terminal growth rate of 3%-7%.
- Inflation rate: Inflation rate is based on forecast consumer price indices during the period for the country. An inflation rate of 11.5% has been applied for the current year (2019: 11%). The value assigned to the key assumption is consistent with external sources of information.

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

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

The estimated recoverable amounts of all CGU's exceeded their carrying amount in the period under review (2019: same). Management has identified that a reasonably possible change in one (1) key assumption, the discount rate of 13.7% - 17.26% utilized in the period under review could cause the carrying amount to exceed the recoverable amount. The following shows the amount in percentages by which 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 Flour Mills(16%).

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

22. Investment in subsidiaries

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

	Group		Company	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	N'000	N'000	N'000	N'000
Unquoted				
Apapa Bulk Terminal Limited	-	-	50,000	50,000
Golden Fertilizer Company Limited	-	-	-	43,145,693
Golden Shipping Company Nigeria Limited	-	-	26,000	26,000
Golden Sugar Company Limited *	-	-	43,817,193	10,000
Nigerian Eagle Flour Mills Limited	-	-	510,000	510,000
Crestview Towers Limited	-	-	10,000	10,000
	-	-	44,413,193	43,751,693
Quoted				
Northern Nigeria Flour Mills Plc	-	-	303,441	303,441
	-	-	44,716,634	44,055,134
Impairment	-	-	(50,000)	(50,000)
	-	**-**	**44,666,634**	**44,005,134**

*During the year, the board of directors approved the transfer of the Company's investment in Golden Fertilizer Company Limited to Golden Sugar Company Limited. An additional investment amounting to N661.5 million was also made as capital contribution in Golden Fertilizer Company Limited (2019: Nil).

22. Investment in subsidiaries (continued)

(b) Shareholding

Subsidiaries	Ordinary shares	Shareholding (%) 31-Mar-20	31-Mar-19	Principal Activity
Apapa Bulk Terminal Limited	380,000,000 ordinary shares of 50 kobo each	100	100	Port operations
Golden Shipping Company Nigeria Limited	26,000,000 ordinary shares of N1 each	100	100	Shipping agency
Golden Sugar Company Limited	20,000,000 ordinary shares of 50k each	100	100	Manufacturing of sugar
Northern Nigeria Flour Mills Plc	178,200,000 ordinary shares of 50k each	53	53	Flour milling
Crestview Towers Limited	20,000,000 ordinary shares of 50k each	100	100	Real estate
Nigeria Eagle Flour Mills Limited	510,000,000 ordinary shares of N1 each	51	51	Flour milling
Golden Penny Power Limited (*)	2,000,000 ordinary shares of 50k each	100	100	Power generation
Premier Poultry Processors Limited (*)	20,000,000 ordinary shares of 50 kobo each	100	100	Livestock farming
Premier Chicks Limited (*)	10,000,000 ordinary shares of 50 kobo each	100	100	Livestock farming
Iganmu Power Company Limited (*)	2,000,000 ordinary shares of 50 Kobo each	100	100	Power generation
Kaboji Farms Limited	1,030,000,000 ordinary shares of N1 each	-	-	Farming
Agri Palm Limited	420,000,000 ordinary shares of 50k each	-	-	Agriculture
Agri Estates Limited	20,000,000 ordinary shares of 50k each	-	-	Agriculture
Sunflag Farms Limited (Agro Allied Farms Sunti Limited)	220,000,000 ordinary shares of 50k each	-	-	Agriculture
Shao Golden Farm Limited (Agro Allied Syrups Limited)	420,000,000 ordinary shares of 50k each	-	-	Agriculture
Golden Agri Inputs Limited	300,000,000 ordinary shares of 50 kobo each	-	-	Agriculture
Premium Edible Oil Products Limited (Rom Oil Mills Limited)	4,010,000,000 ordinary shares of 50k each	-	-	Manufacturing of edible oil.
Premium Cassava Products Limited (Thai Farm international Limited)	749,650,135 ordinary shares of 50k each	-	-	Manufacturing of cassava flour
Best Chickens Limited	20,000,000 ordinary shares of 50k each	-	-	Agriculture
Premier Feed Mills Company Limited	50,000,000 ordinary shares of 50k each	-	-	Livestock feeds
Golden Fertilizer Company Limited	100,000,000 ordinary shares of N1 each	-	-	Flour milling

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

* These are dormant companies. The share capital for these subsidiaries have not been issued or paid up by the Company, hence no investment has been recorded as at 31 March 2020.

22. Investment in subsidiaries (continued)

* Golden Penny Power Limited and Iganmu Power Company Limited were incorporated to carry out independent power projects, while Premier Poultry processors limited and Premier Chicks limited were incorporated for livestock farming and processing.

The entities where the Company has no share holding are indirect subsidiaries of the Company.

The place of business of the subsidiaries is Nigeria.

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
(c) Movement in investment in subsidiaries				
At 1 April	-	-	44,005,134	35,280,134
Additions in the year	-	-	-	8,785,000
Loan receivable converted to equity	-	-	661,500	-
Impairment recognised	-	-	-	(60,000)
At 31 March	-	-	44,666,634	44,005,134

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): 13.71%-17.26% (2019: 12.8%-16%).
- Net cash flow: The Net cash flow is based on 5-year forecast using 2020 as the base year.
- Terminal growth rate of 3-7%
- Inflation rate: Inflation rate is based on forecast consumer price indices during the period for the country. An inflation rate of 11.5% has been applied for the current year (2019: 11%). 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 adjusted for inflation.

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.

22. Investment in subsidiaries (continued)

(d) Quasi equity investment

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

22. Investment in subsidiaries (continued)

(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.

Subsidiaries	% Ownership interest held by non-controlling interest 31-Mar-20	31-Mar-19
Northern Nigeria Flour Mills Plc.	47 %	47 %
Premier Feed Mills Company Limited.	38 %	38 %
Nigerian Eagle Flour Mills Limited	49 %	49 %

March 31, 2020

Summarised statements of financial position In thousands of Naira	NCI percentage	Non current assets	Current assets	Total assets	Non current liabilities	Current liabilities	Total liabilities	Net assets	Carrying amount of non-controlling interest
Northern Nigeria Flour Mills Plc	47 %	3,732,892	4,763,186	8,496,078	939,787	4,787,298	5,727,085	2,768,993	1,301,427
Premier Feeds Mills Company Limited	38 %	9,333,733	18,784,631	28,118,364	3,162,042	10,370,295	13,532,337	14,586,027	5,542,690
Nigerian Eagle Flour Mills Limited	49 %	5,871,058	5,147,965	11,019,023	829,852	5,014,510	5,844,362	5,174,661	2,535,584
		18,937,683	28,695,782	47,633,465	4,931,681	20,172,103	25,103,784	22,529,681	9,379,701
Intra-group eliminations	-	-	-	-	-	-	-	-	(2,516,447)
Non-controlling interest per consolidated statement of financial position									6,863,254

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

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22. Investment in subsidiaries (continued)- March 31, 2020

Summarised statement of profit or loss and other comprehensive income **In thousands of Naira**	NCI percentage	Revenue	Profit/(loss) before tax	Tax expense	Profit/(loss) for the year	Other comprehensive income	Total comprehensive income	Profit (loss) allocated to non-controlling interest	OCI attributable to NCI	Total comprehensive income attributable to NCI
Northern Nigeria Flour Mills Plc	47 %	8,841,135	120,675	(56,040)	64,635	(186,359)	(121,724)	30,378	(87,589)	(57,211)
Premier Feed Mills Company Limited	38 %	53,891,448	1,408,055	(451,899)	956,156	17,652	973,808	363,339	6,708	370,047
Nigerian Eagle Flour Mills Limited	49 %	36,580,760	1,579,219	(527,478)	1,051,741	(2,555)	1,049,187	515,353	(1,252)	514,101
		99,313,343	3,107,949	(1,035,417)	2,072,532	(171,262)	1,901,271	909,070	(82,133)	826,937
Intra-group eliminations								-	-	-
Total profit or loss allocated to non-controlling interest								909,070	(82,133)	826,937

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

No dividend was paid to shareholders with non controlling interest during the year.

22. Investment in subsidiaries (continued) 31 March 2019

Summarised statement of financial position In thousands of Naira	NCI percentage	Non current assets	Current assets	Total assets	Non current liabilities	Current liabilities	Total liabilities	Net assets	Carrying amount of non-controlling interest
Northern Nigerian Flour Mills Plc	47 %	2,206,279	2,786,633	4,992,912	956,876	2,885,324	3,842,200	1,150,712	540,834
Premier Feed Mills Company Limited	38 %	10,000,066	22,445,699	32,445,765	3,889,348	13,644,117	17,533,465	14,912,300	5,666,674
Nigerian Eagle Flour Mills Limited	49 %	9,758,085	3,304,898	13,062,983	1,022,767	5,318,251	6,341,018	6,721,965	3,293,763
Total		21,964,430	28,537,230	50,501,660	5,868,991	21,847,692	27,716,683	22,784,977	9,501,271
Intra-group eliminations	- %	-	(5,000)	(5,000)	-	2,233,836	2,233,836	(2,239,954)	(2,239,954)
Intra-group eliminations									-
Non-controlling interest per consolidated statement of financial position									**7,261,317**

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

Summarised statement of profit or loss and other comprehensive income In thousands of Naira	NCI percentage	Revenue	Profit / (loss) before tax	Tax expense	Profit/ (loss) for the year	Other comprehensive income	Total comprehensive income	Profit/ (loss) allocated to non-controlling interest	OCI attributable to NCI	Total comprehensive income attributable to NCI
Northern Nigeria Flour Mills Plc	47 %	4,149,917	(52,413)	20,717	(31,696)	7,718	(23,978)	(14,897)	3,627	(11,270)
Premier Feed Mills Company Limited	38 %	49,026,133	(2,532,556)	(417,593)	(2,950,149)	2,225	(2,947,924)	(1,121,056)	846	(1,120,210)
Nigerian Eagle Flour Mills Limited	49 %	32,089,624	2,935,809	(838,400)	2,097,409	1,627	2,099,036	1,027,730	797	1,028,527
Total		85,265,674	350,840	(1,235,276)	(884,436)	11,570	(872,866)	(108,223)	5,270	(102,953)
Total profit or loss allocated to non-controlling interest								(108,223)	5,270	(102,953)

22. Investment in subsidiaries (continued) March 31, 2019

Summarised statement of cash flows In thousands of Naira	NCI percentage	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Net increase/ (decrease) in cash flow
Northern Nigeria Flour Mills Plc	47 %	573,652	(49,519)	(586,891)	(62,758)
Premier Feed Mills Company Limited	38 %	4,255,077	(567,326)	(3,254,174)	433,577
Nigerian Eagles Flour Mills Limited	49 %	1,964,736	(498,575)	(1,486,400)	(20,239)
Total		6,793,465	(1,115,420)	(5,327,465)	350,580

No dividend was paid to shareholders with non controlling interest during the year (2019: Nil).

23. Other Investments

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

Equity instruments at fair value through other comprehensive income

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

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Quoted equity investments				
Transnational Corporation Plc	127,500	127,500	127,500	127,500
Less fair value (loss)	(105,060)	(86,360)	(105,060)	(86,360)
	22,440	41,140	22,440	41,140
	22,440	**41,140**	**22,440**	**41,140**

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000

23. Other Investments (continued)

The Group's investment in Transnational Corporation Plc was valued using the market price of N0.66 per share (2019: N1.21) as at year end which resulted in fair value decrease of N18.70 million (2019: fair value decrease of N21.76 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

Group	Livestock (a) N.'000	Oil palm (b) N.'000	Cassava (c) N.'000	Sugar cane (d) N.'000	Total N.'000
Balance at 1 April 2018	37,711	25,781	42,613	111,258	217,363
Addition	6,500	-	325,125	638,248	969,873
Sold/ harvested during the year	(26,465)	-	(33,811)	(638,247)	(698,523)
Fair value gain/(loss) due to remeasurement	21,330	(22,866)	(318,345)	(38,550)	(358,431)
Balance at 31 March 2019	39,076	2,915	15,582	72,709	130,282
Balance at 1 April 2019	39,076	2,915	15,582	72,709	130,282
Addition	1,454	-	162,108	-	163,562
Fair value gain/(loss) due to remeasurement	8,940	23,002	96,773	1,310,932	1,439,647
Sold/ harvested during the year	(21,081)	-	(146,127)	(1,261,961)	(1,429,169)
Balance at 31 March 2020	28,389	25,917	128,336	121,680	304,322

	31-Mar-20 N. '000	31-Mar-19 N. '000
Analysed into:		
Current	147,599	18,498
Non-current	156,723	111,784
	304,322	**130,282**

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

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

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

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

24. Biological assets (continued)

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

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

Type	Valuation techniques	Valuation variables	Inter-relationship between key valuation variables and fair value measurement
Oil palm	Market comparison technique: The fair values are based on market price per tonne of similar palm fruit bunches adjusted for age of maturity.	Estimated plantation size 4,342 hectares (2019: 4,342) Estimated market price per tonne - N35,000 (2019: N35,000) Number of trees - 195,753 (2019: 277,267). Estimated yield per tree -4 bunches per year (2019: 5). Estimated cost-to-sell per bunch - N120 (2019: N105).	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)

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24. Biological assets (continued)

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 2020; . 21,092 (2019: 50,400). Average age ranges between 5 and 70 weeks. Average price per bird is N1,300 (2019: N1,200).	The estimated 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 798.48 hectares (2019:199.34). Also the estimated yield per hectare was 16.53 tonnes (2019:15.80). The estimated market price N9,957 per metric tonne (2019: N8,372 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 2,490 hectares (2019: 2,192 hectares) Estimated market price: N9,060 per metric tonnes (2019: N8,610 per metric tonne) Estimated yield per hectare: 60 metric tonnes (2019: 60 metric tonne).	The estimated fair value would increase/ decrease if: (a) Price per metric tonne were higher/ (lower) (b) Estimated yield per hectare were higher/ (lower).

