

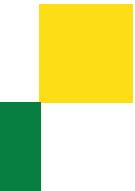


## Feeding and Enriching Lives, Every Day





**...feeding and enriching lives, every day**





**F**our Mills of Nigeria Plc (FMN) has remained at the forefront of propagating sustainable food systems in our quest to drive food self-sufficiency in Nigeria. Through our local content development agenda, we have created viable and sustainable food systems that have become a source of livelihood for millions of Nigerian families while effectively and impactfully adding to the growth of the Nation's GDP. Through our strategic initiatives that are designed to enrich the lives of our people, we are able to enrich the lives of our people, we continue to add value across all our contact points. Some of these initiatives are; the FMN Prize for Innovation, the Girls in Action campaign by the FMN Women Network, the FMN – George Coumantaros postgraduate Scholarship program, the Women Network's mentorship program, and myriads of transformative CSR projects designed to feed possibilities and enable sustainable growth. With the welfare of our people in mind, FMN continues to be at the forefront of driving food self-sufficiency in Nigeria & across the continent with the mandate of **feeding and enriching lives, every day.**

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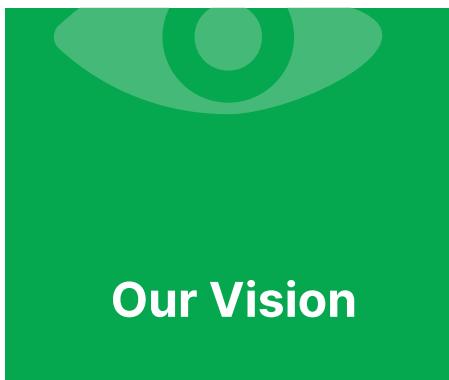
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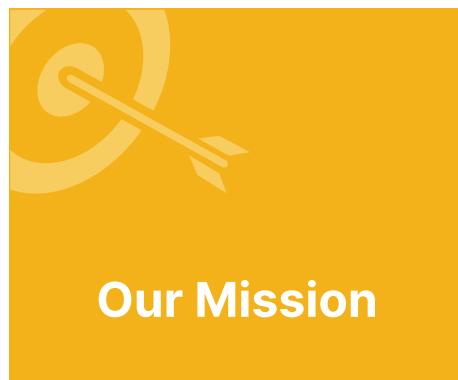


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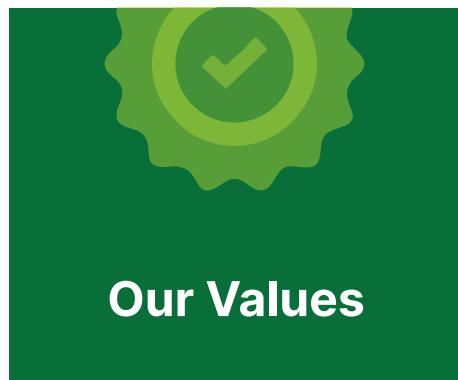
## Our Vision

To be the leading Food Company in Africa, enriching lives with quality brands.



## Our Mission

Creating superior African brands that inspire consumers every day.



## Our Values

- Be a Person of Integrity
- Be Passionate about Success
- Be Passionate about the Consumer
- Be Accountable
- Be Collaborative and Build Trust
- Be Agile and Bold

# Our Purpose Feeding & Enriching Lives **Every day**



# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the sixty - fourth (64°) **ANNUAL GENERAL MEETING** of Flour Mills of Nigeria Plc. will be held at **BALMORAL CONVENTION CENTER, FEDERAL PALACE HOTEL, AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS** (or such other venue as the Directors may determine) on Thursday, 14th November, 2024 at 12 noon to transact the following business:

## ORDINARY BUSINESS:

1. To lay the Audited Financial Statements for the year ended 31st of March 2024 and the Reports of the Directors, Auditors and Audit Committee thereon.
2. Declare a dividend.
3. Elect/Re-elect Directors to wit:
  - 3.1. To re-elect the following Directors retiring by rotation:
    - Mr. John G. Coumantaros
    - Prof. Jerry Gana, CON
    - Mr. Alfonso Garate
    - Alh. Rabiu M. Gwarzo, OON
    - Ms. Yewande Sadiku
  - 3.2. To re-elect by Special Notice, Prof. Jerry Gana and Alhaji Rabiu M. Gwarzo who are over 70 years but eligible for re-election pursuant to Section 282 of CAMA, 2020.
4. Disclose the remuneration of Managers of Flour Mills of Nigeria Plc.
5. Authorize the Directors to fix the remuneration of the Auditors.
6. Elect members of the Statutory Audit Committee.

## SPECIAL BUSINESS BY ORDINARY RESOLUTION:

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

**"That, pursuant to Rule 20.8 of the Rule book of the Nigerian Exchange Limited 2015: Issuers Rule, a general mandate be and is hereby given authorizing the Company to continue to procure goods and services and engage in other transactions that are necessary for its day to day operations from its related parties on normal commercial terms consistent with the Company's Transfer Pricing Policy. All transactions falling under this category which were earlier entered into in 2024 prior to the date of this meeting are hereby ratified.**

## Voting by Interested persons

In line with the provisions of Rule 20.8(h) Rules Governing Related Party Transactions of Nigerian Exchange Limited, interested persons have undertaken to ensure that their proxies, representatives, or associates shall abstain from voting on resolution 7 above.

8. To approve the remuneration of Directors

## SPECIAL BUSINESS BY SPECIAL RESOLUTION:

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

## NOTES:

### 1. PROXY

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. For the appointment to be valid, all instruments on appointment of proxy must be deposited at the office of the Company's Registrars, "Atlas Registrars Limited, 34, Eric Moore Road, Igamu, Lagos, P. O. Box 3554, Surulere or via email at [registrars@atlasregistrars.com](mailto: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.

A proxy form is attached to the Annual Report and is also available at this url:<https://shorturl.at/WMKM5>

### 2. DIVIDEND

The Board recommends a dividend of N1.80K (2023 - N2.25) per ordinary share of 50 kobo each. This dividend, if approved is subject to deduction of appropriate withholding tax.

### 3. DIVIDEND PAYMENT

If approved, the dividend will be payable on Friday 15th, November, 2024 to shareholders, whose names appear in the Register of Members at the close of business on Friday 9th, August 2024, 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 12th, August, to Friday 16th, August, 2024 both days inclusive.

### 5. AUDIT COMMITTEE

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

Section 404(5) of the Companies and Allied Matters Act 2020 requires that all members of the Audit Committee

shall be financially literate and at least one member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. We therefore request that nominations must be accompanied by a copy of the nominee's Curriculum Vitae.

## 6. UNCLAIMED DIVIDENDS

Shareholders are hereby informed that some dividend warrants have been returned to the Registrars as unclaimed while some have neither been presented to the Banks for payment nor to the Registrars for revalidation. A list of such unclaimed dividends will be circulated with the Annual Reports and Financial Statements and also available at this url:<https://shorturl.at/iPS7>

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

## 7. E-DIVIDEND/BONUS MANDATE

Pursuant to the Directive of the Securities and Exchange Commission, notice is hereby given to all shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of e-dividend/bonus. A detachable application form for e-dividend is attached to the Annual Report and also available at this url: <https://shorturl.at/j4Qnp>.

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](http://www.atlasregistrars.com). Shareholders are also advised to update their records with the Registrars using the Data Update Form available at this url: <https://shorturl.at/XNzSU>

All mandates and records update should be deposited at

Atlas Registrars Limited, 34 Eric Moore Road, Igando, Lagos, P.O. Box 3554, Surulere or via email at [registrars@atlasregistrars.com](mailto:registrars@atlasregistrars.com).

## 8. RIGHT OF SHAREHOLDERS TO ASK QUESTIONS

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

## 9. ELECTRONIC ANNUAL REPORT:

The soft copy of the 2024 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 2024 Annual Report should request via email to: [registrars@atlasregistrars.com](mailto:registrars@atlasregistrars.com).

## 10. LIVE STREAMING OF THE ANNUAL GENERAL MEETING

The Annual General Meeting will be streamed live online via our corporate website -[www.fmnplc.com](http://www.fmnplc.com); and on [YouTube - www.youtube.com/fmnegroup](https://www.youtube.com/fmnegroup).

## BY ORDER OF THE BOARD



**JOSEPH ODION UMOLU**

Company Secretary  
FRC/2013/NBA/00000003687  
27th September, 2024  
1, Golden Penny Place,  
Wharf Road,  
Apapa, Lagos.

## Board of Directors, Officers and Other Corporate Information

<b>Board of Directors:</b>	Mr. John George Coumantaros Mr. Paul Miyonmide Gbededo Mr. Omoboyede Oyebolanle Olusanya Prof. Jerry Gana, CON Mr. Alfonso Garate Alhaji Rabiu M. Gwarzo, OON Mr. Ioannis Katsaounis Mr. Thanassis Mazarakis Mr. Foluso O. Phillips Alhaji Y. Olalekan A. Saliu Mr. Folarin R. A. Williams Dr (Mrs.) Salamatu Hussaini Suleiman Mrs. Juliet Anammah Mr. Muhammad K. Ahmad, OON Ms. Yewande Sadiku	Chairman (US Citizen) Vice-Chairman Group Managing Director  (Spanish)  (Greek) (Greek)
<b>Company Secretary</b>	Mr. Joseph Odion Umolu	
<b>Registration number</b>	RC 2343	
<b>Tax identification number</b>	00136700-0001	
<b>Date of incorporation</b>	29 September 1960	
<b>Independent Auditor</b>	KPMG Professional Services, KPMG Tower, Bishop Aboyade Cole Street, Victoria Island, Lagos	
<b>Registered office</b>	1, Golden Penny Place, Wharf Road Apapa, Lagos	
<b>Registrars and Transfer office</b>	Atlas Registrars Ltd, 34 Eric Moore Road, Igamu, (Bagco Building) P.O. Box 341, Apapa, Lagos	
<b>Principal Bankers</b>	Access Bank Plc Access Bank UK Bank of Agriculture Citibank Nigeria Limited Coronation Merchant Bank Credit Suisse Ecobank Nigeria Limited First Bank of Nigeria Merchant Bank Fidelity Bank Plc First Bank of Nigeria Limited First City Monument Bank Plc FSDH Merchant Bank Limited Globus Bank Limited Greenwich Merchant Bank Limited Guaranty Trust Bank Plc Heritage Bank Plc	Keystone Bank Limited Nova Merchant Bank Limited Polaris Bank Limited Providus Bank Plc Rand Merchant Bank Stanbic IBTC Bank Plc Standard Chartered Bank Plc Star Microfinance Bank Sterling Bank Plc Suntrust Bank Nigeria Limited Union Bank of Nigeria Plc United Bank for Africa Plc Wema Bank Plc Zenith Bank Plc Zenith Bank UK