24. Biological assets (continued)

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 loan receivables

	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Agri Palm Limited	-	-	200,627	-
Premium Edible Oil Products Limited (ROM Oil Mills Limited)	-	-	5,092,601	-
Northern Nigerian Flour Mills Plc	-	-	-	1,444,452
Port Harcourt Flour Mills Limited	404,012	792,249	-	-
Golden Agri Inputs	-	-	332,492	-
Premier Feeds Mills Limited	-	-	-	3,742,193
Golden Sugar Company Limited	-	-	36,911,501	4,458,359
Apapa Bulk Terminal Limited	-	-	3,008,660	11,243,534
Golden Fertilizer Company Limited	-	-	9,823,158	16,347,015
Premier Feed Mills Company Limited	-	-	359,496	-
Receivable from ABCML	27,957	23,562	-	-
Agro Allied Syrups Limited	-	-	391,448	-
Impairment of long term receivables	(73,280)	-	(7,255,455)	(3,618,493)
Withholding tax receivables	-	586,399	-	-
	358,689	**1,402,210**	**48,864,528**	**33,617,060**

25. Long term loan receivables (continued)

Credit quality on long term receivables

The Company granted intercompany loans with a carrying amount of N48.86 billion as at 31 March 2020 (2019: N33.6 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.

Movement in Long term receivables

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Opening balance	1,402,210	944,472	33,617,060	44,441,768
Additions during the year	4,396	586,399	10,051,568	67,486,100
Transfer from trade and other receivables	-	-	28,005,000	42,188,581
	1,406,606	1,530,871	71,673,628	154,116,449
Repayments in the year	(974,637)	(128,661)	(19,172,138)	(100,831,897)
IFRS 9 Transition adjustment*	-	-	-	(18,771,084)
Impairments in the year	(73,280)	-	(3,636,962)	(896,408)
Closing balance	**358,689**	**1,402,210**	**48,864,528**	**33,617,060**

*Included in the IFRS 9 transition adjustment is intercompany loan receivable of N16.8 billion that was considered credit impaired and written off in prior year.

26. Inventories

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Raw materials, components	85,108,529	84,839,580	42,934,295	45,874,181
Work in progress	3,951,144	3,635,569	2,609,987	2,813,215
Finished goods	11,703,331	11,166,237	7,017,993	4,993,349
Consumable stores and maintenance spares	17,674,671	20,766,177	11,345,872	15,747,437
	118,437,675	120,407,563	63,908,147	69,428,182
Inventories (write-downs)	(2,841,490)	(1,540,377)	(2,214,241)	(1,198,168)
	115,596,185	**118,867,186**	**61,693,906**	**68,230,014**

The cost of inventories recognised as an expense during the year in the Group was N435 billion (2019: N407 billion), while in the Company it was N318 billion (2019: N316 billion).

Inventory write down during the period for the Group was N2.84 billion (2019: 1.54 billion), Company N2.21 billion (2019: N1.20 billion).

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
27. Trade and other receivables				
Financial instruments:				
Trade receivables	17,085,386	16,436,322	7,091,166	9,269,399
Trade receivables - related parties	-	-	9,917,318	31,317,103
Allowance for doubtful receivables	(6,322,210)	(3,406,862)	(3,033,128)	(2,810,104)
Trade receivables at amortised cost	10,763,176	13,029,460	13,975,356	37,776,398
Staff receivables	2,692,477	2,753,194	2,494,163	2,119,104
Sundry debtors*	12,275,793	10,302,658	12,001,804	10,426,687
Total trade and other receivables	**25,731,446**	**26,085,312**	**28,471,323**	**50,322,189**

* Sundry debtors relate majorly to Group and Company’s withholding tax of N5.8 billion and N4.2 billion (2019:N4.6 billion and N3.3 billion) respectively, interest receivable on initial deposit made for derivative contracts with the banks, for to Group and Company, of N4.2 billion and N2.8 billion respectively (2019: N1.7 billion and N1.4 billion). Included in sundry debtors is an amount of N4.0 billion (2019: 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 separately for exposures in different segments based on the following common credit risk characteristics - geographic region, age of customer relationship and type of product purchased and industry sector.

The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the inflation rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Scaler factor of 1.01 applied is based on GDP inflation forecast and industry outlook.

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

Before accepting a new customer the Group initially trades with the customer on a cash basis to assess the customer’s ability and also determine the customer’s transaction volumes. This enables a reasonable credit limit to be set. Once these are determined the customer is then allowed to apply for a credit facility from the Company through a rigorous process with several levels of approval. Also certain categories of credit customers provide bank guarantees before being accepted as credit customers of the Group.

Credit sales form a small portion of overall sales. The concentration of credit risk is limited due to this fact and the large and unrelated customer base. The Group has pledged no trade receivables during the year.

27. Trade and other receivables (continued)

The Group disaggregated its receivables based on customers' risk profiles. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles.

Expected credit loss assessment for individual customers

The Group uses an allowance matrix to measure the ECLs of trade receivables of customers which are considered by the directors as highly impacted by the COVID-19 pandemic. The roll rates are calculated through successive stages of delinquency to write off. The Directors considered the impact of COVID-19 during the year in the determination of the loss rates applied to be receivable in this category:

Group		31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
Expected credit 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	8 %	5,223,943	250,093	12,381,381	17,565
31- 60 days	6 %	4,889,657	308,721	308,314	22,566
61 - 90 days	11 %	1,006,961	108,510	132,593	10,636
91 - 180	37 %	450,401	168,430	259,586	12,800
181 - 365	85 %	187,617	159,649	17,515	6,362
Over 365 days	100 %	5,326,807	5,326,807	3,336,933	3,336,933
Total		**17,085,386**	**6,322,210**	**16,436,322**	**3,406,862**

Company		31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
Expected credit 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	14 %	2,452,811	258,346	4,180,748	325,028
31- 60 days	14 %	2,008,993	280,055	1,233,161	200,225
61 - 90 days	44 %	145,147	64,230	1,968,028	631,049
91 - 180 days	64 %	143,993	92,377	299,687	157,378
181 - 365 days	98 %	86,358	84,256	217,219	125,868
over 365 days	100 %	2,253,864	2,253,864	1,370,556	1,370,556
Total		**7,091,166**	**3,033,128**	**9,269,399**	**2,810,104**

27. Trade and other receivables (continued)

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 2020

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

Company 2020

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

Group 2019

	Opening Balance under IAS 39	Transition adjustment	Opening Balance under IFRS 9	Impairment loss/(gain)	Closing Balance
	N. '000	N. '000	N. '000	N. '000	N. '000
Trade receivables	2,215,775	1,519,063	3,734,838	(327,976)	3,406,862
Balance	**2,215,775**	**1,519,063**	**3,734,838**	**(327,976)**	**3,406,862**

Company 2019

	Opening Balance under IAS 39	Transition adjustment	Opening Balance under IFRS 9	Impairment loss/(gain)	Closing Balance
	N. '000	N. '000	N. '000	N. '000	N. '000
Loan receivables	798,926	1,923,158	2,722,084	896,408	3,618,492
Intercompany receivables	-	3,013,167	3,013,167	(143,925)	2,869,242
Trade receivables	1,881,029	1,437,198	3,318,227	(508,123)	2,810,104
Balance	**2,679,955**	**6,373,523**	**9,053,478**	**244,360**	**9,297,838**

The Changes in the loss allowances for the Group and Company is attributable to increase in amount due from inter company loans and third party trade receivables. Additionally, the Company and the Group adjusted the expected credit loss model for the impact of the COVID 19 pandemic on certain segment of its customers base that were assessed as significantly impacted due to the COVID 19 pandemic. See Note 45 for additional information on exposure of long term loan and trade receivables to credit risk.

28. Derivatives

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Non-hedging derivatives				
Forward foreign exchange contract	3,702,659	198,026	2,906,508	198,026

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

Refer to note 45 Financial instruments and risk management for further details.

Group	31 March 2020		31 March 2019	
	Assets N.'000	Liabilities N.'000	Assets N'000	Liabilities N'000
Foreign exchange futures contracts	3,702,659	-	198,026	-
	3,702,659	**-**	**198,026**	**-**

Company	31 March 2020		31 March 2019	
	Assets N'000	Liabilities N'000	Assets N'000	Liabilities N'000
Foreign exchange futures contracts	2,906,508	-	198,026	-
	2,906,508	**-**	**198,026**	**-**

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

Group	31 March 2020		31 March 2019	
	N'000	N'000	N. '000	N. '000
Base derivative asset/(liability)	3,702,659	-	198,026	-
	Derivative forward net asset N'000	Derivative futures net liability N'000	Derivative forward net asset N'000	Derivative futures net liability N'000
100 basis point increase in NIBOR rates	3,721,320	-	333,607	-
100 basis point increase in USD LIBOR rates	3,697,746	-	-	-
100 basis point decrease in NIBOR Rates	3,683,999	-	(333,607)	-
100 basis point decrease in USD LIBOR Rates	3,707,580	-	-	-

Company	**31 March 2020**		**31 March 2019**	
	N'000	**N'000**	**N. '000**	**N. '000**
Base derivative asset/(liability)	2,906,508	-	198,026	-
Figures in thousands of Naira	Derivative forward net asset	Derivative futures net liability	Derivative forward net asset	Derivative futures net liability
100 basis point increase in NIBOR rates	2,920,498	-	333,607	-
100 basis point increase in USD LIBOR rates	2,903,085	-	(333,607)	-
100 basis point decrease in NIBOR Rates	2,892,521	-	-	-
100 basis point decrease in USD LIBOR Rates	2,909,941	-	-	-

28. Derivatives (continued)

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

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

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

*Exchange rate of N386/ USD (NAFEX year end rate)
*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-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Deposit for imports (Letters of credit)	5,207,001	3,936,010	5,116,596	3,012,556
Deposit for FX relating to forward and futures contracts	4,123,926	4,166,967	3,539,980	3,799,660
Advance payment to suppliers	7,072,840	7,164,021	5,979,860	5,180,351
Prepaid rent on operating premises	171,795	2,360,224	51,883	2,056,477
Prepaid expenses *	1,814,691	2,633,285	1,438,198	1,855,684
	18,390,253	**20,260,507**	**16,126,517**	**15,904,728**
Analysed into:				
Current	18,342,824	17,894,815	16,079,088	13,848,251
Non-current	47,429	2,365,692	47,429	2,056,477
	18,390,253	**20,260,507**	**16,126,517**	**15,904,728**

*Prepaid expenses comprise; advance payments for insurance premium, prepaid bills and other subscriptions.

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000

30. Cash and cash equivalents

Cash and cash equivalents consist of:

	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Cash on hand	655,673	702,197	583,977	661,477
Bank balances and fixed deposits	25,555,301	16,503,349	15,448,420	9,316,820
Cash and cash equivalents per statement of financial position	26,210,974	17,205,546	16,032,397	9,978,297
Bank overdraft	(5,542,528)	(9,651,138)	(1,553,349)	(1,519,149)
Cash and cash equivalents per statement of cash flows	**20,668,446**	**7,554,408**	**14,479,048**	**8,459,148**
Current assets	26,210,974	17,205,546	16,032,397	9,978,297
Current liabilities	(5,542,528)	(9,651,138)	(1,553,349)	(1,519,149)
	20,668,446	**7,554,408**	**14,479,048**	**8,459,148**

Cash and cash equivalents comprise cash and bank balances, net of outstanding bank overdrafts. The carrying amount of these assets approximate their fair values. See note 45 for additional information on exposure to credit and currency risk.

Included in cash and cash equivalents are short term deposits for unclaimed dividends amounting to N2.6 billion (2019: N2.3 billion) and N2.6 billion (2019: N2.3 billion) for the Group and Company respectively .

		Group		Company	
		31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
31. Cash generated from operations					
Profit for the year		11,376,743	4,000,146	12,582,571	19,317,654
Adjustments for:					
Depreciation	18	20,109,799	20,353,918	10,433,058	10,731,516
Amortisation of intangible assets	20	394,920	380,740	320,734	372,657
Depreciation of investment property	19	104,418	104,418	2,055	2,055
Losses /(gains) on disposals of property, plant and equipment		9,417	2,650	(20,889)	(2,434)
Depreciation of ROU Assets	40	2,530,609	-	1,274,415	-
Losses /(gains) on foreign exchange		1,237,985	(4,896)	(79,753)	78,358
Investment income	13	(2,392,649)	(768,592)	(14,754,035)	(18,346,048)
Finance costs	14	19,975,470	22,891,176	12,293,277	16,025,840
Fair value losses /(gains) on biological assets	24	(1,439,647)	358,431	-	-
Fair value gain on derivatives	9	(3,768,660)	(182,253)	(2,971,472)	(182,253)
Provision for retirement benefit	34	1,619,965	1,282,085	1,126,205	986,644
Write-off of property, plant and equipment	18	397,185	827,170	335,098	258,885
Write off of intangible	20	15,722	-	15,722	-
Income tax charge/(credit)	15	5,876,850	5,948,513	4,955,114	986,742
Provision for long service award	35	695,983	526,318	510,019	416,200
Impairment- investments in subsidiary	22	-	-	-	50,000
Impairment - long term loans and trade receivables	27	2,988,628	(327,976)	2,399,634	244,360
Minimum tax	15	243,222	225,616	-	-
		59,975,960	55,617,464	28,421,753	30,940,176
Changes in working capital:					
Inventories		4,700,170	(7,814,786)	6,536,108	(3,885,444)
Trade and other receivables		(1,902,082)	(8,954,820)	(5,214,398)	(54,068,312)
Prepayments		(1,579,533)	2,714,332	(2,484,884)	2,449,004
Trade and other payables		4,573,518	22,046,630	1,783,604	26,658,254
Deferred income		(283,583)	7,492,624	1,861,070	(201,822)
Customer deposits		4,575,069	4,193,566	1,754,490	3,163,123
Derivative assets		264,027	(15,773)	262,990	(15,773)
		70,323,546	**75,279,237**	**32,920,733**	**5,039,206**

(a) The changes in prepayment for the Group and Company have been adjusted for the IFRS 16 transition adjustment as disclosed in Note 40.