## GROUP PERFORMANCE HIGHLIGHT

<b>Continuing operations</b>	<b>31-Mar-24 ₦'000</b>	<b>31-Mar-23 ₦'000</b>	<b>Increase / (Decrease) %</b>
Revenue	2,291,561,452	1,539,654,788	49 %
Profit before minimum tax	3,952,454	42,752,114	(91) %
Minimum taxation	(4,189,142)	(2,969,506)	41 %
(Loss)/profit before taxation	(236,688)	39,782,608	(101) %
Income tax credit/(expense)	3,781,441	(10,278,323)	(137) %
Profit for the year	3,544,753	29,504,285	(88) %
Other comprehensive income net of tax	13,012,965	1,937,296	572 %
Total comprehensive income	16,557,718	31,441,581	(47) %
<b>Profit/Loss attributable to:</b>			
Owners of the Company	257,181	29,732,507	(99) %
Non-controlling Interest	3,287,572	(228,222)	(1,541) %
Share capital	2,050,197	2,050,197	0 %
Shareholders' funds	233,650,447	225,224,887	4 %
Proposed dividend	7,380,712	9,225,887	(20) %
Weighted average number of shares ('000)	4,100,394	4,100,394	0 %
Market capitalisation	159,915,366	127,317,234	26 %
<b>Per share data (kobo)</b>			
Basic earnings per share	6	725	(99) %
Diluted earnings per share	6	725	(99) %
Dividend	180	225	(20) %
Dividend cover	0.03	3.22	(99) %
Market price per share at 31 March	3,900	3,100	26 %
<b>Other Data</b>			
Number of employees (Group)	5,404	5,919	(9) %
Number of employees (Company)	3,744	3,839	(2) %

## Corporate profile



**Flour Mills of Nigeria Plc (FMN) is primarily a Food Company interested in food processing and agro-allied businesses across five key value chains comprising Grains, Sweeteners, Oil and Fats, Starches, and Animal feeds & Protein.**



Incorporated in September 1960 and quoted on the Nigerian Stock Exchange Limited since 1978, FMN has successfully moved from a single flour milling company to a Group of about 22 subsidiaries with footprints across the 36 states of Nigeria and a Pan-African vision.

As owner of the iconic Golden Penny Foods brand, FMN is one of Nigeria's leading food and agro-allied companies. With a broad basket of food products and robust pan-Nigerian production, distribution, and supply chain network, FMN is a fully integrated and diversified food and agro-allied group. We have been providing Nigerians with a superior quality product for over six decades ranging from diverse flour brands, ball foods (Semovita), pasta, noodles, sweeteners, edible oil, and fats, Chocoh spread, Amaizing Day breakfast cereal and other quality and nutritional food.

We remain committed to our purpose of **Feeding and Enriching Lives, Every day.**

We are on a mission to keep

# FEEDING AND ENRICHING LIVES, EVERY DAY

**While Committed to developing local content and driving food self-sufficiency in Nigeria and progressively across the continent.**

We are fully committed to propagating our vision of becoming a diversified Pan-African consumer-centric food and agro-allied business committed to creating value.

## SUPERIOR PRODUCTS OFFERING

It has been our mission to consistently provide our consumers with superior African brands that inspire our consumers every day.

As a Group, we are committed to leading the market in product and process innovation. This commitment has led us to innovate across various product lines based on the consumer's needs and market demands.

Growth as we know, happens over a period of time, thus, our innovation approach focuses on churning out content and products that drive local content development to build sustainable food systems in Nigeria and across the continent.

## OUR PEOPLE

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

## 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 Limited 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 Golden Penny 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 wheat, soybean, palm fruit, cassava, maize, and sugar cane; storage, aggregation and distribution of locally sourced grains and export commodities; manufacture and distribution of agro-inputs, such as seeds, fertilizers and agricultural sacks; cultivation

of sugar cane, maize, soyabean, cassava, and oil palm; support services in the form of manufacturing and marketing of packaging materials; power generation; ground transport logistics; port operations; and shipping, customs clearing, forwarding, and shipping agency.

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

## Human Capital

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





# The trusted friend for a **BOUNTIFUL HARVEST**



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

## Responsible Business Practices

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

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



At FMN, we aim to achieve our business objectives within the ambit of applicable laws. Consequently, all employees are aware of the provisions of our FMN Code of Conduct, FMN Responsible Partner Policy as well as the Contract Execution Policy and are required to observe the rules of conduct in relation to business and regulations.

Documents are available at this url:  
<https://bit.ly/3Q1I4m2>

### Value added to Society

At FMN, we are guided by the watch words of our Founding Father – George Coumantaros that "One must do it right and do it now!" This is our strategy to compete with the growing challenges in the industry.

FMN has continued to pursue strategic business opportunities, such as capacity expansion and realignment of its core food business whilst backwardly integrating to further mitigate reliance on imports and exposure to external volatility in the food business by increasing local content substantively and sustainably. The following developments, milestones, and investments in the Group companies are noteworthy:

- Expansion of our secondary distribution and coverage with the deployment of 100 new vans, extending our retail coverage well above 100k outlets, and generating over 300k new points of sale for our brands across regions and channels.

- Increase in the network and use of regional distribution centres to ensure improved availability of our brands. This enables the growth of the existing power brands in key categories as well as the developing brands such as Amaizing Day.
- Fortification Excellence Award - Eagle Flour and Golden Penny Confectionery Flour brands ranked in the Top 5 Tier for attaining food fortification excellence in Nigeria by Millers for Nutrition - March 2024.
- Renovation of FMN Lab to global standard. This renovation is aimed at optimizing operations, enhancing safety and compliance, promoting a positive work environment and hygiene, fostering innovation, and supporting long-term growth and success.
- FMN/Honeywell Sagamu pasta plant increased output by 65% (from 48,942 MT '22-'23 to 80,906 MT '23-'24).
- In the year under review, Bagco produced a robust financial performance despite the very challenging macroeconomic environment. Effective pricing, cost containment and focus on the supply chain enabled management to deliver the business plan despite the rising and volatile cost of procuring imports, declining consumer income, and high inflation.



# A Leader *Par* Excellence

## GEORGE STAVROS COUMANTAROS (late)

Chairman Emeritus, FMN

Mr. George Stavros Coumantaros was an effective leader who was very mindful and clear about his responsibility as Board Chairman. His manner of conducting meetings was exceptional and effective. He would arrive at his office before scheduled meetings to go through the meeting agenda and read Board papers fastidiously. He always ensured that he had a good grasp of the subject matters to be discussed.

In addition, he was a great thinker and philosopher. Often, he demonstrated respect for the dignity and intellect of other directors by consulting with them and engaging everyone present at Board meetings."

"Whenever the Chairman believed in a policy, programme or subject matter, he would articulate his views and explain convincingly, to carry everyone along. Then, he would listen patiently to dissenting views on the issue.

He was very disciplined, firm, and decisive, and he discouraged verboseness, diversion, and time-wasting. He was a firm believer in teamwork and forged exceptionally good relationships with all Board Directors."

**'60 Years of Feeding Nigeria,  
The Golden Penny Story'**



Products Research Institute, prepared the platform for the commercial launch in the coming financial year.

- A solar power system was successfully installed at the Kano operation and produces twenty percent of the site's electrical energy requirement. Bagco continues to recycle its industrial polymer byproducts as part of a reduce, recycle program
- During FY23/24, HSE achieved several notable milestones. Zero on-site fatalities were attained and invested N1.01B in fire infrastructure and protection upgrades across various Sites. We initiated solid waste segregation and sorting strategies at the source, resulting in N112.2 million

for FY23/24, a 59.3% increase from N66.5 million in FY22/23. Additionally, 98% of water flow meters were installed to enhance water management practices across FMN. We maintained zero validated regulatory contraventions and fines across all sites and achieved a 46% reduction in solid waste sent to landfills, compared to 32% in FY22/23.

- Golden Sugar earned the prestigious Supplier LOCT GHG Scope 1 and 2 Footprint badges, recognizing FMN's significant efforts in advancing Scope 3 reduction on a global scale. This achievement highlights FMN's commitment to reducing greenhouse gas emissions and



demonstrates her alignment with global industry standards, instilling confidence in her customers, suppliers, and other stakeholders about our climate progress.

- Installation of an FM 200 automatic suppression system inside all electrical switch rooms at the terminal to effectively manage and suppress fires from these locations in cases of fire emergencies at ABTL.
- Reduction of reliance on costly diesel, the facility installed 2MW of solar power using nearly 4,000 solar panels at Golden Sugar Estate, Sunti. This

solar initiative, producing power during daylight hours, complements existing diesel generators used at night. Despite initial challenges, the system now operates smoothly, with the first 0.8MW phase going live in February 2023 and the second 1.2MW phase in January 2024. This transition to solar power has significantly lowered energy costs, with solar being about 15% of the cost of diesel, thereby demonstrating our commitment to sustainability and reducing our carbon footprint.



## Inspiring Sustainable Growth

Over the years, the Group consistently secured the prestigious Sustainability, Enterprise, and Responsibility Awards (SERAS) across various operations. In 2023, FMN was recognized as the Best Company in Supply Chain Management and the Best Company in Stakeholder Engagement.

This recognition is a testament to the Group's unwavering commitment to creating sustainable food systems in Nigeria and progressively across the continent.

The SERAS CSR Awards seek to promote the actualization of the Sustainable Development Goals in Africa by providing a platform that measures and harmonizes the contributions of the private sector, government/public sector, and non-governmental organizations to attain set targets.



## The Chairman's Statement



JOHN COUMANTAROS  
CHAIRMAN

Distinguished shareholders, members of the Board of Directors, business partners and loyal customers, it gives me great pleasure to welcome you to our 64<sup>th</sup> Annual General Meeting and the presentation of our annual report and accounts for the financial year ended 31<sup>st</sup> March 2024.

Our performance in the last financial year is set against the backdrop of significant tumult and volatility in the operating environment. In the face of significant headwinds to performance, we remained steadfast, energetic and innovative, steadily and incrementally implementing transformational changes and driving growth across the business, whilst enhancing robustness, efficiency and resilience.

### Business Environment

The Nigerian economy grew 2.7% in 2023. The disruptive effects of the Naira redesign policy in the first quarter, the 2023 political transition, the persistence of suboptimal oil production, periodic energy supply disruptions and the decline in agricultural production in the post-COVID period, contributed to a general slowing of economic activity in the aggregate.

The business responded to these developments through determined efforts to build in efficiencies and optimise costs where viable opportunities were identified. At the same time,

“ ”

As a Group, we have begun to leverage on the prospects and opportunities offered by the African Continental Free Trade Area (AfCFTA) to drive the growth of our exports business, as a key element of our continental expansion ambitions.



we continued to innovate and implement strategic and operational measures aimed at enhancing our all-round competitiveness and value proposition to customers. Concurrently, we implemented several palliative measures to support our staff who, alongside their families, were adversely affected, like other Nigerians, by the widespread economic pressures.