(b) 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 18.

(c) 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 and Note 22 respectively. 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

(d) The changes in inventory for the Group has been adjusted for biological assets harvested during the year as disclosed in note 24

(e) The changes in derivative asset for the Group and Company has been adjusted for fair value gains disclosed in Note 9.

(f) 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.

	Group		Company	
	31-Mar-20 N. '000	**31-Mar-19 N. '000**	**31-Mar-20 N. '000**	**31-Mar-19 N. '000**
32. Share capital				
(a) Authorised				
5,000,000,000 ordinary shares of 50 kobo each (2019: 5,000,000,000)	2,500,000	2,500,000	2,500,000	2,500,000
Reconciliation of number of shares issued:				
Reported as at April 1, 2019	4,100,395,606	4,100,395,606	4,100,395,606	4,100,395,606
Reported as at March 31, 2020	**4,100,395,606**	**4,100,395,606**	**4,100,395,606**	**4,100,395,606**
(b) Issued and fully paid				
4,100,395,606 ordinary shares of 50 kobo each (2019: 4,100,395,606)	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**

(c) Quasi equity

Included in NCI reserves are loan instruments for which the principal are payable at the discretion of the Group, and therefore classified as equity. No interest is charged on quasi equity instruments and they do not carry any voting rights.

33. Borrowings

Borrowings

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Unsecured borrowings				
Bank of Industry Loan - CBN intervention fund (a)	23,175,203	23,699,914	1,321,835	1,989,114
Commercial Agricultural Credit Scheme- Agricultural loans (b)	5,046,152	5,598,441	-	-
RSSF-Real Sector Support Facility (c)	20,199,275	10,053,477	6,748,650	-
Other Bank Loans (e)	5,751,091	33,599,652	-	29,890,491
Intercompany Loan (d)	-	-	96,376	3,834,259
Commercial papers and bonds (f)	47,853,825	41,506,648	47,853,825	41,506,648
Power and Airline Intervention Fund (g)	1,993,681	1,422,488	996,352	-
	104,019,227	115,880,620	57,017,038	77,220,512
Secured Borrowings				
Term loan	-	1,403,541	-	-
	-	1,403,541	-	-
	104,019,227	**117,284,161**	**57,017,038**	**77,220,512**

33. Borrowings (continued)

Analysed into				
Current	23,343,851	71,053,087	10,275,267	55,425,053
Non-current	80,675,376	46,231,074	46,741,771	21,795,459
	104,019,227	**117,284,161**	**57,017,038**	**77,220,512**

33. Borrowings (continued)

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Bank loan movement				
Opening balance	117,284,161	133,299,084	77,220,512	86,367,256
Additions	126,950,415	362,092,863	76,384,800	199,727,132
Gain on loan modification	(610,452)	-	(382,619)	-
Repayment	(139,604,897)	(378,107,786)	(96,205,655)	(208,873,876)
Closing balance	**104,019,227**	**117,284,161**	**57,017,038**	**77,220,512**

Details of Borrowings

(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 2011. 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 N5.0 billion (2019: N5.6 billion) outstanding in Central Bank of Nigeria Commercial Agricultural Credit Scheme. Loans were obtained by some subsidiaries at Interest rate ranging from 7%-9% per annum. Medium-term loans under the scheme have a moratorium between 18 months and 24 months and tenors of 5-7 years (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 Shao and Crestview. The relevant interest rate is the prevailing interest rate on short term loans provided by commercial banks. During the year, this ranged from 9%-15% (2019: 13%-23%).

(e) Other bank loans (amounting to N5.8 billion for the Group), refers to debt obtained by FMN subsidiaries from commercial banks in Nigeria, with tenors ranging from 60 days to 3 years. These are repayable at various dates between 2020 and 2023 with interest rates varying between 10.5% and 11%.

(f) On November 1, 2018, Flour Mills of Nigeria Plc completed a corporate bond issue, having raised a total amount of N20.11 billion from investors. The issue was in two Series- N10 billion of Series 1 at 15.5% with a tenor of 3 years (bullet repayment of principal at the end of the tenor) and Series 2 of N10.11 billion at 16% with a tenor of 5 years (semi-annual repayments of principal after a 1-year moratorium)-
Also, on February 21, 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 3A 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).

33. Borrowings (continued)

(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 - d) 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 benefits

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 2020 by EY Nigeria (FRC registration number: 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-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Present value of the defined benefit obligation-wholly unfunded	(7,135,477)	(5,848,372)	(5,648,770)	(4,798,945)
Movements for the year				
Opening balance	5,848,372	5,193,788	4,798,945	4,293,331
Transfer	-	-	(134,270)	4,827
Benefits paid	(940,525)	(164,792)	(603,078)	(130,170)
Net expense recognised in profit or loss and other comprehensive income	2,227,630	819,376	1,587,173	630,957
At end of the year	**7,135,477**	**5,848,372**	**5,648,770**	**4,798,945**
Net expense recognised in profit or loss and other comprehensive income				
Current service cost	780,120	548,975	445,768	391,595
Interest cost	839,845	733,110	680,437	595,049
Recognised in profit or loss	1,619,965	1,282,085	1,126,205	986,644
Actuarial losses/gain recognised in other comprehensive income	607,665	(462,709)	460,968	(355,687)
	2,227,630	**819,376**	**1,587,173**	**630,957**
Actuarial gains and losses due to:				
Changes in assumptions	656,441	(317,603)	547,502	(246,266)
Changes in experience	(48,776)	(145,106)	(86,534)	(109,421)
	607,665	**(462,709)**	**460,968**	**(355,687)**

34. Retirement benefits (continued)

Key assumptions used

.

	Group		Company	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Interest credit	6.50 %	6.50 %	6.50 %	6.50 %
Discount rates (per annum)	13.50 %	16.00 %	13.50 %	14.55 %
Average rate of inflation (per annum)	11.00 %	12.00 %	11.00 %	12.00 %
Expected increase in salaries (per annum)	12.00 %	12.00 %	12.00 %	12.00 %
Average duration of the plan (years)	11.80	11.20	10.70	10.70

Demographic assumption

Mortality in service and Withdrawal from service

The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK due to unavailability of published reliable demographic data in Nigeria.

Sample age	Number of deaths in year out of 10,000 lives	Withdrawal from Service (Age band)	Withdrawal from Service (Rate)
25	7	</=30	2.5%
30	7	31 - 39	1.5%
35	9	40 -44	1.0%
40	14	45 - 59	0.0%
45	26		

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-20		**N '000**
Base		7,002,016
Discount rate	+1%	6,460,108
	-1%	7,886,514
Salary increase	+1%	7,535,808
	-1%	6,750,178
12 months deposit rate (Central Bank of Nigeria)	+1%	7,030,634
	-1%	6,975,778
Mortality experience	Age rated up by 1 year	7,121,171
	Age rated down by 1 year	7,118,950

34. Retirement benefits (continued)

31-Mar-19		**N '000**
Base		5,840,759
Discount rate	+1%	5,340,692
	-1%	6,398,062
Salary increase	+1%	6,129,948
	-1%	5,566,235
12 months deposit rate (Central Bank of Nigeria)	+1%	5,871,564
	-1%	5,812,577
Mortality experience	Age rated up by 1 year	5,835,070
	Age rated down by 1 year	5,829,895

Company

31-Mar-20		**N '000**
Base		5,707,812
Discount rate	+1%	5,184,531
	-1%	6,315,045
Salary increase	+1%	6,020,127
	-1%	5,429,385
12 months deposit rate (Central Bank of Nigeria)	+1%	5,736,330
	-1%	5,681,574
Mortality experience	Age rated up by 1 year	5,708,707
	Age rated down by 1 year	5,706,982

31-Mar-19		**N '000**
Base		4,798,989
Discount rate	+1%	4,398,747
	-1%	5,260,792
Salary increase	+1%	5,029,064
	-1%	4,594,288
12 months deposit rate (Central Bank of Nigeria)	+1%	4,829,794
	-1%	4,770,870
Mortality experience	Age rated up by 1 year	4,802,015
	Age rated down by 1 year	4,797,854

35. Long service award

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 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 2020 by EY Nigeria (FRC registration number: 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-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Long service awards	2,737,787	2,183,131	2,277,821	1,881,868

The movement in the account during the year was as follows:

At the beginning of the year	2,183,131	1,948,287	1,881,868	1,720,629
Net transfer	-	-	(72,480)	(7,092)
Net expense recognised in profit or loss	694,983	526,318	510,019	416,200
Benefits paid	(140,327)	(291,474)	(41,586)	(247,869)
At the end of the year	**2,737,787**	**2,183,131**	**2,277,821**	**1,881,868**
Net expense recognised in profit or loss				
Service cost	352,156	295,972	243,120	210,559
Interest cost	308,782	251,009	265,180	222,174
Actuarial losses/(gains)	34,045	(20,663)	1,719	(16,533)
	694,983	**526,318**	**510,019**	**416,200**
The actuarial gains and losses on long service awards are analyzed as follows:				
Change in economic assumption	167,960	(79,855)	145,223	(70,031)
Change in demographic assumption	(133,915)	59,192	(143,504)	53,498
At 31 March	**34,045**	**(20,663)**	**1,719**	**(16,533)**

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

Group

	Valuation at	
	31-Mar-20	**31-Mar-19**
Discount rate (per annum)	13.5%	14.55%
Expected rate(s) of salary increases (per annum)	12%	12%
Average rate on inflation (per annum)	11%	12%
Benefit inflation rate (per annum)	6%	6%
Average duration of the plan (years)	9.27	10.19

35. Long service award (continued)

Company

	Valuation at	
	31-Mar-20	**31-Mar-19**
Discount rate (per annum)	13.5%	14.55%
Expected rate(s) of salary increases (per annum)	12%	12%
Average rate on inflation (per annum)	11%	12%
Benefit inflation rate (per annum)	6%	6%
Average duration of the plan (years)	8.00	8.05

Demographic assumptions

Mortality in service and withdrawal from service

The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK due to unavailability of published reliable demographic data in Nigeria.

Sample age	Number of deaths in year out of 10,000 lives	Age band	Withdrawal from service
25	7	</= 30	2.5%
30	7	31 - 39	1.5%
35	9	40 - 44	1.0%
40	14	45 - 50	0.0%
45	26	51 - 59	0.0%

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the long service awards obligation to the amount shown below.

Group

2020		**N '000**
Base		2,737,787
Discount rate	+1%	2,556,569
	-1%	2,935,049
Salary increase	+1%	2,929,097
	-1%	2,559,654
Benefit escalation rate	+1%	2,752,192
	-1%	2,718,513
Mortality experience	Age rated up by 1 year	2,723,940
	Age rated down by 1 year	2,744,541

Notes to the Annual Report for the year ended 31 March 2020

35. Long service award (continued)

Group

2019		**N '000**
Base		2,183,131
Discount rate	+1%	2,024,316
	-1%	2,313,124
Salary increase	+1%	2,243,253
	-1%	1,973,315
Benefit escalation rate	+1%	2,184,747
	-1%	2,138,905
Mortality experience	Age rated up by 1 year	2,152,746
	Age rated down by 1 year	2,167,866

Company

2020		**N '000**
Base		2,277,821
Discount rate	+1%	2,146,106
	-1%	2,457,579
Salary increase	+1%	2,451,438
	-1%	2,149,772
Benefit escalation rate	+1%	2,309,247
	-1%	2,277,810
Mortality experience	Age rated up by 1 year	2,283,933
	Age rated down by 1 year	2,300,928

2019		**N '000**
Base		1,881,868
Discount rate	+1%	1,765,251
	-1%	2,012,898
Salary increase	+1%	2,007,752
	-1%	1,768,534
Benefit escalation rate	+1%	1,899,241
	-1%	1,866,775
Mortality experience	Age rated down by 1 year	1,875,439
	Age rated up by 1 year	1,888,430

Notes to the Annual Report for the year ended 31 March 2020

	Group		Company	
	31-Mar-20 N. '000	**31-Mar-19 N. '000**	**31-Mar-20 N. '000**	**31-Mar-19 N. '000**

36. Deferred income

Non-current liabilities	14,787,589	16,370,523	1,650,826	172,410
Current liabilities	4,117,580	2,818,229	435,579	52,925
	18,905,169	**19,188,752**	**2,086,405**	**225,335**

The deferred income relates to government grants arising from the benefits 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	19,188,752	11,696,128	225,335	427,157
Additions	3,798,450	10,541,200	2,068,681	-
Release of deferred income from government grant (Note 9)	(4,082,033)	(3,041,243)	(207,611)	(201,822)
Capitalised to property, plant and equipment	-	(7,333)	-	-
At 31 March	**18,905,169**	**19,188,752**	**2,086,405**	**225,335**

37. Trade and other payables

Financial liabilities:				
Trade payables	64,255,163	65,691,156	50,866,921	49,112,957
Trade payables - related parties	-	-	7,962,168	11,530,500
Other accrued expenses	13,819,101	9,387,492	7,908,268	4,294,202
Sundry creditors	2,072,645	1,153,835	1,454,424	847,850
Non-financial liabilities:				
Statutory payables	3,466,954	2,807,862	141,863	557,782
	83,613,863	**79,040,345**	**68,333,644**	**66,343,291**

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 with in 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-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
At 1 April	2,566,783	2,005,814	2,177,173	1,981,752
Declared during the year	6,145,475	5,697,795	4,920,475	4,100,396
Payment during the year	(4,669,639)	(5,488,598)	(4,669,639)	(4,257,175)
Unclaimed dividends transferred to reserves	(57,679)	(428)	(57,679)	-
Unclaimed dividends returned to the company	-	352,200	-	352,200
At 31 March	**3,984,940**	**2,566,783**	**2,370,330**	**2,177,173**

Unclaimed dividends transferred to retained earnings represent dividends which have remained unclaimed for over twelve (12) years and are therefore no longer recoverable or actionable by the shareholders in accordance with section 385 of the Companies and Allied Matters Act, Cap.C20, laws of the Federal Republic of Nigeria, 2004.

Notes to the Annual Report for the year ended 31 March 2020

38. Dividend payable (continued)

Recognised dividends per share during the year amounted to 1.20 per share (2019: 1.00 Naira per share). The Board of Directors have proposed a dividend of 1.40 per share (2019: N1.20 per share).

39. Customer deposits

Customer deposits are contract liabilities which represents deposit made for products which will be recognised at the point the control of the products are transferred to the customers.

	Group		Company	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	N.'000	N.'000	N.'000	N.'000
Customer deposits	19,970,243	15,395,174	13,790,645	12,036,155

40. Right of use asset

		Group		Company	
	N.'000	N.'000	N.'000	N.'000	N.'000
	Equipment	**Property**	**Total**	**Property**	**Total**
Cost					
At 1 April 2019 (recognition of right of use on initial application of IFRS 16)	1,130,638	15,137,034	16,267,672	4,885,286	4,885,286
Additions	-	1,163,182	1,163 182	27,128	27,128
Transfer from PPE (Note 18)	-	33,095	33,095	33,095	33,095
At March 2020	**1,130,638**	**16,333,311**	**17,463,949**	**4,945,509**	**4,945,509**
Accumulated depreciation					
At 1 April 2019 (recognition of right of use on initial application of IFRS 16)	-	-	-	-	-
Depreciation charge	(57,293)	(2,473,316)	(2,530,609)	(1,274,415)	(1,274,415)
At 31 March 2020	**(57,293)**	**(2,473,316)**	**(2,530,609)**	**(1,274,415)**	**(1,274,415)**
Carrying amount					
At 31 March 2020	1,073,345	13,859,995	14,933,340	3,671,094	3,671,094

Included in ROU asset on initial application of IFRS 16 for the Group and Company are transfers from prepayment of N3,482,882,000 and N2,296,191,000 respectively (2019: Nil). The Group and the Company leases silos, warehouses, office buildings, flats and apartments

Extension and termination options are included in a number of property and equipment leases across the Group. The extension options are used to maximise operational flexibility of managing assets in the Group operations. The extension options are exercisable only by the Group and not the lessors.

41. Lease liabilities

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Balance as at 1 April 2019	12,784,790	-	2,589,094	-
Additions	787,295	-	32,658	-
Interest expense	1,417,368	-	389,523	-
Exchange difference	909,034	-	-	-
	15,898,487	-	3,011,275	-
less: payment	(2,541,665)	-	(1,370,689)	-
	13,356,822	-	1,640,586	-
Non-current liabilities	10,702,733	-	341,612	-
Current liabilities	2,654,089	-	1,298,974	-
	13,356,822	-	1,640,586	-

The incremental borrowing rates of the naira and dollar denominated lease liabilities are 16% and 7.73% respectively.

Variable Lease
The Group and Company's motor vehicle lease arrangements are based on variable payment terms linked to the usage of the trucks. Variable payment terms are used for a number of reasons including; minimising fixed cost, and optimising operational flexibility. The overall financial effect of using variable payment terms is that increased usage of the vehicle would increase total lease payments made under the motor vehicle lease arrangement.

Total expense incurred by the Group in relation to variable leases (motor vehicle lease contract) was N 598.04 million

The total expenses incured by the Group and Company in relation to short term leases which were not included in the measurement of lease liability amounts to N622.13 million and N108.64 million respectively

Group as lessor
The Group leases out its investment property. All leases are classified as operating from a lessor perspective. The Group recognised lease payments (rental income) received from third party leasee as income on a straight-line basis over the lease term. The total amount of rental income received in the year is N190.79 million (2019:N244.35 million).

Lease payments are received in-advance from third party lessees

42. Related parties transactions

Relationships

Name of related party	Nature of relationship	Nature of transaction
Apapa Bulk Terminal Limited	Subsidiary	Cargo handling services to the Company
Golden Shipping Company Nigeria Limited	Subsidiary	Custom clearing and forwarding services for the Company
Golden Sugar Company Limited	Subsidiary	Purchase of packaging materials from the Company
Northern Nigeria Flour Mills Plc	Subsidiary	Purchase of wheat grain from the Company
Golden Fertilizer Company Limited	Sub-subsidiary	Purchase of fertilizer from the Company
Kaboji Farms Limited	Sub-subsidiary	Purchase of fertilizer from the Company
Premier Feed Mills Company Limited	Sub-subsidiary	Purchase of packaging materials from the Company
Nigerian Eagles Flour Mills Limited	Subsidiary	Purchase of packaging materials from the Company
Crestview Towers Limited	Subsidiary	Sold residential apartments to the Company
Olympic Towers Limited	Sub-subsidiary	Rental of residential apartments to the Company
Agri Palm Limited	Sub-subsidiary	Purchase of fertilizer from the Company
Agri Estates Limited	Sub-subsidiary	Purchase of fertilizers from the Company
Sunflag Farms Limited (Agro Allied Farms Sunti Limited)	Sub-subsidiary	Purchase of fertilizers from the Company
Shao Golden Farm Limited (Agro Allied Syrups Limited)	Sub-subsidiary	Purchase of fertilizers from the Company
Premium Edible Oil Products Limited (ROM Oil Mills Company Limited	Sub-subsidiary	Sale of edible oil to the Company
Premium Cassava Products Limited (Thai Farm International Limited)	Sub-subsidiary	Purchase of packaging materials from the Company
Best Chickens Limited	Sub-subsidiary	Provision of business support services
Sunti Golden Sugar Estates Limited	Sub-subsidiary	Purchase of fertilizers from the Company
Golden Agri Inputs Limited	Sub-subsidiary	Provision of business support services
Eastern Premier Feeds Limited	Sub-subsidiary	Purchase of raw and packaging for the company

Related party balances

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Trade and other receivables				
Golden Shipping Company Nigeria Limited	-	-	-	8,116
Apapa Bulk Terminal Limited	-	-	15	1,689,957
Agri Estates Limited	-	-	6,550	-
Golden Sugar Company Limited	-	-	6,203,153	27,744,335
Kaboji Farms Limited	-	-	11,660	1,019
Nigerian Eagle Flour Mills Limited	-	-	84,818	806,947
Premier Feed Mills Company Limited	-	-	415,955	82,708
Northern Nigeria Flour Mills Plc	-	-	2,037,582	316,930
Premium Cassava Products Limited	-	-	1,968	23,286
Crestview Towers Limited	-	-	-	688
Premium Edible Oil Company Limited (ROM Oil Mills Company Limited)	-	-	69,882	43,240
Agri Palm Limited	-	-	47,487	7,445
Shao Golden Farm Limited (Agro Allied Syrups Limited)	-	-	72,095	22,649
Sunflag Farms Limited (Agro Allied Farms Sunti Limited)	-	-	2,199	-
Best Chickens Limited	-	-	6,904	3,577
Golden Agri Inputs Limited	-	-	438,191	51,019
Eastern Premier Feed Mills Company Limited	-	-	297,749	112,499
Independent Grain Handling and Storage Limited	-	-	84,487	-
Upland Grains Production Company Limited	-	-	136,623	-

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
42. Related parties transactions (continued)				
Other related parties	-	-	-	402,688
	-	**-**	**9,917,318**	**31,317,103**
Total (Note 27)	**-**	**-**	**9,917,318**	**31,317,103**
Trade and other payables				
Premium Cassava Products Limited (Thai Farms International Limited)	-	-	408,925	1,000,000
Premium Edible Oil Products Limited (ROM Oil Mills Company Limited)	-	-	254,518	2,945,795
Apapa Bulk Terminal Limited	-	-	3,296	1,791,848
Premier Feeds Mills Company Limited	-	-	2,891,553	5,100,000
Golden Agri Inputs Limited	-	-	5,175	-
Crestview Tower Limited	-	-	28,377	-
Golden Shipping Company Nigeria Limited	-	-	79,486	414,700
Golden Sugar Company Limited	-	-	1,422,321	48,158
Northern Nigerian Flour Mills Plc	-	-	300,000	230,000
Nigerian Eagle Flour Mills Plc	-	-	1,913,486	-
Kaboji Farms Limited	-	-	655,031	-
Total (Note37)	**-**	**-**	**7,962,168**	**11,530,501**
Long term loans receivables (Note 25)	-	-	48,864,528	33,617,060

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

Purchase of goods and services	31-Mar-20	31-Mar-19
Golden Shipping Company Nigeria Limited	161,206	171,449
Premium Edible Oil Company Limited (ROM Oil Mills Company Limited)	4,920,350	4,447,448
Premium Cassava Products Limited (Thai Farm International Limited)	374,154	285,087
Golden Agri Input Limited	70,676	-
Apapa Bulk Terminal Limited	3,842,340	4,925,045
Golden Sugar Company Limited	4,529,739	5,038,207
Nigerian Eagle Flour Mills Limited	21,571,631	14,607,064
Northern Nigeria Flour Mills Plc	1,365,140	752,514
	36,835,236	**30,226,814**

* Included in the value of purchase of goods and services is an amount of N1.10 billion (2019: N230 million) relating to milling fees.

Sale of goods and services	31-Mar-20	31-Mar-19
Golden Agri Input Limited	2,281	95,128
Eastern Premier Feed Mills Limited	1,870,990	488,271
Premier Feed Mills Company Limited	2,432,713	2,985,961
Northern Nigeria Flour Mills Plc	5,977,589	2,192,184
Nigerian Eagle Flour Mills Limited	30,640,296	26,878,856
Golden Sugar Company Limited	3,650,611	98,004
Kaboji Farms Limited	35,523	90,433
Shao Golden Farms Limited (Agro Allied Syrups Limited)	37,854	298,055
Premium Edible Oil Products Limited (ROM Oil Mills Company Limited)	466,178	31,969
Agri Palm Limited	810	36,905
Premium Cassava Products Limited (Thai Farm International Limited)	35,198	34,000
Apapa Bulk Terminal Limited	35,700	1,684,810
	45,185,743	**34,914,576**

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000

42. Related parties transactions (continued)

Related party transactions

Interest income from related parties		
Agri Estates Limited	-	34,901
Agri Palm Limited	2,368	114,386
Shao Golden Farm Limited (Agro Allied Syrup Limited)	11,411	57,760
Best Chickens Limited	-	85,493
Eastern Premier Feeds Mill Limited	3,361	133,717
Golden Agri Input Limited	143,487	114,064
Golden Sugar Company Limited	6,443,937	3,614,598
Kaboji Farm Limited	-	36,881
Northern Nigeria Flour Mills Limited	32,907	112,134
Apapa Bulk Terminal Limited	1,589,757	570,461
Premier Feed Mills Limited	118	153,743
Premium Cassava Products Limited (Thai Farm International Limited)	-	87,274
Premium Edible Oil Products Limited	442,847	152,565
	8,670,193	5,267,977
Interest expense to related parties		
Apapa Bulk Terminal Limited	67,775	1,320,935
Crestview Towers Limited	266	1,012
Eastern Premier Feed Mills Limited	16,483	-
Nigeria Eagle Flour Mills Limited	298,468	766,967
Golden Agri Inputs Limited	-	26,366
Premium Edible Oil Products Limited	390,417	-
Premier Feeds Mills Company Limited	684,246	-
Agro Allied Farms Sunti Limited	11,810	17,909
Kaboji Farm Limited	-	247
Agripalm Limited	5,277	-
Golden Sugar Company (Sunti)	136,874	-
Shao Golden Farm Limited (Agro Allied Syrup Limited)	-	1,325
	1,611,616	2,134,761

Related party transactions disclosed is inclusive of the relevant Value Added Tax applicable on the transactions.

Compensation of key management personnel		
Short term benefits	150,202	138,771
Long term benefits (Post- employment benefit)	9,888	4,392
	160,090	143,163

	Group		Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000

43. Directors' emoluments

The members of the executive management team and all directors are considered to be the key management personnel of the Group.

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

	Group 31-Mar-20 N. '000	Group 31-Mar-19 N. '000	Company 31-Mar-20 N. '000	Company 31-Mar-19 N. '000
The remuneration paid to Directors was:				
Fees	2,600	2,600	2,600	2,600
Salaries and other emoluments	87,500	87,265	87,500	87,265
	90,100	**89,865**	**90,100**	**89,865**
Fees and other emoluments disclosed above include amount paid to:				
Chairman	4,200	2,750	4,200	2,750
Other directors	85,900	87,115	85,900	87,115
	90,100	**89,865**	**90,100**	**89,865**

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-20	31-Mar-19	31-Mar-20	31-Mar-19
190,0000 - 200,000	12	12	12	12
19,000,001 - 20,000,000	1	1	1	1
	13	**13**	**13**	**13**
In thousands of Naira				
Highest paid Director received	33,250	32,915	33,250	32,915

Loan to key management personnel

No loan was given to any to key management personnel during the year (2019: Nil).