### The Year at FMN

Revenue grew 49% to reach N2.3trn from N1.5trn in the 2023/24 financial year, consolidating FMN's place as one of the three largest companies in Nigeria by revenue, and the largest food and agro-allied business as well as the largest consumer goods business in the country. Our continued improvement in the efficient management of raw materials and conversion costs led to a 54% increase in gross profit to N273bn from N177bn.

Riding on the reorganization of the Food business into distinct manufacturing and commercial specialisations, as well as increased strategic emphasis on the maximization of the potential in B2C through continued local content development, route-to-market deepening and brand strengthening, we delivered 51% revenue growth in the Food segment, and translated this through raw material and production efficiency into a double-digit gross margin of 15%, on the back of a 68% growth in gross profit to ₦225bn from ₦134bn in FY '23. The Agro-allied segment delivered a topline growth of 17% to reach ₦333bn from a revised ₦284bn in FY '23. Agro-allied's gross profit surged 148% to ₦52bn from ₦21bn, as progress to enhance value creation in our commercial and developmental ventures in the agricultural space continued to yield incremental returns across our value chains. In the Sugar segment, revenue increased 84%, reaching ₦384bn from ₦208bn. Growth in gross profit stood at 35%, from ₦5.7bn in FY'23 to ₦7.7bn in FY'24. Activity in the Support services segment generated ₦65bn in revenue, a growth of 39% over FY'23's ₦47bn.

However, the impact of surging operating costs, resulting from the Naira's sharp depreciation and rising energy costs was felt strongest in this segment, leading to an erosion of profitability and a negative gross profit of -₦12bn.

As a Group, we have begun to leverage on the prospects and opportunities offered by the African Continental Free Trade Area (AfCFTA) to drive the growth of our exports business, as a key element of our continental expansion ambitions. The vanguard of this geographic expansion is West Africa, where we look to establish a significant commercial footprint, market visibility and presence through the growth of finished products exports.

To execute this expansion as competitively as possible, we are leveraging available fiscal incentives. In December 2022, we received presidential approval to convert three of our operating sites-at Apapa, Igamu and Agbara-into free trade zones, and got to work on their operationalization in 2023. In service of the full and robust integration of Honeywell Flour Mills and the maximization of Group synergy, we extended our FTZ licence to include the Honeywell sites at Tin Can Island in Lagos and Sagamu in Ogun State. As of the end of FY'24, the Apapa site is fully

operational as an FTZ. Our aspiration is to complete the operationalization of the other four sites by the end of FY'25. While confident that the effects of the foregoing strategic moves will begin to be felt more strongly in the form of accelerated growth and efficiency by FY'25, we report that elevated operating expenses associated with higher energy costs and the negative impact of the Naira's devaluation exerted immense pressure on profitability and dampened the effect of solid and robust topline performances on the bottom line. Profit after tax (PAT) declined 88% to ₦3.5bn in FY'24 from ₦29.5bn following the 139% increase in finance costs from ₦87bn to ₦209bn, out of which ₦137bn represented loss on exchange difference.

### Dividend

Aligning with our corporate commitment to provide enduring value to our esteemed shareholders, the Board of Directors will recommend a dividend of N1.80k per ordinary share of 50 kobo during the Annual General Meeting.

### Business Review

#### Food Division

The fiscal year for our Food business was marked by both the advancement of our strategic goals in service of being the leading B2C & B2B Food Company in Africa and #1 in Nigeria, and the growth, especially, of B2C volume and gross margin.

The accelerated growth of B2C is at the heart of our food strategy which was demonstrated in the last fiscal year with strong double-digit volume growth, substantial share gains and margin expansion. To begin with, we continued to build the portfolio of loved brands with increased advertising and promotional support to drive the penetration and frequency of use of existing key categories of Pasta, Ball Food and Noodles under Golden Penny, in addition to regionally targeted offerings in different segments such as Mai Kwabo and Auntie B in both Pasta and Ball Food, as well as the Honeywell brands.

Secondly, we have continued to expand our secondary distribution and coverage with the deployment of new vans, extending our retail coverage above 100,000 outlets, and generating over 300,000 new points of sale for our brands across regions and channels. Integrating data and insights more intensively into our consumer-facing operations, we introduced a distributor management system to give increased visibility of stock in trade. Increasingly, we are expanding the network and use of regional distribution centres to drive greater availability of our brands. This enables the growth of the existing power brands in key categories in addition to developing new brands such as Amaizing Day.

Thirdly, we intensified our local content-based innovation drive. We continue to use more locally grown wheat, drawing from our wheat development program with the Flour Milling Association of Nigeria (FMAN). New product categories that enable local content maximization are also being introduced.

Finally, demonstrating that focus on B2C acceleration doesn't entail neglect of B2B, we drove continued value maximization in our B2B categories. The fiscal year saw a robust performance in both Bread and Corporate Flour as we

continued to execute a regionally differentiated strategy and customer value propositions.

### **Sugar Division**

At our Sunti Golden Sugar Estate, we crushed a record 171,816 tons (FY'23: 161,808) of cane, producing 17,716 tons (FY'23:16,479) of sugar and realising a recovery rate of 10.31% (vs 10.18% in FY'23). As of the end of FY'23, we had cultivated 3,600ha of land for cane. We completed 45 kilometers of dike to decrease flooding risk, expanded the Upland area and installed an additional pump station comprising 3 pumps. We also constructed 3 drain pump stations to evacuate water from the dike area and added 2 mechanical harvesters to increase the incidence of green harvesting of the crop, thus increasing fresh cane supply and trash for mulching. Sunti continues to be a significant economic contributor in Niger State, directly employing 4,500 people during peak season with an average monthly headcount of more than 3,000.

### **Agro-allied Division**

We continue to execute a robust local content development strategy across our 5 value chains as well as the inputs businesses, developing well-rounded capabilities, solidifying critical partnerships, and seeking and capitalizing on value-accretive opportunities along the way.

#### *Agri-Inputs and Distribution*

Our wheat value chain development program, under the auspices of Flour Milling Association of Nigeria [FMN], continues to make progress in its efforts to transform yield in the wheat space, to realise viable, substantial and scaled-up domestic wheat production in Nigeria. FMN is a decisive contributor to this program, which now covers 8 states, circa 7,000 outgrower farmers, and cultivated over 6,000 hectares of land for wheat, realising an average yield of 3.8 tonnes/ha (with highest yield at 5.2 tonnes/hectare), well over the familiar yield of 1.1 tonne per hectare typically recorded in Nigeria.

Yield transformation is also the cornerstone of our value chain development efforts in other important grains like maize and soybeans. Our Yalwa Initiative, in its third year in FY'24, has now provided critical support to approximately 5,000 smallholder farmers in Niger, Kaduna, Kebbi, and Benue States, created over 20,000 new jobs in the ecosystem (85% youth and 51% female direct jobs), and trained over 100 extension agents. This year, Yalwa returned a yield of 4.6 metric tonnes per hectare in maize, compared to a national average of 2.2 metric tonnes per hectare, and 1.8 metric tonnes per hectare in soybeans, compared to a national average of 1.0 metric tonnes per hectare.

Golden Fertiliser remains the leader on quality in the Nigerian fertiliser market. We recognise, however, that this market is evolving, and is positioned to respond to this evolving competitive landscape. We are forging critical partnerships and deepening our scientific exploration of fertiliser solutions using a wider range of locally available raw materials. We have now launched blending plants in Enugu and Bauchi, as we seek to strengthen our capacity to reach our customers-dealers and farmers alike-in markets and geographies with vast opportunities for penetration by us. Such proximity will also enhance our distributional capabilities in these markets.

### **Oils and Fats**

Premium Edible Oil Products Limited (PEOPL) delivered a solid gross margin of 14% in FY'24, 11.4 percentage points better than FY'23. This was driven by continued solidity in the exports of soybean meal (88,589MT in FY'24 vs 52,699MT in FY'23), and disciplined pricing for both bulk oils and bottled oils. We are also ramping up value-addition innovation on the consumer front, with the introduction of Choco Spread in April 2023, which has already gained market traction.

### **Feeds and Proteins**

We continue to explore and deploy capital to growth and value maximisation opportunities in the animal nutrition business. Informing our capital deployment strategy is an agenda of portfolio transformation to higher gross-margin products, specifically through the expansion of our strategic portfolio in cooked feeds, including broiler pelletized feeds and extruded fish feeds, to the Eastern market. This dovetails with our goal of deepening geographic penetration outside the South-West, through investments in distributional infrastructure — activating the Onitsha depot to better serve the region.

### **Starches**

Cassava development at our Premium Cassava Products Division (PCPD) took on an innovation during the year with the introduction of dry milling technology to extract flour and starch from dry cassava chips. This carries the potential to address our perennial challenge of fresh cassava scarcity during the off-season, whilst bolstering our efforts at wastewater management. Commercial production commenced in April 2024, and we expect a healthy savings margin on the cost of goods sold as a result.

### **Support Services**

The packaging business combined effective pricing, cost containment and effective supply chain management to withstand the pressures associated with the macroeconomic environment. It also stepped up its performance in exports, recording 34% year-on-year revenue growth in the process. Encouraged by improved availability of local supply of key raw materials, polymer and laminates, the business was able to leverage our significant upstream investments in flexible film supply to reduce the volume of raw materials imports. Furthermore, obtaining NAFDAC's approval for our Zero Fly Hermetic products, which come with insecticide repellents to prevent the infestation of stored grains by pests, and successfully trialing them has put us in a position for a full commercial launch in FY'25.

Apapa Bulk Terminal Limited (ABTL) successfully processed 3 million metric tonnes of both wet and dry bulk cargo in FY'24, 7% more than the 2.8 million processed in FY'23. Berthing space limitations notwithstanding, space optimisation and increased operational efficiency enabled us to drive a 57% year-on-year growth in revenue. The successful conversion of the Apapa site to a free trade zone sets ABTL up as a critical function in the efficient discharge of FTZ operations and this guides ABTL's imperative of surpassing the expectations of the various businesses it supports in their raw materials import and products export transactions, whilst maintaining utmost regulatory compliance.

## People

We maintain our commitment to retaining top talent to drive continued growth and ensure business sustainability, and as such continue to implement a talent management strategy, under new and dynamic leadership, that focuses on attracting, developing, and nurturing exceptional individuals across the organization.

In service of our ongoing strategic transformation across the Group, we successfully launched the General Managers Program (GM College) to foster the alignment of our leadership development goals with our Strategy. We are on the cusp of successfully concluding another 18-month cycle of our intensive Graduate Trainee Programs, with tens of exceptional graduates selected to undergo a best-in-class management learning program to equip them with on-the-job skills and knowledge needed to become future leaders for the sustainability of our business.

We extend our heartfelt gratitude to Mr. Wale Adediran, who retired from his role as Group Human Resources and General Services Director, for his invaluable contributions over the course of his nine years of dedicated service. As he embarks on his well-deserved retirement, we wish him all the best in this next chapter of his life.

At the same time, we are delighted to welcome Mrs. Uchenna Stephanie Ajo as our new Group Human Resources and Services Director. Uchenna brings nearly 2 decades of extensive HR expertise, having held diverse leadership roles across multiple countries in Africa, and the Middle East. We are confident that under her leadership, the HR function will continue to drive excellence and contribute to our ongoing success.

## Health, Safety and Environment

In FY'24, we invested over N1bn in fire infrastructure and protection upgrades across various sites. We initiated at-source solid waste segregation and sorting strategies, achieved a 46% reduction in solid waste sent to landfills, installed water flow meters to enhance water management practices, and maintained zero validated regulatory contraventions and fines across all sites.

All HSE site leads were successfully trained as Lead Auditors for ISO 14001:2015, further aligning FMN's Environmental System with global standards. We also ensured up-to-date compliance for all necessary regulatory permits across all sites, and successfully executed environmental awareness programs to enhance employee commitment to sustainability practices and instill a sense of ownership and responsibility for health, safety, and environmental practices.

## Sustainability and Corporate Responsibility

At the heart of our Sustainability endeavours lie our four guiding pillars, aptly named FMN's "Tropos", encompassing governance, economic, social, and environmental dimensions. Through these pillars, we integrate sustainability seamlessly into our business model, thereby ensuring that our pursuit of financial prosperity is intricately intertwined with our commitment to societal and environmental well-being.

We joined the Food Beverage and Recycling Alliance (FBRA) last year, accentuating our efforts to contribute to the global recyclables push and the combating of plastic pollution. We also continue to forge efficient partnerships to reduce our carbon footprint.

Noteworthy Corporate Social Responsibility (CSR) endeavors include the 2023 Skill Acquisition and Scholarship Awards program, sustained maintenance of a vocational center for children living with special needs since 2017, and crucial donations of medical supplies to healthcare facilities.

## Looking Ahead

The Board received an Offer Letter from Excelsior Shipping Company Limited, the majority shareholder in Flour Mills of Nigeria Plc, notifying the Company of its intention to acquire all the outstanding and issued shares that are not currently owned by Excelsior. After careful consideration of the fairness of the Offer, the Board resolved to recommend the offer to non-Excelsior shareholders for consideration and approval at a meeting to be convened by an order of the Federal High Court (the Scheme). The Board believes that the Scheme will generate significant benefits and opportunities for shareholders, employees and other stakeholders of the Company. We look forward to the strong support of our shareholders at the upcoming court ordered meeting as we work together to advance this important Scheme.

We foresee the challenging macroeconomic environment persisting over most of 2024/25. However, our business model has been stress-tested over the years and the Group has shown its agility, adaptability and ability to grow and deliver solid results in challenging conditions. We continue to actively pursue new strategic partnerships and collaborations to drive innovation, expand our product offerings, and expand into high-growth markets within Africa, leveraging our brands and distribution network to capture new opportunities to meet the needs of consumers.

We will continue to optimise our capital structure to ease financing costs and drive strategic growth, whilst enhancing efficiencies to improve business profitability. We envisage further structural optimisations-like with the free trade zone project-in line with our strategic transformation objectives.

These transformations will enable additional value creation through existing and emerging product offerings, which are tailored to meet changing consumer demands, support mixed volume growth and drive higher margins.

On behalf of the Board, I express my sincere gratitude to all our shareholders, customers, consumers, our talented and dedicated staff and business partners for your commitment and phenomenal support, which are definitive to our continued success.

Thank you very much.



**JOHN COUMANTAROS**  
C H A I R M A N



Food and Agro-Allied Group



FLOUR MILLS OF NIGERIA

# Investing in Africa's Future



Feeding and Enriching Lives, Every Day



NNFM



BAGCO

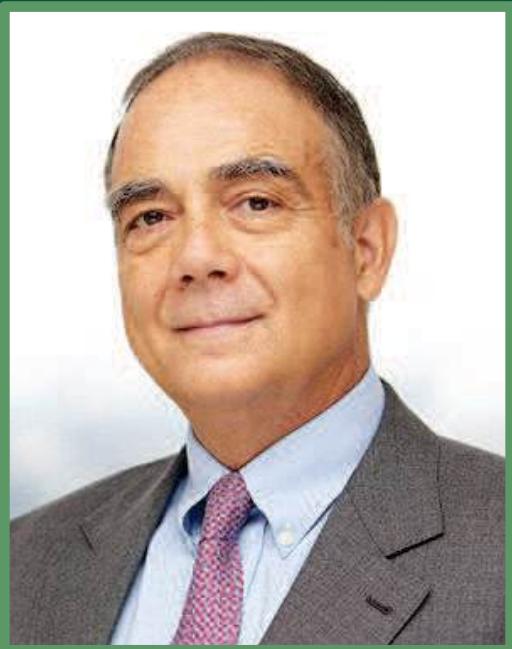
ABTL



Premium Edible Oil Products

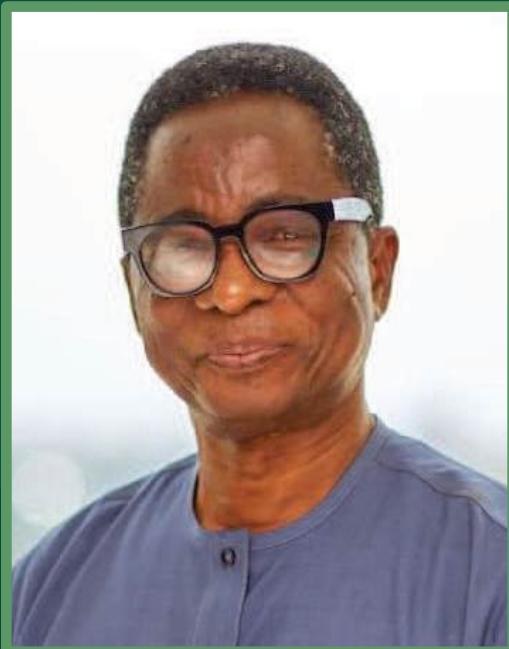


## Board of Directors



**Mr. John G. Coumantaros**

[ CHAIRMAN ]



**Mr. Paul M. Gbededo**

[ VICE CHAIRMAN ]

**M**r. John G. Coumantaros is the Chairman, Board of Directors, of 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 10 September 2014. He also sits on the Board of 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 of 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.

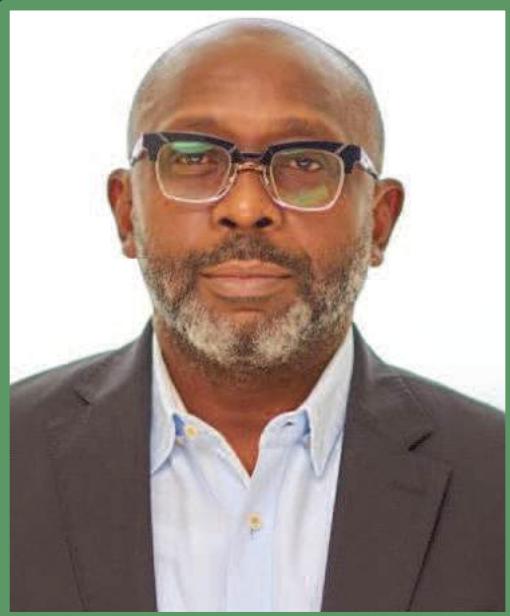
**M**r. Paul Gbededo, a Fellow of the Polymer Institute of Nigeria was appointed Vice Chairman of the board on 4th December 2020. He was before then, the Group Managing Director/CEO, of Flour Mills of Nigeria Plc from April 2013 to December 2020.

Paul attended the Polytechnic of North London, UK where he obtained a Graduateship of the Plastic and Rubber Institute and an Associateship of the National College of Rubber Technology in 1980. Additionally, he holds an MSc. Degree in Polymer Technology (1981) of the Loughborough University of Technology, UK. He is an alumnus of Lagos Business School, Advanced Management Programme 3, 1994, and 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 in 1982 where he became the first indigenous Production Director in 1996. He thereafter led the establishment and growth of many subsidiaries including Golden Fertilizer Company Limited, Golden Pasta Company Limited, Golden Penny Rice Limited, and Golden Sugar Company Limited, either as pioneer General Manager or Director.

In July 2012, Paul was elevated to the position of pioneer Managing Director, Agro- Allied business, where he was charged with the responsibility of implementing FMN Group's backward integration policies, programmes and initiatives. He was later appointed the Group Managing Director/Chief Executive Officer.

Paul, who has a keen focus on Corporate Governance and results, is fully engaged in mentoring the career development of Nigerian Managers as well as expatriates.



**Mr. Omoboyede O. Olusanya**

GMD/CEO

**O**mboyeade Olusanya [Boye] is an accomplished and highly seasoned leader with a proven track record of creating long-term strategic and financial value across several industries, including Telecommunications, Financial, Energy, and Manufacturing. As Group Managing Director of Flour Mills of Nigeria Plc. [FMN], Nigeria's foremost Food and Agro-allied Group, Boye is leading FMN with a clear vision, driving the transformation of the Group into a dynamic, consumer-focused powerhouse.

Prior to his appointment as the Group Managing Director/Chief Executive Officer, at Flour Mills of Nigeria Plc (FMN), he has over the past two decades held several executive positions in various industries most recently as the Group Chief Operating Officer at FMN. As the Group Operating Partner at Helios Investment Partners [a global private equity firm], he managed diverse investment portfolios. At Emerging Markets Telecommunication Service Limited [formerly Etisalat], where he served as Chief Executive Officer, Boye anchored the sale process for 9mobile. Partner at GA Capital Ltd [2016], a consulting and advisory firm providing technical and financial advisory services to several privately-owned businesses and government parastatals. He was also Chief Transformation Officer at Dangote Industries Limited, Managing Director of Dancom Technologies, and Acting CEO, of VEE Networks Limited formerly ECONET Wireless where he successfully managed the transition of the company to a new brand. He also sits on the Board of Axxela Group [where he is the Chairman] among others.

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.



**Dr. (Mrs.)  
Salamatu Hussaini Suleiman**

INDEPENDENT  
NON - EXECUTIVE DIRECTOR

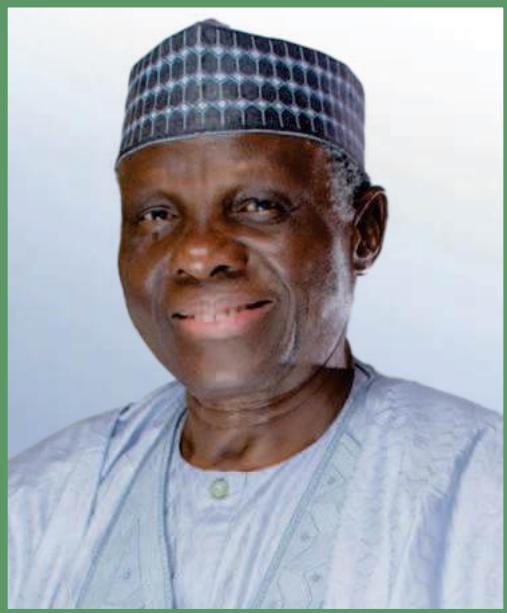
**D**r. (Mrs.) Salamatu Hussaini Suleiman joined the Board of Flour Mills of Nigeria Plc as an Independent Non-Executive Director in March 2017 as the first female member of the Board of Directors, bringing along vast professional, administrative and corporate experience. An experienced professional 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. She is presently an Independent non-executive director of NGX Regulation Limited and recently retired as a director of Stanbic IBTC Holdings.