44. Categories of financial instruments

	Group Carrying amount		Company Carrying amount	
	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Non- derivative financial assets				
Financial assets at amortised cost				
Cash and cash equivalents (Note 30)	26,210,974	17,205,546	16,032,397	9,978,297
Trade and other receivables (Note 27)	10,763,176	13,029,460	13,975,356	37,776,398
Long term loans and receivables (Note 25)	358,689	1,402,210	48,864,528	33,617,060
Fair value through OCI				
Equity instruments at fair value through OCI (Note 23)	22,440	41,140	22,440	41,140
Fair value through profit and loss				
Derivative financial assets (Note 28)	3,702,659	198,026	2,906,508	198,026
	41,057,938	**31,876,382**	**81,801,229**	**81,610,921**
Other financial liabilities - not measured at fair value				
Bank overdraft (Note 30)	5,542,528	9,651,138	1,553,349	1,519,149
Borrowings (Note 33)	104,019,227	117,284,161	57,017,038	77,220,512
Trade and other payables (excluding statutory deductions) (Note 37)	80,146,909	76,232,484	68,191,782	65,785,509
Dividend payable (Note 38)	3,984,940	2,566,783	2,370,330	2,177,173
Lease liabilities (Note 41)	13,356,822	-	1,640,586	-
	207,050,426	**205,734,566**	**130,773,085**	**146,702,343**

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 a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an efficient capital structure to optimise the cost of capital.

In order to maintain the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares by way of right-issue or sell investments to reduce debt. The Group monitors capital on the basis of the debt to equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including overdrafts, bonds and other bank loans as shown in the consolidated statement of financial position) less cash and cash equivalents. Total equity is the equity attributable to owners of Flour Mills of Nigeria Plc. in the consolidated statement of financial position.

The Group and Company are not subject to any externally imposed capital requirements.

Group operates a centralised procurement department in order to take advantage of the benefits of bulk purchase and also the logistics and transportation of products are handled by the Transport division and this creates more efficiency in delivery and thereby reducing cost.

The Group's risk management committee reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

Ratios

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

		Group		Company	
		31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Borrowings	33	104,019,227	117,775,487	57,017,038	77,220,512
Lease liabilities	41	13,356,822	-	1,640,586	-
Total borrowings		**117,376,049**	**117,775,487**	**58,657,624**	**77,220,512**
Cash and cash equivalents	30	(20,668,451)	(7,554,408)	(14,479,048)	(8,459,148)
Net borrowings		**96,707,598**	**110,221,079**	**44,178,576**	**68,761,364**
Equity		155,807,771	150,972,194	146,316,889	138,929,273
Gearing ratio		62 %	73 %	30 %	49 %

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 rate 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.

45. Financial instruments and risk management (continued)

Financial risk management is an integral part of the way the Group is managed. The Board of Directors establishes the Group's financial 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.

The Group has disaggregated its trade receivables to respective segments based on its assessment of Group of entities that are highly exposed to the impact of COVID-19 pandemic and increase risk of credit loss. The Group defines counterparties as having similar characteristics if they are related entities.

Expected credit loss assessment for private sector customers

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from agencies.

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 actual credit loss experience over the past seven years. 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. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings, latest financial statements, management accounts and cash flow projections, and applying experienced credit judgement). Impairment on these balances has been measured on the lifetime expected credit loss basis. The loss allowance recognised during the period are lifetime expected credit loss. Management uses credit risk grading of below investment grade.

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 and 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 evaluation is performed on the financial condition of customers in respect of trade receivable and, where appropriate, bank credit guarantee is obtained.

45. Financial instruments and risk management (continued)

Sundry debtors consists majorly of dividends receivable, withholding tax credit receivable and other non-trade deposit paid. The Group continuously assesses the recoverability of these receivables. When the assessment reveals an indication of crystallization of a credit risk, the company recognizes an impairment loss provision to the extent it deems the amount irrecoverable.

Derivative contracts are entered into with bank and financial institution counterparties which have high quality credit ratings.

Group		31-Mar-20	31-Mar-19
		Amortised cost / fair value	Amortised cost / fair value
Trade receivables	27	10,763,176	13,029,460
Staff receivables	27	2,692,477	2,753,194
Loan term loans and receivable	25	358,689	-
Sundry debtors	27	12,275,793	10,302,658
Derivatives	28	3,219,290	198,026
Bank balances	30	25,555,301	16,503,349
		54,864,726	**42,786,687**

Company		31-Mar-20	31-Mar-19
		Amortised cost / fair value	Amortised cost / fair value
Trade receivables	27	4,058,038	6,459,295
Related party receivables	27	9,917,318	31,317,103
Staff receivables	27	2,494,163	2,119,104
Sundry debtors	27	12,001,804	10,426,687
Derivatives	28	3,702,659	198,026
Bank balances	30	15,448,420	9,316,820
		47,622,402	**59,837,035**

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

45. Financial instruments and risk management (continued)

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 - 2020

				Contractual cash flows				
		Carrying amount N. '000	Total N. '000	Less than 1 month N. '000	1 to 3 months N. '000	3 months to 1 year N. '000	1 to 5 years N. '000	Over 5 years N. '000
Trade and other payables	37	64,255,163	64,255,162	-	-	64,255,162	-	-
Borrowings	33	104,019,227	104,019,227	3,542,714	18,883,217	79,048,723	245,563	2,299,010
Dividend payable	38	3,984,940	3,984,940	-	-	3,984,940	-	-
Bank overdraft	30	5,542,528	5,542,523	-	5,542,523	-	-	-
Lease liabilities	41	13,356,822	13,356,823	400,705	1,335,682	2,671,365	3,339,206	5,609,865
		191,158,680	**191,158,675**	**3,943,419**	**25,761,422**	**149,960,190**	**3,584,769**	**7,908,875**

Group - 2019

				Contractual cash flows				
		Carrying amount N. '000	Total N. '000	Less than 1 month N. '000	1 to 3 months N. '000	3 months to 1 year N. '000	1 to 5 years N. '000	Over 5 years N. '000
Trade and other payables	37	65,691,157	65,691,156	-	-	65,691,156	-	-
Borrowings	33	117,284,161	160,133,196	1,015,673	5,846,346	25,744,067	98,984,725	28,542,385
Dividend payable	38	2,566,783	2,566,783	-	-	2,566,783	-	-
Bank overdraft	30	9,651,138	9,651,138	-	9,651,138	-	-	-
		195,193,239	**238,042,273**	**1,015,673**	**15,497,484**	**94,002,006**	**98,984,725**	**28,542,385**

45. Financial instruments and risk management (continued)

Company - 2020

				Contractual cash flows				
		Carrying amount N. '000	Total N. '000	Less than 1 month N. '000	1 to 3 months N. '000	3 months to 1 year N. '000	1 to 5 years N. '000	Over 5 years N. '000
Trade and other payables	37	50,866,921	50,866,928	-	-	50,866,928	-	-
Borrowings	33	57,017,038	77,353,565	65,534	3,048,447	12,506,700	57,638,891	4,093,993
Dividend payable	38	2,370,330	2,370,330	-	-	2,370,330	-	-
Bank overdraft	30	1,553,349	1,553,349	-	1,553,349	-	-	-
Lease liabilities	41	1,640,586	1,640,586	49,217	164,059	328,117	410,146	689,047
		113,448,224	**133,784,758**	**114,751**	**4,765,855**	**66,072,075**	**58,049,037**	**4,783,040**

Company - 2019

				Contractual cash flows				
		Carrying amount N. '000	Total N. '000	Less than 1 month N. '000	1 to 3 months N. '000	3 months to 1 year N. '000	1 - 5 years N. '000	Over 5 years N. '000
Trade and other payables	37	49,112,957	49,112,957	-	-	49,112,957	-	-
Borrowings	33	77,220,512	73,204,946	781,538	230,851	50,475,491	21,291,352	425,714
Dividend payable	38	2,177,173	2,177,173	-	-	2,177,173	-	-
Bank overdraft	30	1,519,149	1,587,206	-	1,587,206	-	-	-
		130,029,791	**126,082,282**	**781,538**	**1,818,057**	**101,765,621**	**21,291,352**	**425,714**

The Group has access to undrawn borrowing facilities amounting to N88 billion.The Bank overdraft maybe drawn at any time and may be terminated by the bank without notice. The Group continues to monitor its access to finance and take apropriate measures to ensure obligations are settled in the normal course of business.

45.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rate, exchange rates and other prices.

The Group's activities expose it primarily to financial risks of changes in foreign currency exchange rates, interest rates, equity prices and commodity prices. Market risks exposures are measured using sensitivity analysis. There has been no change to the manner in which these risks are managed and measured.

45.3.1 Foreign currency risk

The Group is mainly exposed to fluctuation in the exchange rate of the American Dollar (USD).

The Group is currently involved in the backward integration of Agro Allied products in order to reduce the foreign exchange risk associated with the high dependence on imported raw materials. The Group has also commenced the export of products to neighbouring African Countries in order to get more inflow of the USD.

Effective closing rate as at 31 March 2020 is N387/ US Dollar (2019: 361/ US Dollar).

45. Financial instruments and risk management (continued)

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-20 USD'000	31-Mar-19 USD'000	31-Mar-20 USD'000	31-Mar-19 USD'000
Cash and bank balance	5,690	2,773	4,724	1,936
Trade receivables	922	4,922	839	4,921
Trade payables	(107,145)	(162,976)	(102,172)	(120,911)
Borrowings	-	(20,000)	-	(20,000)
Net US Dollar exposure	**(100,533)**	**(175,281)**	**(96,609)**	**(134,054)**

Foreign currency sensitivity analysis

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

The following table details the Group and Company's sensitivity to a 10%, increase and decrease in the value of Naira against USD. Management believes that a 10% movement in either direction is reasonably possible at the balance sheet date. The sensitivity analysis below include outstanding balances of USD denominated assets and liabilities. A positive number indicates an increase in profit where Naira strengthens by 10% against the USD. For a 10% weakening of Naira against the USD there would be an equal and opposite impact on profit, and the balances below would be negative.

Group	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
US Dollar 10% (2019: 10%)	3,890,627	(3,890,627)	6,286,966	(6,286,966)

Company	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
US Dollar 10% (2019: 10 %)	3,738,768	(3,738,768)	4,808,244	(4,808,244)

45. Financial instruments and risk management (continued)

45.3.2 Interest rate 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 LIBOR risk internally to key management personnel and these represent management's assessment of the reasonably possible change in interest rates.

Interest rate profile and tenor of borrowings

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

Group	Currency N. '000	Nominal interest rate	Maturity N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Bank overdraft	Naira	14%-22%	On demand	5,542,528	9,651,139
Bank of industry Loan- CBN intervention fund	Naira	7%-12%	2018-2025	23,175,203	23,699,914
Commercial Agricultural Credit Scheme- Agricultural loans	Naira	7%-9%	2018-2022	5,046,152	5,598,441
Power and Airline Intervention fund	Naira	7%	2022	1,993,681	1,422,488
Commercial papers and bonds	Naira	14%-16%	2023	47,853,825	41,506,648
Term loan	Naira	22%-24%	2018-2020	33,599,652	33,599,652
RSSF-Real Sector Support Facility	Naira	7%-9%	2018-2027	20,199,275	19,165,374
				137,410,316	**134,643,656**

Company	Currency N. '000	Nominal interest rate	Maturity N. '000	31-Mar-20 N. '000	31-Mar-19 N. '000
Bank overdraft	Naira	14%-22%	On demand	1,553,349	1,519,149
Bank of industry Loan- CBN intervention fund	Naira	5%-10%	2018-2026	1,321,835	1,989,114
Terms loans	Naira	17%-25%	2019	-	29,890,491
Commercial papers and bonds	Naira	14%-16%	2023	47,853,825	41,506,648
RSSF-Real Sector Support Facility	Naira	7%-9%	2018-2027	6,748,650	-
Power and Airline Intervention fund	Naira	7%	2022	996,352	-
Intercompany loan	Naira	13-23%	On demand	96,376	3,834,259
				58,570,387	**78,739,661**

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 Group does not have variable rate financial risk instrument and hence a change in LIBOR as at the reporting date will not affect the profit or loss.

45. Financial instruments and risk management (continued)

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 N22.4 million (2019: N41.1 million).