Dr. (Mrs.) Suleiman obtained an LLB (Hons) degree from Ahmadu Bello University, Zaria in 1981, and an LLM from the London School of Economics & Political Science in 1987.

Her professional career of over 40 years cuts across public and private commercial law practices and she rose to high ranks as 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, in 2008 and went on to become the Honourable Minister of State for the Foreign Affairs in 2010. In February 2012, she was appointed Commissioner, Political Affairs Peace and Security, ECOWAS Commission.

Dr. (Mrs.) Suleiman was honoured with an Honorary Doctorate Degree by the University of Abuja. She currently serves as the Chairperson of the National Human Rights Commission and is a member of the ECOWAS Council of the Wise.



## Professor Jerry Gana, CON

[ NON - EXECUTIVE DIRECTOR ]

**P**rofessor Jerry Gana (a Commander of the Order of the Niger), graduated from Ahmadu Bello University, Zaria in 1970 with a B.A (Hons) Degree in Geography, and proceeded to the University of Aberdeen, Scotland, for an M.Sc. 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. He served as Senator of the Federal Republic; Consulting Director of the Directorate of Food, Roads and Rural Infrastructure (DFPRI); Chairman of MAMSER; Minister of Agriculture and Natural Resources; Minister of Information and Culture; Minister of Cooperation and Integration in Africa; Minister of Information and National Orientation; and Special Adviser to the President, Federal Republic of Nigeria. He further served as Pro-Chancellor and Chairman of Council of the University of Lagos, UNILAG; Pro-Chancellor of Kwararafa University, Wukari; Chancellor, University of Mkar, Gboko; Promoter Proposed Walter Miller University, Diko; and currently as Chairman of the Planning and Implementation Committee of Anglican University of Technology, Kweita, FCT – Abuja.

As a strong facilitator of leadership development, Prof. Jerry Gana is the Vice Chairman of the Nigerian Prize for Leadership, and Senior Fellow of Nigerian Institute of Public Relations (NIPR).



## Mr. Alfonso Garate

[ NON - EXECUTIVE DIRECTOR ]

**M**r. Alfonso Garate, a Spanish national born in 1969 joined the Board of Flour Mills of Nigeria Plc as a Non-Executive Director on Wednesday 11 March 2015. He holds a Bachelor of Economics and Business Administration Degree from University Pontificia Comillas – ICADE, Madrid, Spain (1992) and attended Harvard Business School – Advanced Management Program (2009). He is also an alumnus of IMD (International Institute for Management Development) Business School of Post Graduate Studies in Lausane, Switzerland (2005 - 2007).

A very experienced professional in business development in emerging markets with strong capabilities in general management, business strategy, corporate finance, structured finance and international trading and shipping.

Mr. Garate started his career in investment banking and telecom institutions where he held numerous positions. Thereafter, he proceeded to Holcim Ltd where he held different management positions and subsequently became the Chief Executive Officer of Holcim Trading SA, the worldwide leader trading and shipping organization for cementitious and building materials.



## Mr. Ioannis Katsaounis

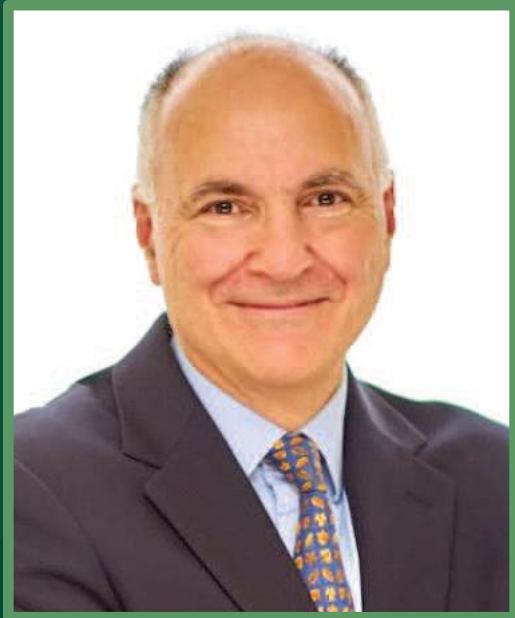
[ NON - EXECUTIVE DIRECTOR ]

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

Mr. Katsaounis holds a Bachelor of Science Degree in Mechanical Engineering (University of Minnesota 1969); an MBA in Economics from the University of California, Berkeley (1970); a Graduate Degree in Economics, University of Geneva (1972); and a Graduate Degree in Regional Development, University of Athens (1975).

He is an alumnus of Harvard Business School of Post-Graduate Studies.

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



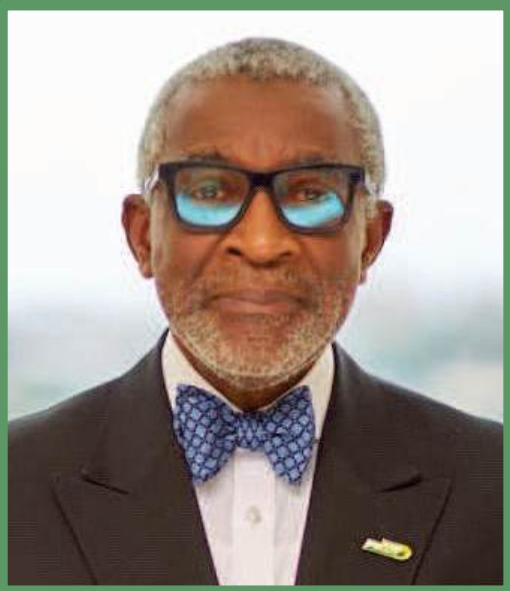
## Mr. Thanassis Mazarakis

[ NON - EXECUTIVE DIRECTOR ]

**T**hanassis 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 is also the Chairman of the Board Audit and Risk Management Committee.

He holds a Bachelor of Arts degree from Princeton University (1984) and a Masters in Business Administration from the Wharton School at the University of Pennsylvania (1988).

Prior to joining Flour Mills, Mr. Mazarakis held numerous finance, marketing and general management positions. Most recently he was the Chief Financial Officer of the Prudential Insurance Company of America, one of the largest US life insurance companies, and the Chief Executive Officer of Chase Merchant Services, the largest global credit and debit card transaction processor.



## Mr. Foluso O. Phillips

[ INDEPENDENT  
NON - EXECUTIVE DIRECTOR ]

**M**r. Foluso Phillips (FOP) is a qualified Industrial Economist, a Fellow of the Chartered Institute of Management Accountants of the United Kingdom, a Fellow of the Institute of Chartered Accountants of Nigeria, and founder of Nigeria's leading Indigenous consulting firm Phillips Consulting Ltd (pcl).

A former Chairman of Nigeria Economic Summit Group, he brings with him well over 45 years of global experience in financial and business operations management, enterprise development, and macroeconomic policy formulation. He is recognised within the industry for delivering exceptional professional service in strategy formulation, people, technology, and organisational transformation.

He is currently the Chairman of Standard Chartered Bank."



## Mrs. Juliet Anammah

[ INDEPENDENT  
NON - EXECUTIVE DIRECTOR ]

**M**rs. Juliet Anammah was appointed as a Non-Executive Director to the Board of Directors of Flour Mills of Nigeria Plc in September 2020. She is a seasoned professional with over 28 years of experience in consulting, consumer goods and retail and e-commerce and has served in a non-executive capacity on many boards.

She is the founder of CG&R Strategy LLC, a consumer goods and retail specialty consulting company based in the United States. She advises clients on emerging market entry strategies, scaling digital start-ups, retail digital transformation and route to consumer operating model design and execution.

Her Consumer Goods and Retail experience spans over 20 years developing and implementing strategic roadmaps that improve competitive positioning and financial performance.

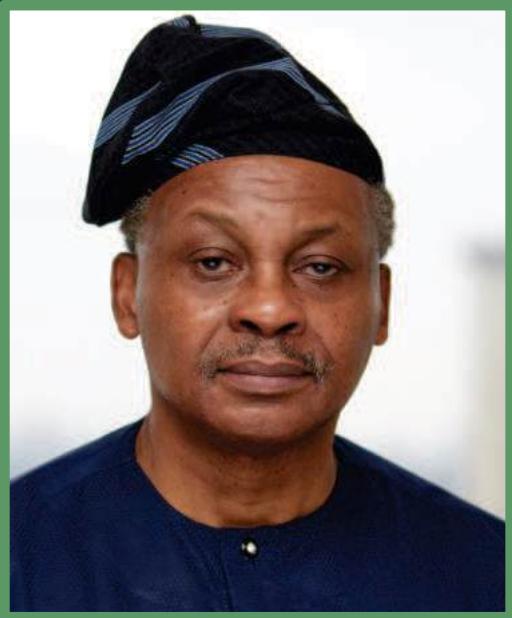
Juliet was CEO of Jumia Nigeria from 2015 to 2020. She led the company from an online retailer to an integrated Marketplace, Logistics and Payment eCommerce platform culminating in the Group's IPO on the NYSE. Jumia is Africa's first Tech start-up to be listed on the NYSE.

From 2020 to 2023 She was Jumia Group's Chief Sustainability officer. She pioneered ESG strategy and implementation at the company and Jumia became the first African eCommerce company to publish a sustainability report in 2022. Additionally, she chaired the Jumia Nigeria board and provided oversight to the Jumia Nigeria CEO on country level strategic issues.

Prior to Jumia she was the Managing Director / Partner of Accenture's West African Consumer Goods and Retail consulting practice.

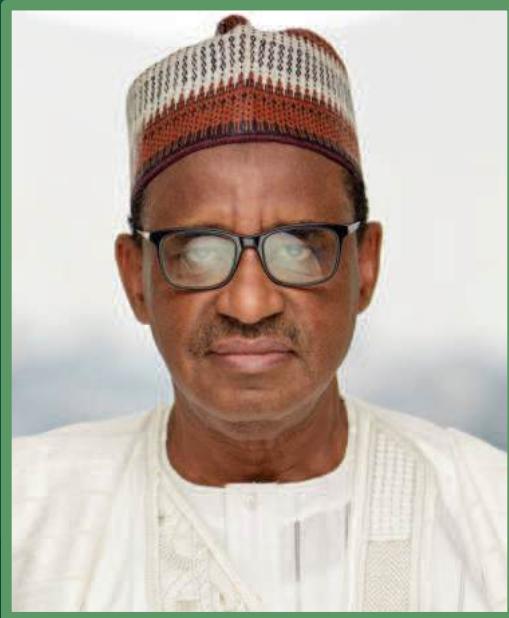
Juliet is also currently an independent non-executive director of Nigerian Breweries and the Development Bank of Nigeria. She is a member of Accion's board. She is also an advisory board member of the World Retail Congress and Stanford University's Global Centre for Sustainable digital Finance.

She has an MBA in Finance and is an alumnus of Wharton College Business school.



**Mr. Folarin Rotimi  
Abiola Williams**

[ NON - EXECUTIVE DIRECTOR ]



**Alhaji Rabiu Muhammad  
Gwarzo, OON**

[ NON - EXECUTIVE DIRECTOR ]

**M**r. 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 the Imperial College of Science and Technology, London where he graduated with B.Sc. (Hons.) AGGI Chemical Engineering. He received the Dr. Loveless Award for outstanding work in the Humanities from the University of London in 1976.

He studied at Selwyn College Cambridge from 1981 to 1983, obtaining MA (Hons) Cantab Law, and was called to the Nigerian Bar in 1984. Mr. Williams is a Senior 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 a founding council member and Treasurer of the Nigerian Bar Association Section on Business Law. He is a fellow of the Center for International Legal Studies Salzburg, Austria.

He served on the boards of many companies including G. Cappa Plc, UPS Nigeria Ltd, GlaxoSmithKline Plc, United Geophysical Nigeria Ltd and Delta Steel Company. He is currently the Chairman of Pharma Deko Plc.

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

He joined Northern Nigeria Flour Mills Plc as an Accountant in 1985, rose to the position of Deputy Managing Director in 1991; Managing Director in 1997, and was elevated to the position of Vice-Chairman of the Company in 2011. Alhaji Rabiu, (an Officer of the Order of Niger), who joined the Board of Flour Mills of Nigeria Plc as a non-executive member on 8 December 2009, is also a Non-Executive Director of Royal Exchange General Insurance Limited.



**Ms. Yewande Sadiku**

[ INDEPENDENT  
NON - EXECUTIVE DIRECTOR ]

**M**s Yewande Sadiku is an investment professional with about 30 years experience in investment banking and public service. She has a strong track record of high performance and principled leadership.

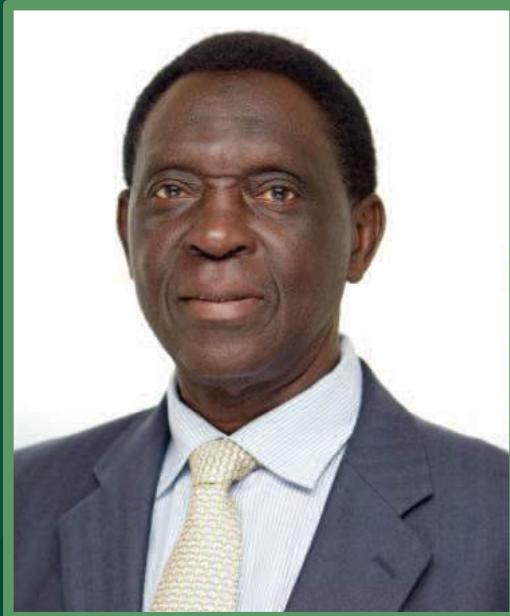
Yewande is currently Head of Investment Banking, Africa Regions and International at Standard Bank Group. She is also the Chairman of the Board of Trustees of the Investors' Protection Fund of Nigerian Exchange Limited.

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

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

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

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



**Alhaji Y. Olalekan A. Saliu**

[ NON - EXECUTIVE DIRECTOR ]

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

Alhaji Saliu who holds an Upper Second-Class Honours Bachelor of Science Degree in Economics – University of Ibadan in June 1969 had a brief stint with the Civil Service of the old Western Nigeria where he worked as an Administrative Officer Grade IV (Assistant Secretary) from 1969 to December 1970. He traveled 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 as Finance Director in September 2011 and continued to serve Flour Mills as an Executive Director and Company Secretary.

Alhaji retired as the Company Secretary on 31 December 2015 and remains on the Board of Directors as a Non-Executive Director of the Company. He also serves as a Non-Executive Director on the Boards of Golden Sugar Company Limited and Northern Nigeria Flour Mills Plc

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

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



## Mr. Muhammad K. Ahmad, OON

[ INDEPENDENT  
NON - EXECUTIVE DIRECTOR ]

**M**r. Ahmad has about 40 years of distinguished experience leading and working in various public sector organizations and financial services institutions in Nigeria. He was the pioneer Director-General and Chief Executive Officer of the National Pension Commission and oversaw the establishment and growth of the Pension industry in Nigeria.

He had worked as a bank supervisor at the Nigeria Deposit Insurance Corporation (NDIC) and the Central Bank of Liberia. He was also a Departmental Director and a member of the Board of Federal Inland Revenue Service. He was also an Independent Non-Executive of FBN Holdings Plc and Fate Foundation as well as the Chairman of International Insurance Plc.

Mr. Ahmad was a member of the National Council on Privatisation chaired by the Vice President of Nigeria. He chaired the Technical Committee on the Nigerian Code of Corporate Governance constituted by the Financial Reporting Council of Nigeria, which produced the Nigerian Code of Corporate Governance 2018.

Ahmad chaired the Technical Committee that produced the North East Transformation Strategy (NESTS), a medium-term Regional Development Strategy, for the sustainable socio-economic transformation and reconstruction of the Region, a strategy promoted by the six Governors of the constituent states of the region. He also assisted in the development of the Buhari Plan, which was initiated by the Federal Government of Nigeria to provide a framework for coordinating all initiatives and interventions by various actors for early recovery and sustainable development of the North East region as well as coordinated the crafting of the Borno State 25-Year Development Plan. Ahmad is a member of Governor's Advisory Council of Gombe State which assist in developing and supervising policy initiatives of the State.

He obtained a BSc. Accounting degree from Ahmadu Bello University and a PG Diploma (Innovation & Strategy), University of Oxford.

He is a director at Polaris Bank Limited; Flour Mills of Nigeria Plc; Infrastructure Corporation of Nigeria Ltd (InfraCorp); Credent Capital and Advisory Limited; Burraq Capital Limited; Data Guard Document Management Limited; Society for Corporate Governance Nigeria and Pan Atlantic University.

His board committee membership includes Chairman-Remuneration and Human Resources Committee, Member-Board Audit Committee, Member-Social, Ethics and Sustainability Committee.



## Mr. Joseph O. Umolu

[ COMPANY SECRETARY ]

**M**r. Joseph Odion Umolu is currently the Company Secretary/Group Director, Legal Services of Flour Mills of Nigeria Plc with a career in corporate legal practice that cuts across both the private and public sectors and spans over two decades.

He holds a Bachelor of Arts Degree in Philosophy from the University of Ibadan and a Degree in Law, from the University of Lagos. He was called to the Nigerian Bar in October 2000 and subsequently obtained a Master of Laws degree from the University of Lagos.

He commenced his career 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 in January 2016 and became Director, Legal Services in 2017.

He is a member of the Nigerian Bar Association (NBA), the Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN), the Institute of Directors (IOD) and the Society for Corporate Governance, Nigeria.

## EXECUTIVE LEADERSHIP TEAM



1



2



3



4



5



6



7



8



9



10

1. **Boye Olusanya**  
GMD, CEO

2. **Devin Hainsworth**  
MD, Food Division

3. **Nassib Raffoul**  
MD, Honeywell Flour mills

4. **Stoney Su**  
MD, Agro- Allied Division

5. **Anders Kristiansson**  
Group Chief Finance Officer

6. **Uchenna S. Ajo**  
Group HR & Services Director

7. **Joseph Umolu**  
Company Secretary &  
Group Director, Legal Services

8. **Bola Adeeko**  
Group Director, Special Projects

9. **Sadiq Usman**  
Group Director, Strategy &  
Stakeholder Relations

10. **Cephas Afebuameh**  
Group Director, Supply Chain



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# Report of The Directors For the year ended 31 March 2024

## 1. Accounts

The Directors are pleased to present the annual report together with the audited consolidated and separate financial statements of Flour Mills of Nigeria Plc ("the Company" or "FMN") and its subsidiaries (together, "the Group") for the year ended 31 March 2024.

## 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 Nigerian Exchange Limited (NGX).

## 3. Principal activities

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

## 4. Results

	Group		Company	
	31-Mar-24 N'000	31-Mar-23 N'000	31-Mar-24 N'000	31-Mar-23 N'000
Revenue	2,291,561,452	1,539,654,788	1,346,992,354	923,015,713
Operating profit	208,129,636	129,244,551	106,260,058	64,087,506
Profit before minimum taxation	3,952,454	42,752,114	18,253,955	32,252,805
Profit for the year	3,544,753	29,504,285	16,817,754	14,173,904
Total comprehensive income for the year	16,557,718	31,441,581	19,738,455	15,965,572

## 5. Dividend

The Directors are pleased to recommend to shareholders at the forthcoming annual general meeting the declaration of a total of ₦7.38 billion (2023: ₦9.23 billion) representing a dividend of ₦1.80 (2023: ₦2.25) per ordinary share of 50 kobo each. This dividend, if approved by the shareholders, is subject to deduction of appropriate withholding tax.

## 6. Directors and directors' interests

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

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

### Retiring by rotation:

Mr. John G. Coumantaros

Prof. Jerry Gana, CON

Mr. Alfonso Garate

Alh. Rabiu M. Gwarzo, OON

Ms. Yewande Sadiku

## 7. Profile of Directors seeking re-election

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

Mr. John G. Coumantaros

Prof. Jerry Gana, CON

Mr. Alfonso Garate

Alh. Rabiu M. Gwarzo, OON

Ms. Yewande Sadiku

### Mr. John G. Coumantaros

Mr. John G. Coumantaros is the Chairman, Board of Directors, of 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 10 September 2014. He also sits on the Board of 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 G. 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.

### Prof. Jerry Gana, CON

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 in Geography, and proceeded to the University of Aberdeen, Scotland, for an M.Sc. 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; Consult Director of the Directorate of Food, Roads and Rural Infrastructure (DFPRI); Chairman of MAMSER; Minister of Agriculture and Natural Resources; Minister of Information and Culture ; Minister of Cooperation and Integration in Africa; and Minister of Information and National Orientation. He served as the Pro-Chancellor and Chairman of Council of the University of Lagos, UNILAG; Pro-Chancellor of Kwararafa University, Wukari; Chancellor, University of Mkar, Gboko; Promoter, Proposed Walter Miller University, Diko; and Founder, Cornerstone University of Technology, Bida. He is currently the Chairman of the Planning and Implementation Committee of Anglican University of Technology, Kweita – Abuja.

## Mr. Alfonso Garate

Mr. Alfonso Garate, a Spanish national born in 1969 joined the Board of Flour Mills of Nigeria Plc as a Non-Executive Director on Wednesday 11 March 2015. He holds a Bachelor of Economics and Business Administration Degree from University Pontificia Comillas – ICADE, Madrid, Spain (1992) and attended Harvard Business School – Advanced Management Program (2009). He is also an alumnus of 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.