The Group investment carried at FVOCI, is listed on the Nigerian Stock Exchange. A 10% change in the share price would have increased equity by N2.24 million, an equal change in the opposite direction would have decreased equity by N2.24 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		**Carrying amount**					**Fair value**			
31 March 2020										
In thousands of Naira	**Note**	**FVTPL**	**Financial assets measured at amortised cost**	**FVOCI Equity Instruments**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through OCI										
Other investments	23	-	-	22,440	-	22,440	22,440	-	-	22,440
		-	-	22,440	-	22,440	22,440	-	-	22,440
Financial assets at amortised cost										
Long term loans and receivables	25	-	358,689	-	-	358,689	-	194,569	-	194,569
Trade and other receivables	27	-	10,763,176	-	-	10,763,176	-	-	-	-
Cash and cash equivalents	30	-	26,210,974	-	-	26,210,974	-	-	-	-
		-	37,332,839	-	-	37,332,839	-	194,569	-	194,569
Financial assets measured at fair value through profit or loss										
Derivative assets	28	3,702,659	-	-	-	3,702,659	-	3,702,659	-	3,702,659
Financial liabilities not measured at fair value										
Bank overdrafts	30	-	-	-	(5,542,528)	(5,542,528)	-	-	-	-
Lease liabilities	41	-	-	-	(13,356,822)	(13,356,822)	-	(4,718,317)	-	(4,718,317)
Unsecured bank loans	33	-	-	-	(104,019,227)	(104,019,227)	-	(80,708,062)	-	(80,708,062)
Dividend payable	38	-	-	-	(3,985,940)	(3,985,940)	-	-	-	-
Trade and other payables (excluding statutory deductions)	37	-	-	-	(80,146,909)	(80,146,909)	-	-	-	-
		-	-	-	(207,051,426)	(207,051,426)	-	(85,426,379)	-	(85,426,379)

46. Fair value information (continued)

Group 31 March 2019 In thousands of Naira	Note	Carrying amount					Fair value			
		FVTPL	Financial assets measured at amortised cost	FVOCI Equity Instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through OCI										
Other investments	23	-	-	41,140	-	41,140	41,140	-	-	41,140
		-	-	41,140	-	41,140	41,140	-	-	41,140
Financial assets at amortised cost										
Long term loans and receivables	25	-	1,420,210	-	-	1,420,210	-	657,911	-	657,911
Trade and other receivables	27	-	26,085,312	-	-	26,085,312	-	-	-	-
Cash and cash equivalents	30	-	17,205,546	-	-	17,205,546	-	-	-	-
		-	44,693,068	-	-	44,693,068	-	657,911	-	657,911
Financial assets measured at fair value through profit or loss										
Derivative assets	28	198,026	-	-	-	198,026	-	198,026	-	198,026
Financial liabilities not measured at fair value										
Bank overdrafts	30	-	-	-	(9,651,138)	(9,651,138)	-	-	-	-
Secured bank loans	33	-	-	-	(1,403,541)	(1,403,541)	-	(912,741)	-	(912,741)
Unsecured bank loans	33	-	-	-	(115,880,620)	(115,880,620)	-	(83,658,903)	-	(83,658,903)
Dividend payable	38	-	-	-	(2,566,783)	(2,566,783)	-	-	-	-
Trade and other payables (excluding statutory deductions)	37	-	-	-	(76,232,483)	(76,232,483)	-	-	-	-
		-	-	-	(205,734,565)	(205,734,565)	-	(84,571,644)	-	(84,571,644)

46. Fair value information (continued)

Company 31 March 2020 In thousands of Naira	Note	Carrying amount FVTPL	Financial assets measured at amortised cost	FVOCI Equity Instruments	Other financial liabilities	Total	Fair value Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through OCI										
Other investments	23	-	-	22,440	-	22,440	22,440	-	-	22,440
		-	-	22,440	-	22,440	22,440	-	-	22,440
Financial assets at amortised cost										
Long term receivables	25	-	48,864,528	-	-	48,864,528	-	26,506,346	-	26,506,346
Trade and other receivables	27	-	50,312,189	-	-	50,312,189	-	-	-	-
Cash and cash equivalents	30	-	16,032,397	-	-	16,032,397	-	-	-	-
		-	115,209,114	-	-	115,209,114	-	26,506,346	-	26,506,346
Financial assets measured at fair value through profit or loss										
Derivative assets	28	2,906,508	-	-	-	2,906,508	-	2,906,508	-	2,906,508
Financial liabilities not measured at fair value										
Bank overdrafts	30	-	-	-	(1,553,349)	(1,553,349)	-	-	-	-
Unsecured bank loans	33	-	-	-	(57,017,038)	(57,017,038)	-	(44,329,270)	-	(44,329,270)
Dividend payable	38	-	-	-	(2,370,330)	(2,370,330)	-	-	-	-
Lease liabilities	41				(1,640,586)	(1,640,586)		(579,539)		
Trade and other payables (excluding statutory deductions)		-	-	-	(68,191,782)	(68,191,782)	-	-	-	-
		-	-	-	(129,132,499)	(129,132,499)	-	(44,329,270)	-	(44,329,270)

46. Fair value information (continued)

Company 31 March 2019 In thousands of Naira	Note	Carrying amount FVTPL	Financial assets measured at amortised cost	FVOCI Equity Instruments	Other financial liabilities	Total	Fair value Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through OCI										
Other investments	23	-	-	41,140	-	41,140	41,140	-	-	41,140
		-	-	41,140	-	41,140	41,140	-	-	41,140
Financial assets at amortised cost										
Long term loans and receivables	25	-	33,617,060	-	-	33,617,060	-	17,994,783	-	17,994,783
Trade and other receivables	27	-	50,312,189	-	-	50,312,189	-	-	-	-
Cash and cash equivalents	30	-	9,978,297	-	-	9,978,297	-	-	-	-
		-	93,907,546	-	-	93,907,546	-	17,994,783	-	17,994,783
Financial assets measured at fair value through profit or loss										
Derivative assets	28	198,026	-	-	-	198,026	-	198,026	-	198,026
Financial liabilities not measured at fair value										
Bank overdrafts	30	-	-	-	(1,519,149)	(1,519,149)	-	-	-	-
Unsecured bank loans	33	-	-	-	(73,386,253)	(73,386,253)	-	(70,174,516)	-	(70,174,516)
Dividend payable	38	-	-	-	(2,177,173)	(2,177,173)	-	-	-	-
Trade and other payables (excluding statutory deductions)		-	-	-	(65,785,509)	(65,785,509)	-	-	-	-
		-	-	-	(142,868,084)	(142,868,084)	-	(70,174,516)	-	(70,174,516)

46. Fair value information (continued)

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 instrument 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 N40.3 million (2019: N134.1 million). This is in respect of Tax and IT project advisory services rendered during the year.

48. Substantial interest in shares

Excelsior Shipping Company Limited has 2,581,286,589 (2019: 2,256,437,696) ordinary shares of 50k each, representing 62.95% (2019: 55.03%) 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 Company also had no commitments arising from unconfirmed letters of credit amounting (2019: Nil).

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.

Gas agreement

The long term gas purchase agreement signed by the Company for the supply of natural gas to Apapa Factory in April 2005 for twenty years came into effect during the last quarter of 2006. This commits the Company to taking up a specified minimum quantity of gas over the duration of the purchase agreement.

50. Contingencies

The Group and the Company are involved in litigation suits in the ordinary course of business. In addition, the Group and Company undergo periodic tax regulatory reviews in the normal course of business. The total amount claimed in cases and contingencies from these tax regulatory reviews against the Group and Company are estimated at N16.5 billion and N2.86 billion respectively (31 March 2019: N13.47 billion and N1.73 billion). The actions are being contested and the Directors are of the opinion that none of the aforementioned cases or tax regulatory reviews are likely to have a material adverse effect on the Group and Company.

In addition, the Group enjoyed pioneer status tax incentive from 1 July 2013 – 30 June 2017 in line with the provisions of Industrial Development (Income Tax Relief) Act (IDITRA). During this period, the accumulated distributable pioneer profits of N13.6 billion was reported in the tax returns filed with Federal Inland Revenue Service (FIRS). In line with the provisions of the IDITRA, the accumulated pioneer profit is expected to be certified by FIRS, for it to be treated as tax exempt upon distribution. While the Group awaits FIRS certification, a cumulative tax exempt dividend of N13.4 billion comprising N10.7 billion for 2019 and N2.7 billion for 2020 respectively has been declared.

As it is the practice of FIRS to conduct pioneer profit and asset certification exercises on companies that are enjoying (or enjoyed) pioneer status, the Directors are of the view that this review will be conducted at some time in the future. In the unlikely event that such review results in the FIRS certifying the cumulative pioneer profits to be an amount lower than N13.4 billion, the Group may be exposed to additional tax of 40% (i.e. companies income tax at 30% and withholding tax at 10%) of the amount in dispute. The Directors are of the opinion that it is unlikely that there will be any adverse material effect upon review of the pioneer profit position by the FIRS during the certification exercise.

51. Events after the reporting period

On 11 March 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus.

Additionally, there is a significant increase in economic uncertainty which is, for example, evidenced by volatility of oil prices and currency exchange rates.

Due to the uncertainty of the outcome of the current events, the Company cannot reasonably estimate the impact these events will have on the Company's financial position, results of operations or cash flows in the future.

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 2020, and its financial performance for the year then ended, that have not been adequately provided for or disclosed in these financial statements.

52. Discontinued operations

The Company discontinued its fertilizer processing business to a new entity within the Group as part of the restructuring of the Group in prior year, the decision was made by the Company to register the Fertilizer as a separate company within the Group.

The assets and liabilities of the Fertilizer division have been transferred to Golden Fertilizer Company Limited at their carrying amount. The assets and liabilities transferred and the results of the discontinued operation for the year are as set out below;

Profit or loss

	Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000
Revenue	-	18,728,853
Elimination of inter-segment revenue	-	-
External revenue	-	18,728,853
Expenses	-	(16,878,116)
Elimination of expenses related to inter-segment sales	-	-
External expenses	-	(16,878,116)
Results from operating activities	-	1,850,737
Income tax	-	(82,590)
Net profit after tax	-	1,768,147
Gains on measurement to fair value less cost to sell	-	-
Income tax on gain on sale of discontinued operation	-	-
Profit (loss) from discontinued operations, net of tax	**-**	**1,768,147**
Basic earnings per share (kobo)	-	43
Diluted earnings per share (kobo)	-	43

Assets and liabilities

Assets of disposal groups		
Property, plant and equipment	-	(1,575,914)
Investments in subsidiaries	-	(12,865,000)
Trade and other receivables	-	(540,571)
Inventories	-	(6,803,953)
Cash and bank balances	-	(105,346)
	-	**(21,890,784)**
Equity		
Revaluation reserve	-	100,000

	Company	
	31-Mar-20 N. '000	31-Mar-19 N. '000
Cashflows from discontinued operations		
Cash (used in)/generated from operating activities	-	1,052,835
Cash (used in)/generated from investing activities	-	(50,863,416)
Cash (used in)/generated from financing activities	-	49,821,115
	-	**10,534**

52. Discontinued operations (continued)

Effect of disposal on the financial position of the Company

The assets and liabilities transferred to Golden Fertilizer Company Limited (at book values) were as follows:

Property, plant and equipment	-	1,575,914
Quasi Investment	-	12,865,000
Inventories	-	6,803,954
Trade and other receivables	-	540,571
Cash and cash equivalents	-	105,346
Total asset	-	21,890,785
Capital contribution	-	(5,100,000)
Trade and other payables	-	(443,770)
Total equity and liabilities	-	(5,543,770)
Net assets and liabilities transferred (Note 25)	**-**	**16,347,015**

Other National Disclosures

Consolidated and Separate Statement of Value Added

	31-Mar-20 N. '000	31-Mar-20 %	31-Mar-19 N. '000	31-Mar-19 %
Group				
Value Added				
Turnover	573,774,356		527,404,567	
Investment income	2,392,649		768,592	
Other operating income	4,905,683		6,211,204	
- Local	(34,034,194)		(32,156,592)	
- Foreign	(458,471,064)		(420,234,666)	
Total Value Added	**88,567,430**	**100**	**81,993,105**	**100**
Distribution of value added				
To Pay Employees				
Salaries, wages, medical and other benefits	29,278,759		25,362,631	
	29,278,759	**33**	**25,362,631**	**31**
To Pay Providers of Capital				
Finance costs	19,975,470		22,891,176	
	19,975,470	**23**	**22,891,176**	**28**
To Pay Government				
Income tax	4,057,111		3,078,681	
	4,057,111	**5**	**3,078,681**	**4**
To be retained in the business for expansion and future wealth creation:				
Depreciation and amortisation (for the replacement of fixed asset)	22,059,608		20,734,660	
Deferred tax	1,819,739		2,869,833	
	23,879,347	**27**	**23,604,493**	**29**
Value retained				
Retained profit	10,467,673		6,585,502	
Non-controlling interest	909,070		470,622	
	11,376,743	**13**	**7,056,124**	**9**
Total Value Distributed	**88,567,430**	**100**	**81,993,105**	**100**

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

Consolidated and Separate Statements of Value Added

	31-Mar-20 N. '000	31-Mar-20 %	31-Mar-19 N. '000	31-Mar-19 %
Company				
Value Added				
Turnover	394,884,217		370,205,529	
Investment income	14,754,035		18,346,048	
Other operating income	472,846		2,322,938	
- Local	(39,567,473)		(37,499,409)	
- Foreign	(306,317,929)		(289,906,856)	
Total Value Added	**64,225,696**	**100**	**63,468,250**	**100**
Distribution of Value added				
To Pay Employees				
Salaries, wages, medical and other benefits	20,126,688		17,493,506	
	20,126,688	**31**	**17,493,506**	**28**
To Pay Providers of Capital				
Finance costs	12,293,277		16,025,840	
	12,293,277	**19**	**16,025,840**	**25**
To Pay Government				
Income tax	2,293,031		854,100	
	2,293,031	**4**	**854,100**	**1**
To be retained in the business for expansion and future wealth creation:				
Depreciation, and amortisation (for replacement of fixed asset)	14,429,895		11,104,172	
Deferred tax	2,662,084		215,232	
	17,091,979	**27**	**11,319,404**	**18**
Value retained				
Retained profit	12,420,721		17,775,400	
	12,420,721	**19**	**17,775,400**	**28**
Total Value Distributed	**64,225,696**	**100**	**63,468,250**	**100**

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

Five Year Financial Summary

	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-18 N. '000	31-Mar-17 N. '000	31-Mar-16 N. '000
Group					
Consolidated Statement of Financial Position					
Assets					
Non-current assets	242,722,155	236,552,221	234,102,289	227,719,991	220,662,484
Current assets	189,731,687	180,269,383	174,245,628	254,883,266	124,685,842
Total assets	**432,453,842**	**416,821,604**	**408,347,917**	**482,603,257**	**345,348,326**
Liabilities					
Non-current liabilities	127,887,817	81,220,607	57,943,133	72,562,013	66,602,295
Current liabilities	148,758,253	184,628,802	199,788,076	307,496,900	183,243,700
Total liabilities	**276,646,070**	**265,849,409**	**257,731,209**	**380,058,913**	**249,845,995**
Total equity	**155,807,772**	**150,972,195**	**150,616,708**	**102,544,344**	**95,765,774**
Total equity and liabilities	**432,453,842**	**416,821,604**	**408,347,917**	**482,603,257**	**345,348,326**
Consolidated Statement of Profit or Loss and Other Comprehensive Income					
Revenue	573,774,356	527,404,569	542,670,410	524,464,448	342,586,459
Profit before taxation	**17,496,815**	**10,174,275**	**16,541,767**	**10,472,847**	**11,489,278**
Taxation	(5,815,148)	(6,174,129)	(2,925,993)	(1,636,395)	2,931,006
Profit from continuing operations	**11,376,743**	**4,000,146**	**13,615,774**	**8,836,452**	**14,420,284**
Profit for the year	**11,376,743**	**4,000,146**	**13,615,774**	**8,836,452**	**14,420,284**
Non-controlling interest	(909,070)	108,223	(940,453)	(874,968)	200,037
Retained income for the year	**10,467,673**	**4,108,369**	**12,675,321**	**7,961,484**	**14,620,321**
Per share data					
Earnings per share (Naira)	2.55	1.00	4.83	3.03	5.57
Net assets per share (Naira)	38.00	35.00	36.73	39.08	36.49

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.

Five Year Financial Summary

	31-Mar-20 N. '000	31-Mar-19 N. '000	31-Mar-18 N. '000	31-Mar-17 N. '000	31-Mar-16 N. '000
Company					
Separate Statement of Financial Position					
Assets					
Non-current assets	189,083,838	171,481,410	168,223,794	118,058,601	95,683,538
Current assets	125,183,222	142,576,777	154,380,788	225,874,557	137,613,069
Total assets	**314,267,060**	**314,058,187**	**322,604,582**	**343,933,158**	**233,296,607**
Liabilities					
Non-current liabilities	67,325,900	36,799,208	31,083,760	18,404,858	18,543,783
Current liabilities	100,624,271	138,329,706	140,074,526	217,412,600	114,508,685
Total liabilities	**167,950,171**	**175,128,914**	**171,158,286**	**235,817,458**	**133,052,468**
Total equity	**146,316,889**	**138,929,273**	**151,446,296**	**108,115,700**	**100,244,139**
Total equity and liabilities	**314,267,060**	**314,058,187**	**322,604,582**	**343,933,158**	**233,296,607**
Separate Statement of Profit or Loss and Other Comprehensive Income					
Revenue	394,884,217	370,205,529	389,397,836	375,225,284	247,876,504
Profit before taxation	**17,537,684**	**18,536,249**	**14,153,983**	**10,979,579**	**6,248,497**
Taxation	(4,955,115)	(986,742)	(4,909,254)	(1,150,533)	4,177,289
Profit from continuing operations	**12,582,570**	**17,549,507**	**9,244,729**	**9,829,046**	**10,425,786**
Discontinued operations	-	1,768,147	-	-	-
Profit for the year	**12,582,570**	**19,317,654**	**9,244,729**	**9,829,046**	**10,425,786**
Retained income for the year	**12,582,570**	**19,317,654**	**9,244,729**	**9,829,046**	**10,425,786**
Per share data					
Earnings per share (Naira)	3.06	4.28	3.52	3.75	3.97
Net assets per share (Naira)	35.68	33.88	36.93	41.20	38.20

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

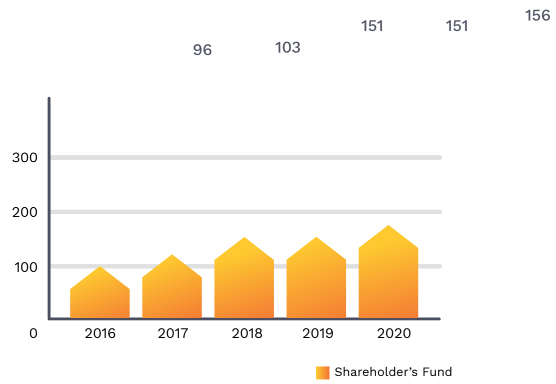
Net assets per share is based on net assets and the number of issued and fully paid ordinary shares at the end of each financial year.

Share Capital history

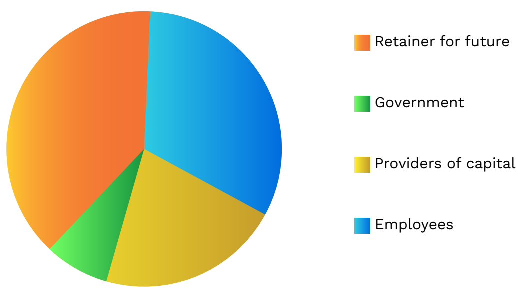
Date	Authorised (N)		Issued & Fully Paid-up (N=)		Consideration
	Increase	Cumulative	Increase	Cumulative	
26/09/78	0	15,000,000	8,000,000	15,000,000	
26/08/80	10,000,000	25,000,000	0	15,000,000	
21/11/80	0	25,000,000	10,000,000	25,000,000	Scrip 2:3
12/11/84	7,500,000	32,500,000	0	25,000,000	
16/01/85	0	32,500,000	7,500,000	32,500,000	Scrip 3:10
09/11/93	65,000,000	97,500,000	0	32,500,000	
18/02/94	0	97,500,000	65,000,000	97,500,000	Scrip 2:1
03/10/96	152,500,000	250,000,000	0	97,500,000	
01/11/96	0	250,000,000	32,500,000	130,000,000	Scrip 1:3
23/11/96	0	250,000,000	65,00,000	195,000,000	Scrip 1:2
16/09/99	100,000,000	350,000,000	0	195,000,000	
04/01/00	0	350,000,000	78,000,000	273,000,000	Cash
10/09/02	150,000,000	500,000,000	0	273,000,000	
27/02/03	0	500,000,000	91,000,000	364,000,000	Scrip 1:3
04/02/05	0	1,000,000,000	218,400,000	582,400,000	Rights issue 3 for 5
07/09/06	0	1,000,000,000	194,133,334	776,533,334	Scrip 1:3
10/09/08	0	1,000,000,000	77,653,334	854,186,668	Scrip 1:10
21/10/10	0	1,000,000,000	85,418667	939,605,334	Scrip 1:10
22/06/11	1,000,000,000	2,000,000,000	0	939,605,334	
15/02/12	0	2,000,000,000	227,782,666	1,167,388,000	Rights Issue 8 for 33
31/03/13	0	2,000,000,000	25,454,000	1,192,842,000	Share exchange upon BAGCO and Niger Mills Merger
31/03/14	0	2,000,000,000	0	1,192,842,000	
31/03/15	0	2,000,000,000	119,284,245	1,312,126,690	Scrip 1:10
13/07/15	500,000,000	2,500,000,000	0	1,312,126,690	
29/03/18		2,500,000,000	738,071,000	2,050,197,803	Right Issue

Performance Indicators

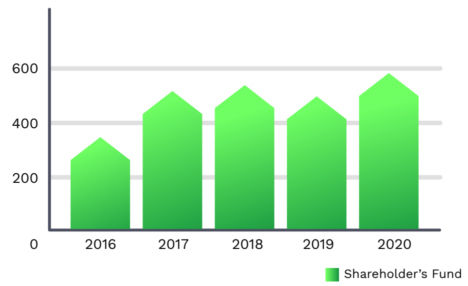
TURNOVER Vs PAT TREND



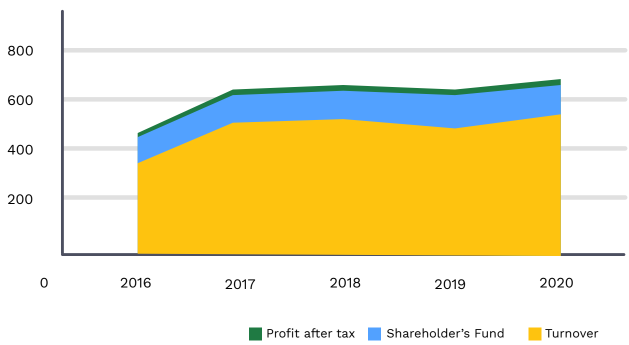
STATEMENT OF CONSOLIDATED VALUE ADDED STATEMENT



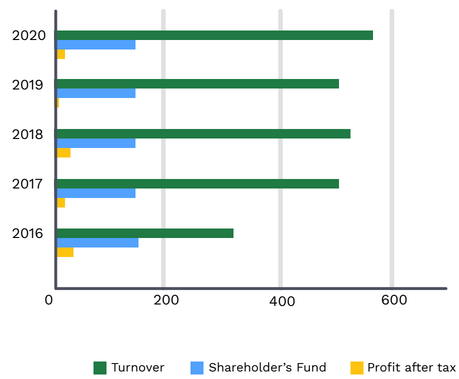
SHAREHOLDERS FUND Vs PAT TREND



5 YEARS PERFORMANCE TREND



5 YEARS PERFORMANCE TREND



CSR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Staying true to our purpose of 'Feeding the Nation, Everyday,' even in tough times.

FMN Group's Critical Action and Response Plan for Coronavirus (COVID-19)

The coronavirus (COVID-19) is the biggest challenge facing the world today. During the outbreak, we witnessed the devasting effect of the virus across the globe, including our country where socio-economic activities and the general way of life was affected severely.

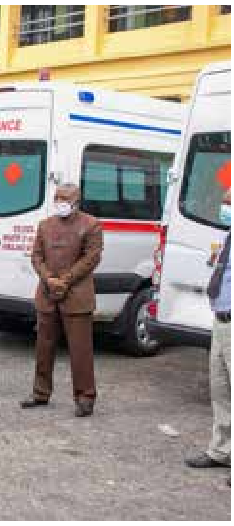
For a company like ours that shares such a deep connection with Nigeria since 1960, we understand the difficulties facing the country during such trying times, which is why we initiated our Critical Action and Response Plan for Coronavirus (COVID-19).

First, we put in place very stringent safety measures to ensure that our employees are protected and, our supply chains and production processes are not hindered. In recognition of the importance of food and how vital our services are, we continued to produce food throughout the lock-down to ensure that Nigerians can continue to have access to their favourite Golden Penny products.

As part of measures to support the fight against the spread of the virus, FMN, through the Nigerian Private Sector Coalition


KN95
MASK
KN95
MASK
KN95
KN95
MASK
Disposable
Nitrile Gloves
一次性丁腈检查手套
Golden Penny
Instant Noodles
Golden Penny
Instant Noodles
Chicken
70g
Golden Penny
Instant Noodles
Chicken
Golden Noodles

The coronavirus (COVID-19) is the biggest challenge facing the world today. During the outbreak, we witnessed the devasting effect of the virus across the globe, including our country where socio-economic activities and the general way of life was affected severely.



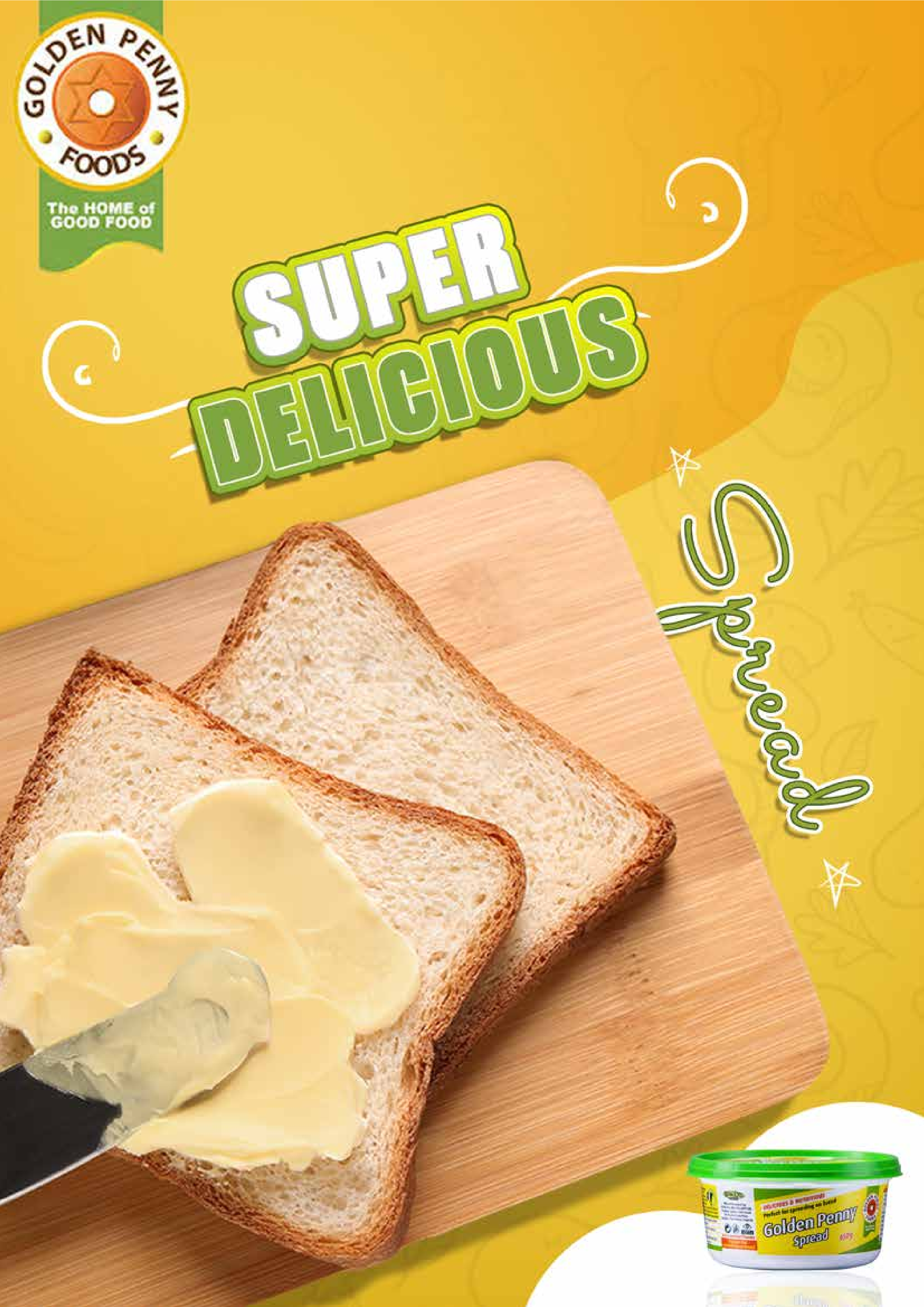
Against Coronavirus (CACOVID), donated the sum of N1 billion to the Central Bank of Nigeria (CBN).