## Alh. Rabiu M. Gwarzo, OON

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

He joined Northern Nigeria Flour Mills Plc as an Accountant in 1985, rose to the position of Deputy Managing Director in 1991; Managing Director in 1997, and was elevated to the position of Vice-Chairman of the Company in 2011. Alhaji Rabiu, (an Officer of the Order of Niger), who joined the Board of Flour Mills of Nigeria Plc as a non-executive member on 8 December 2009, is also a member of Kano Peace Development Initiative and Royal Exchange General Insurance Limited.

## Ms. Yewande Sadiku

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

Yewande is currently Head of Investment Banking, International at Standard Bank Group. She is also the Chairman of the Board of Trustees of the Investors' Protection Fund of Nigerian Exchange Limited. She is a regular speaker on the investment facilitation for sustainable development. She was Executive Secretary/CEO of the Nigerian Investment Promotion Commission (NIPC) Nigeria's national investment promotion agency from November 2016 to September 2021, where she worked on institutional reforms aimed at proactive investment promotion and embedding a culture of governance and proactive accountability. Her efforts earned NIPC first place in the 2021 national awards for compliance and transparency, up from the 90th position when she assumed office in 2016.

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

As Executive Producer of Half of a Yellow Sun (2014), Yewande raised over \$8m to fund the full feature film.

She was awarded the Eisenhower Fellowship for International Leadership in May 2010.

## 8. Directors' Responsibilities

The Directors are responsible for the preparation of consolidated and separate financial statements which give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023. In doing so, they ensure that:

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

## 9. Directors' interests in shares

The Directors' interests in the issued share capital of the Company as recorded in the Register of members and/or as notified by them for the purpose of Section 301 of CAMA 2020 and disclosed in accordance with Section 385 also of CAMA 2020 are as follows:

Director	31-Mar-24		31-Mar-23	
	Direct	Indirect	Direct	Indirect
Mr. John G. Coumantaros*	-	2,597,314,890	-	2,597,314,890
Mr. Paul Miyomide Gbededo	10,836,154	-	10,836,154	-
Mr. Omoboyede Oyebolanle Olusanya	-	-	-	-
Prof. Jerry Gana, CON	44,000	-	44,000	-
Mr. Ioannis Katsaounis**	3,561,512	8,295,673	3,561,512	8,295,673
Mr. Thanassis Mazarakis	-	-	-	-
Mr. Folarin R. A. Williams	30,082	-	30,082	-
Alhaji Rabiu M. Gwarzo, OON	199,722	-	199,722	-
Alhaji Y. Olalekan A. Saliu	1,235,699	-	1,235,699	-
Mr. Foluso O. Phillips	-	-	-	-
Mr. Alfonso Garate	-	-	-	-
Dr. (Mrs.) Salamatu Hussaini Suleiman	-	-	-	-
Mrs. Juliet Anammah	-	-	-	-
Mr. Muhammad K. Ahmad, OON	-	-	-	-
Ms. Yewande Sadiku	-	-	-	-

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

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

## 10. Substantial Interest in shares

The Registrar has advised that according to the Register of Members on 31 March 2024, apart from Excelsior Shipping Company Limited with 2,597,314,890 (2023: 2,597,314,890), representing 63.34% of the paid up share capital, no other individual shareholder held up to 5% of the issued share capital of the Company.

## 11. Analysis of Shareholding Structure

**As at 31 March, 2024:**

Share Range	No of shareholders	Percentage (%)	No of shares held	Percentage (%)
1-1,000	29,550	36.34	11,842,252	0.29
1,001-5,000	38,885	47.81	92,841,342	2.26
5,001-10,000	5,734	7.05	40,584,581	0.99
10,001-50,000	5,300	6.52	113,174,380	2.76
50,001-100,000	827	1.02	59,561,907	1.45
100,001-500,000	778	0.96	165,573,836	4.04
500,001-1,000,000	120	0.15	87,789,000	2.14
1,000,001 and above	130	0.16	3,529,028,308	86.07
	<b>81,324</b>	<b>100</b>	<b>4,100,395,606</b>	<b>100</b>

## 12. Donations and Charitable Gifts

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

Donations and charitable gifts amounting to ₦226.23 billion were made during the year (2023: ₦168.6 billion):

	31-Mar-24 Naira	31-Mar-23 Naira
Donations and annual grants to Universities	8,000,000	8,000,000
Sponsorship of Nigeria Economic Summit Group	40,000,000	45,000,000
Humanitarian donations and sponsorship	160,733,594	45,768,169
Sponsorship to Professional Institutes	6,500,000	40,400,000
Commercial Corn Seed Initiative	-	27,387,500
CIBN 57th Annual Banker's Conference	-	2,000,000
Nigeria Immigration Building Project	10,000,000	-
Premium Breadmakers	1,000,000	-
	<b>226,233,594</b>	<b>168,555,669</b>

## 13. Significant event during the year

### 13.1 Acquisition of Port Harcourt Flour Mills Limited (PHFM)

On 5 June 2023, Nigerian Eagle Flour Mills Limited (NEFM), a subsidiary of Flour Mills of Nigeria Plc acquired 55% of the voting rights of Port Harcourt Flour Mills Limited (PHFM), a combined grain terminal and flour mill that manufactures wheat flour, wheat bran, noodle flour and semolina. Prior to this acquisition, Port Harcourt Flour Mills Limited (PHFM) was jointly owned by the Rivers State and Bayelsa State Governments. Nigerian Eagle Flour Mills Limited (NEFM) has been the manager of Port Harcourt Flour Mills Limited (PHFM) since 2015 before cessation of flour production at the factory. Port Harcourt Flour Mills Limited (PHFM) was then a good

opportunity to service south-south customers but the former owners were unwilling to continue the operation because of lack of expertise. NEFM saw this opportunity and leveraged on it together with proximity to port for ease of access to importing its raw materials to service the factory.

### **13.2 Incorporation of Free Trade Zones Enterprises**

On 1 February 2024, the management commenced operation for Free trade zone enterprises for Golden Fertilizer Company, Golden Sugar Company, Apapa Bulk Terminal Limited and Flour Mills of Nigeria Plc which operated as a stand alone entity from the date of incorporation. The operations of all the free zones enterprise were carved out from the operations of their parent (legacy) companies following the transfer of the related assets on this date. The free zones entities incorporated on this date are; Golden Fertilizer Free Zone Enterprise, Golden Sugar Free Zone Enterprise, Apapa Bulk Terminal Free Zone Enterprise, Flour Mills of Nigeria Free Zone Enterprise Agbara, Flour Mills of Nigeria Free Zone Enterprise Apapa and Flour Mills of Nigeria Free Zone Enterprise Igamu.

On this date, the management also decided to commence business for the management companies for all the free trade zone enterprises which is expected to supervise and manage the operations of all the free zone enterprises in their respective locations in Igamu, Apapa and Agbara. Also, on 1st February 2024 the management determined the functional currency of Apapa Bulk Terminal Limited Free Zone Enterprise (ABTL FZE) to be Dollars (USD).

### **14. 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 Group and Company at 31 March 2024 and the profit for the year ended on that date which have not been adequately provided for or disclosed in the financial statements.

### **15. Major distributors**

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

### **16. 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.

### **17. Property, plant and equipment**

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

### **18. 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**

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

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

#### **(c) Health, Safety and Environment**

The Company appreciates the value of safe work environment to business success and therefore embarks on

periodic assessment to ensure compliance and safety. Employees are continuously sensitized and pep talks on safety procedures precede the commencement of each shift in the operational areas and at relevant meetings. The Company provides personal protective equipment to employees as required by the nature of their jobs and safety officers perform regular monitoring to ensure usage compliance.

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

#### **(d) 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.

#### **(e) Performance Management/Target Setting**

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

### **19. Sustainability Statement**

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

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

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

### **20. Auditors**

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

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

### **BY ORDER OF THE BOARD**



**JOSEPH ODION UMOLU**

Company Secretary  
FRC/2013/NBA/00000003687  
1 Golden Penny Place,  
Wharf Road, Apapa.  
Lagos, Nigeria.  
30 May 2024



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- Easy to mould
- Easy to swallow
- Premium wheat
- Fortified with Vitamins and Minerals



# 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 that conforms to highest ethical standards. This enables the Board of Directors and Management to accomplish the Company's strategic goals, ensure good growth and corporate stability for the benefit of all stakeholders.

## 2. Board Composition

The Company's Articles of Association provide that the Company's Board of Directors shall consist of not more than fifteen directors. Presently, the Board has a non-executive Chairman, a non-executive Vice Chairman, one executive director and twelve non-executive directors, five of whom are independent non-executive 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 Board meetings is very good.

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

members.

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

## 4. Role of Directors

The highlights of the role of directors include: critical and regular examination of the Company's overall strategy to ensure that its goal's, 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 ten (8) meetings during the financial year ended 31 March 2024. The notice for each meeting was in line with the Company's Articles of Association and Board papers were provided to directors in advance.

Senior Executives of the Company were invited to attend Board meetings from time to time to make representations of their business units.

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

	25/4/23	20/7/23	14/8/23	16/8/23	28/8/23	9/11/23	25/1/24	3/2/24
Mr. John G. Coumantaros	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Mr. Paul Miyonmide Gbededo	Yes	Yes						
Mr. Omoboyede Oyebolanle Olusanya	Yes	Yes						
Alhaji Yunus Olalekan Saliu	Yes	Yes						
Alhaji Rabiu Muhammad Gwarzo, OON	Yes	No						
Mr. Ioannis Katsaounis	Yes	Yes						
Mr. Thanassis Mazarakis	Yes	Yes						
Mr. Folarin Rotimi Abiola Williams	Yes	Yes						
Prof. Jerry Gana, CON	No	Yes	Yes	Yes	Yes	No	Yes	No
Mr. Foluso Olajide Phillips [Independent]	Yes	Yes						
Mr. Alfonso Garate	Yes	Yes						
Dr. (Mrs.) Salamatu Suleiman [Independent]	Yes	Yes						
Mrs. Juliet Anammah [Independent]	Yes	Yes						
Mr. Muhammad K. Ahmad, OON [Independent]	Yes	Yes						
Ms. Yewande Sadiku [Independent]	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes

#### Legend:

Yes -Present

No - Absent

#### **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.

summary of attendance at meetings held during the financial year ended 31 March 2024:

#### **(a) Remuneration/Governance Committee**

Members of the committee include:

- Mr. Foluso O. Phillips - Chairman
- Mr. Thanassis Mazarakis
- Dr. (Mrs.) Salamatu Hussaini Suleiman
- Mr. Muhammad K. Ahmad, OON
- Mr. Folarin R. A. Williams
- Mr. Joseph Odion Umolu - Company Secretary

#### **7. Board Committees and Statutory Audit Committee**

The Board of Directors has three principal board committees. These are listed below with the