In addition to the cash donation, we also procured medical supplies worth about $1.5 million. We understood that as the virus gained grounds in the country, it was imperative to expand the testing capacity for COVID-19 in the country immediately. So, we partnered with NCDC to ensure medical essentials like COVID-19 testing kits, ventilators and Personal Protective Equipment were distributed across the country. The medical supplies that we donated were intended to facilitate 100/day field-testing capacity, 35,000 laboratory-based testing capacities, and provide about 331,000 pieces of PPE including N95 Masks, Coveralls, Protective Gloves, and Protective eyewear.

In a move to create some relief for Nigerians, especially the most vulnerable who have suffered economic hardship because of the necessary public health restrictions on movement, we donated Golden Penny food products worth over N400 million across several states in the country.

While we hope that our various COVID-19 response initiatives will provide some relief to Nigerians, during such difficult times, FMN is determined to do whatever it can to continue to help in the fight against the virus. We are very hopeful that with continued collaboration with other stakeholders, this pandemic will soon be conquered in Nigeria, Africa and all over the world.

Scan this **QR code** with your mobile phone to watch some of our **CSR Videos**


GOLDEN PENNY FOODS
The HOME of GOOD FOOD
SUPER
DELICIOUS
Spread
Golden Penny
Spread

Corporate Social Responsibility at FMN

At FMN, we remain committed to integrating social responsibility into our business strategy. We have continued to conduct ourselves as responsible citizens by taking into cognizance the impact our business has on society, particularly on the environment, social and governance (ESG) issues. In addressing and advancing socio-economic concerns, we continue to play our part by investing in areas of interest to our Communities and other Stakeholders because we understand that long-term positive social investment serves to strengthen our leadership role.

Our sustainability statement of contributing to the preservation of biodiversity, reducing water consumption, waste and greenhouse gas emission continues to guide our operations. As such, the livelihood, health and welfare of our employees and local communities remain a critical concern as we continue to engage in ethical and transparent business practices that we are confident will improve our competitiveness and reputation.

Our five key areas of impact remain:

- Education, research and skills development
- Environmental sustainability
- Health, safety and welfare
- Infrastructural development
- Security

The different businesses within our group are given the necessary flexibility to determine the most appropriate CSR intervention that is most important to their local communities through regular engagement with their stakeholders. This measure ensures that our social investments are relevant and impactful to the host communities in which the businesses operate.

Within the last financial year, we ensured that our projects and initiatives were targeted towards the needs of our communities and are sustainable.
Our activities are as follows;

Education, Research and Skills Development

We remain committed to promoting access to an enabling conducive learning environment, supporting research activities and empowering our beneficiaries to reach their full potential.

Renovation of the Food Technology Department at Yaba College of Technology

To enhance the learning experience of students of the Food Technology department at the Yaba College of Technology, we renovated several classrooms in the department. The building, which once had dilapidated classrooms have been transformed into a more conducive learning environment for the students in the department.

Images on top shows classrooms before renovation. Images below, shows classrooms after renovation.

George Coumantaros Maiden Lecture

As part of our commitment to research and advancing the cause of Food science and technology in Nigeria, we established the Flour Mills Food Research Centre a few years ago in partnership with the University of Ibadan. Similarly, we endowed the George Coumantaros professorial chair for food and grain research for the centre.

To enhance the performance of the research centre, we annually pay an endowment of N8million to the University. During the year, as part of efforts to promote national discourse on issues of education, agriculture, food security and national development, the maiden edition of the George Coumantaros memorial lecture with the theme, “Strengthening Industry-Academia Linkages for Quality Teaching, Research and Development in the Nigerian University System” was held. The lecture was well attended by top Academic professors in the industry.

Vocational Centre

The FMN constructed Vocational Centre for special needs children at Methodist Primary School, Apapa, receives annual support for the daily running of the centre (training materials and allowances for the Facilitators). The centre is fully furnished with learning equipment for hairdressing, shoemaking, tailoring, and ICT to mention a few.

Refurbishment of the Dental Clinic

In response to the need for better training equipment for Dentists, we continued with the refurbishment project at the Faculty of Dental Services, College of Medicine of the University of Lagos. The project which commenced during the previous year is now near its completion stage. At conclusion we would have provided eight (8) new dental units for two of the dental bays at the Faculty and totally refurbished the bays.

Image on the left shows the dental bay before renovation. Image on the right shows, the dental bay after renovation.

Donation of School items

During the year, FMN through NEFM continued its CSR activities by supporting ST LEO primary school 1 & 2 Ibadan with much-needed items for school such as bags and other essentials, including Several cartons of our food products.

Health, Safety and welfare

Health, Safety and Environmental Sustainability (HSES) remains a part of our core function, which continues to contribute to higher overall performance.

In our HSES Journey towards achieving zero accident and zero solid waste to landfill we made a couple of milestones including reduction of Lost Time Incident Frequency rate from 1.44 in 2018 to 0.65 in 2019. This was as a result of our commitment to protecting people, environment and equipment by complying with all statutory requirements and standards, and even going beyond those standards wherever possible. At our Golden Penny Pasta, Agbara we also achieved 543 days LTI free, and still counting.

In 2017, our subsidiary Golden Sugar Company received a Gold Award from Nigerian Ports Authority (NPA), and after demonstrating huge improvements was awarded the 2019 Diamond Merit Award for excellent performance in HSE compliance in the process industry category. Likewise, we also received the 2019 Gold Merit award from NPA for excellent performance in HSE compliance in the process industry category

To ensure Business continuity, safeguarding life, environment and assets, FMN invested N48,000,000 in 2019 to purchase two (2) fire trucks equipped with modern firefighting gadgets including telescopic boom. This feature enables firefighting at high or elevated structures.

Charity Visit

FMN continued its support for the less privileged by making considerable donations to those in need. Some of the beneficiaries of our donations for this year were as follows:

- Modupe Cole Memorial Childcare and Treatment Home, Lagos.
- Heritage Homes, Maryland Lagos.
- Toraz Orphanage, Ibadan.
- Tudun Maliki School of Deaf & Blind, Kano
- Nasarawa Children's Home, Kano
- Torrey Home for the handicap, Kano.
- Nasarawa Children's Home, Kano
- Dawanau Psychiatric Hospital, Kano.
- Dorayi Rehabilitation Center, Kano.

Commemorating World Aids day

World Aids day is an international day dedicated to raising awareness on HIV/AIDS pandemic. In line with our culture at FMN, members of our staff participated in a road walk within our Communities as a sensitization exercise towards educating the public on its prevention and control while discouraging stigmatization and discrimination.

Environmental Sustainability

We continued to advance our ecological commitment through sustainable design, innovations and energy efficiencies. FMN strives to improve the working environment for its employees, communities and other stakeholders.

Wastewater Treatment (WWT) Plant

To ensure duty of care in waste management and environmental protection, FMN invested N329,488,676.27 to install a state-of-the-art Wastewater Treatment (WWT) Plant, constructed by Euro Construction Company (ECC) at Golden Penny Pasta Iganmu. The WWT Plant has a capacity of treating 250 cubic meters per day of effluent and was commissioned during the year.

Group Power Plant Retreat

As part of better equipping our workforce on safety measures, a group retreat was held during the year. It was attended by Technical Managers, General Managers and other staff across the group. The retreat was aimed at identifying the basepoints and setting of targets for the next 3-years. Goals set were '100% power availability on Gas, Zero Downtime and Accident, Efficiency of 0.27'

Infrastructural Development and Security

On-going infrastructural works and renovations were carried out in the Communities where our Operations are situated with continued support to security agencies.

A support of N2.25 Million was made to the Iganmu community. This donation was made towards the installation of 2 security gates. N1.2Million was also committed to be paid annually as contribution for the salaries of 8 security men for the gates at Imam Dauda.

There is a planned rehabilitation of the Agbara road infrastructure under the FG Road Tax Incentive Scheme. Design and cost estimations have been completed and approved by the Federal Ministry of Works & Housing. Our application which has been submitted through Andersen Tax to the Federal Ministry of Finance is now awaiting approval to proceed with the road reconstruction.

SERAS Awards

FMN won the Best New Entry Award at the 13th edition of the prestigious Sustainability, Enterprise & Responsibility Awards (SERAS). The award came as a recognition of the value we are adding to our communities and the positive impact our businesses have on our stakeholders.

Scan QR code to watch video of SERAS Award event.

Company Events

International Women's Day

The core message of the 2020 edition of the international women's day event was clear: 'Gender balance is not a women's issue, but an economic issue.'

The event which was organised by the FMN women's network had Kulu Abdullahi Sifawa, commissioner, women Affairs, Sokoto State in attendance. Olubunmi Oke, CEO/Lead Consultant, Ladybird Advertising, Folarin Rotimi Williams, Managing Partner, Chief Rotimi Williams' Chambers and other high-profile guests were also part of a high-profile guest list that graced the event.

Speaking at the event, which was held in Lagos, Paul Gbededo, group managing director, FMN, appreciated the role of women in critical sectors of the economy, including manufacturing, saying that they should be recognised for their contributions to productivity and other aspects of life.

He emphasised that FMN as an agent of change was shifting the narrative and working towards ensuring equality between the genders. "At FMN, we remain committed to ensuring that our women have the right tools and access to equal opportunities as the men.'

Scan QR code to watch video of IWD event.

E-Mandate Activation Form

Affix Current Passport Photo

Please write your name at the back of your passport photograph

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 341, Apapa, Lagos State.

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:

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

Tick	Name of Company	Shareholder's Account Number
	FLOUR MILLS OF NIG. PLC	
	NORTHERN NIG. FLOUR MILLS PLC	

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's 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)

Company Seal/ Incorporation Number (Corporate Shareholder)

** 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 the 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: +234 8175425054, 08108724445

Atlas Registrars Limited
website: atlasregistrars.com email: atlasregistrars@yahoo.com, registrars@atlasregistrars.com

Shareholder's Data Update Form

ATLAS Registrars Ltd.

Shareholders Data Update Form

To:
The Registrars,
Atlas Registrars Limited,
34, Eric Moore Road, Iganmu,
P.O. Box 341, Apapa
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

Bank Name

Bank Account Number

Current 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

FLOUR MILLS OF NIGERIA PLC
60TH ANNUAL GENERAL MEETING TO BE HELD BY 2PM
ON THURSDAY 10TH SEPTEMBER, 2020
AT THE ABORA SUITE, 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 10th September, 2020 and at any adjournment thereof.

Dated this……….........day of………...……………2020

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 Olalekan Saliu - Mr. Folarin Williams ii) To confirm the appointment of the following Director: - Mr. Omoboyede Oyebolanle Olusanya			
3. To authorize the Directors to fix Auditors' remuneration.			
4. To elect members of the Audit committee.			
Special Business			
5. To fix the remuneration of Directors.			
6. To renew the resolution on the general mandate of shareholders to the company to enter into recurrent transactions with related parties.			

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

List of Proposed Proxies

-Mr. John Coumantaros
-Dr.(Chief) Emmanuel A.Ukpabi (KJW)
-Mr. Paul M. Gbededo
-Dr. (Mrs.) Salamatu Suleiman
-Sir Sunny Nwosu
- Mr. Adesina Olalekan Oladepo
- Mr. Boniface Okezie
- Mrs. Esther Funke Augustine
- Mr. U.I. Nornah Awoh
-Chief Timothy A. Adesiyan

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

ADMISSION CARD
FLOUR MILLS OF NIGERIA PLC
60TH ANNUAL GENERAL MEETING TO BE HELD BY 2 PM
ON THURSDAY 10TH SEPTEMBER, 2020
AT THE ABORA SUITE, EKO HOTEL & SUITES,
ADETOKUNBO ADEMOLA STREET, VICTORIA ISLAND, LAGOS.

NAME OF SHAREHOLDER*…………………………………………………………..…………

IF YOU ARE UNABLE TO ATTEND THE MEETING
A member (shareholder) who is unable to attend the annual general meeting is allowed by law to vote by proxy. A proxy need not be a member of the Company. The above proxy card has been prepared to enable you exercise your right to vote if you cannot personally attend.

Following the normal practice, the Chairman of the Company has been entered on the form to ensure your representation at the meeting, but if you wish, you may insert in the blank space on the form(marked**) the name of any person who will attend the meeting and vote on your behalf instead.

IMPORTANT* Please insert your name in BLOCK CAPITALS on both proxy and admission card where marked*.