### Record of attendance at Meetings:

	13 /4/23	24 /8/23	24/10/23	19 /1/24
Mr. Foluso O. Phillips	Yes	Yes	Yes	Yes
Mr. Thanassis Mazarakis	Yes	Yes	Yes	Yes
Dr. (Mrs.) Salamatu Hussaini Suleiman	Yes	Yes	Yes	Yes
Mr. Muhammad K. Ahmad, OON	Yes	Yes	Yes	Yes
Mr. Folarin R.A. Williams	Yes	Yes	Yes	Yes
Mr. Joseph Odion Umolu	Yes	Yes	Yes	Yes

#### Legend:

Yes -Present

No - Absent

### (b) Audit and Risk Management Committee

Members of the committee and meetings include:

Mr. Thanassis Mazarakis - Chairman

Mr. Paul Miyonmide Gbededo

Alhaji Rabiu M. Gwarzo, OON

Alhaji Y. Olalekan A. Saliu

Mr. Omoboyede Oyebolanle Olusanya

Mrs. Juliet Anammah

Mr. Joseph Odion Umolu - Company Secretary

### Record of attendance at Meetings:

	02/8/23	27 /10/23	21/3/24
Mr. Thanassis Mazarakis	Yes	Yes	Yes
Mr. Omoboyede Oyebolanle Olusanya	Yes	Yes	Yes
Mr. Paul Miyonmide Gbededo	Yes	Yes	Yes
Alhaji Rabiu M Gwarzo, OON	Yes	Yes	Yes
Alhaji Y. Olalekan A. Saliu	Yes	Yes	Yes
Mrs. Juliet Anammah	Yes	Yes	Yes
Mr. Joseph Odion Umolu	Yes	Yes	Yes

#### Legend:

Yes -Present

No - Absent

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

### Local Content Committee

Mr. Paul Miyonmide Gbededo - Chairman

Mr. Thanassis Mazarakis

Mr. Omoboyede Oyebolanle Olusanya

Alhaji Y. Olalekan A. Saliu

Mr. Muhammad K. Ahmad

Mr. Joseph Odion Umolu - Secretary

### Record of attendance at Meetings:

	12/4/23	23/8/23	25/10/23	18/1/24
Mr. Paul Miyonmide Gbededo	Yes	Yes	Yes	Yes
Mr. Omoboyede Oyebolanle Olusanya	Yes	Yes	Yes	Yes
Mr. Thanassis Mazarakis	Yes	Yes	Yes	Yes
Alhaji Y. Olalekan A. Saliu	Yes	Yes	Yes	Yes
Mr. Muhammad K. Ahmad	Yes	Yes	Yes	Yes
Mr. Joseph Odion Umolu	Yes	Yes	Yes	Yes

#### Legend:

Yes -Present

No - Absent

### Statutory Audit Committee

#### Composition

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

Mr. Adesina Olalekan Oladepo - Chairman

Mr. Shekoni Nurudeen Adebayo

Mr. Adeshina Tajudeen Imran

Mr. Foluso O. Phillips

Alhaji Y. Olalekan A. Saliu

Mr. Joseph Odion Umolu

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

#### Meetings:

Members of the Statutory Audit Committee receive regular reports and updates on financial matters and internal control reviews from the Finance team, and internal and external auditors. A summary of the record of attendance at Statutory Audit Committee meetings held during the financial year ended 31 March 2024 is shown below:

	23/8/23	14/12/23	26/3/24
Mr. Adesina Olalekan Oladepo	Yes	Yes	Yes
Mr. Shekoni Nurudeen Adebayo	Yes	Yes	Yes
Mr. Adeshina Tajudeen Imran	Yes	Yes	Yes
Mr. Foluso O. Phillips	Yes	Yes	Yes
Alhaji Y. Olalekan A. Saliu	Yes	Yes	Yes
Mr. Joseph Odion Umolu	Yes	Yes	Yes

#### Legend:

Yes -Present

No - Absent

## 8 Divisions and Directorates

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

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

## 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 establish measurable objectives for achieving diversity in gender and other areas.

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 recommendations to the Board with respect to the appointment of Directors. A description of the desirable characteristics that the Remuneration and Governance Committee and the Board, should consider before recommending candidates for nomination/appointment as Directors, are set out in the Board of Directors Charter and include:

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

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

## 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, CAMA 2020, the Securities and Exchange Commission's (SEC) Corporate Governance Guidelines and the Nigerian Code of Corporate Governance 2018 describe the responsibilities and authorities of the Board of Directors and set out rules and procedures for the composition, appointment and operations of the Board of Directors.

The Board has a formal induction programme for new directors including, but not limited to; facility visits, engagement with Board and Management officials, business and governance structure familiarization. Important corporate documents on the Company's profile, history, core values and general business direction are made available to new directors.

## 11. Board Evaluation Process and Summary of Evaluation Results

Principles 14.1 & 15.1 of the Code of Corporate Governance 2018 provide that the Board should ensure annual Board and Corporate Governance Evaluations are carried out. The evaluation shall be

facilitated by an independent external consultant at least once every three years.

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

Ernst & Young was engaged as external Consultants to carry out the Board Evaluation and Corporate Governance audit of the Company for the year ended 31 March 2024.

On the basis of the evaluation exercise the Board of FMN demonstrated a good understanding of and complied with the responsibilities as provided in the SEC Code of Corporate Governance and the Nigerian Code of Corporate Governance 2018 during the year ended 31 March 2024.

listed companies in Nigeria after being duly certified and accorded the CGRS certification mark with effect from January 2018 with a three-year validity period.

Flour Mills of Nigeria Plc is pleased to announce its CGRS recertification effective 15 March 2023 and valid till 14 March 2025.

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

The Company confirms its compliance with the principles in the Nigerian Code of Corporate Governance 2018 (NCCG 2018). The Company's full report on compliance with the Nigerian Code of Corporate Governance 2018 for the year ended 31 March 2024 is available on the Company's website and can be accessed through the link herein – [www.fmnplc.com](http://www.fmnplc.com)

### **12. The Corporate Governance Rating System Certification**

Flour Mills of Nigeria Plc is one of the Corporate Governance Rating System (CGRS) certified

S/N	PARTICULARS	REMARKS
1	General Information	The Company's general Information is as provided for in this Annual Report.
2	Attendance at Board Meetings; Audit Committee and Board Committee meetings	Satisfactory.
	Part A - Board of Directors and Officers of the Board:	The Board is the ultimate decision-making body of the Company and is responsible for exercising leadership, enterprise, integrity and judgment in its oversight and control of the Company to achieve the Company's continued survival and prosperity;
	Principle 1 – Role of the Board	The Company has a Board Charter and Code of Conduct approved by the Board which guides members on the operations of the Board, duties and obligations of members, expected conduct and how to avoid conflict of interest in any business relationship with the Company.
	Principle 2 – Board Structure and Composition	The Board is comprised of and continues to balance its diverse mix of professionals with the right blend 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 ensuring 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	<p>The Group Managing Director/Chief Executive Officer's roles and responsibilities are clearly defined in the Board Charter including ensuring that the policies spelt out by the Board in the Company's overall corporate strategy are implemented.</p> <p>The GMD/CEO is the head of Management assigned with the responsibility of running the affairs of the Company to achieve its strategic objectives for sustainable corporate performance.</p> <p>The GMD/CEO is equipped with a broad understanding of the Company's business and demonstrates entrepreneurial skills, credibility and integrity earning the confidence of the Board</p>
Principle 5 – Executive Directors	The Executive Director's roles and responsibilities are clearly defined in the Board Charter including 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)	<p>The Independent Non-Executive Directors (NED)'s roles and responsibilities are clearly defined in the Board Charter including being independent in character and judgment and accordingly being free from such relationships or circumstances with the Company, its management, or substantial shareholders as may, or appear to, impair their ability to make independent judgment.</p> <p>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.</p>
Principle 8 – Company Secretary	<p>The Company Secretary's report to the Board through the Chairman and functionally administratively reports to the GMD/CEO.</p> <p>The Company Secretary is the Secretary of the Board and guides the Board on its duties and responsibilities and other matters of governance.</p>
Principle 9- Access to Independent Advice	The Board ensures members obtain external advice, as may be required, at the Company's expense and invite senior management to provide technical advice as needed.

Principle 10 - Meetings of the Board	<p>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. To effectively perform its oversight function and monitor management's performance, the Board shall meet at least once every quarter.</p>
	<p>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.</p>
	<p>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.</p>
Principle 11 – Board Committees	<p>The Board Committees are structured to ensure the efficiency and effectiveness of the Board.</p>
Principle 12 – Appointment to the Board	<p>The Board discharges its responsibilities through Board Committees appointed from amongst its members subject to the applicable laws.</p> <p>The Board has established the following committees:</p> <ul style="list-style-type: none"> <li>• Board Audit and Risk Management Committee</li> <li>• Board Remuneration and Governance Committee</li> <li>• Board Local Content Committee</li> </ul> <p>Key parameters considered for effective appointment to the Board include:</p> <ul style="list-style-type: none"> <li>• Integrity, reputation and commitment.</li> <li>• Familiarity with the commercial and economic environment.</li> <li>• Regional balancing.</li> <li>• Good network in FMN areas of business</li> </ul>
Principle 13 – Induction and Continuing Education	<p>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.</p>
Principle 14 – Board Evaluation	<p>During the current year ended 31 March 2024, the Company carried out a rigorous self-evaluation of its Board of Directors.</p>
Principle 15 – Corporate Governance Evaluation	<p>During the current year ended 31 March 2024, the company carried out a rigorous self-evaluation of its corporate governance.</p>
Principle 16 – Remuneration Governance	<p>There is a Board approved Director's remuneration policy which is regularly reviewed.</p> <p>The applicable allowances paid by the Company to Non-executive Directors include: Director's Fee - ₦3,000,000 and Sitting Allowance ₦500,000.</p>
Principle 17 – Risk Management	<p>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 under the Risk Management item of this Corporate Governance Report.</p>
Principle 18 – Internal Audit	<p>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.</p>

Principle 19 – Whistleblowing	The Company has an effective and anonymously maintained whistleblowing system that encourages staff and other stakeholders effectively communicate information helpful in enforcing good corporate governance practices.
Principle 20 – External Audit	The Company's external professional audit partners are rotated regularly to ensure independence .
Principle 21 – General Meetings	The Company's general meetings are held in line with regulatory requirements and every calendar year, an Annual General Meeting is held in compliance with corporate governance requirements on the 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	<p>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.</p> <p>The Board ensures that adequate and timely information is provided to Shareholders on the Company's affairs.</p>
Principle 24 – Business Conduct and Ethics	Management continues to monitor compliance with the Group's Code of Conduct and presents regular reports to the Board on same.
Principle 25 – Ethical Culture	The Company has established policies and mechanisms for monitoring insider trading, conflict of interest and related party transactions.
Principle 26 – Sustainability	The Board has approved its Sustainability Policy and the Company recently issued its second Sustainability Report within the year under review.
Principle 27 – Stakeholder Communication	The Company has an effective Investor Relations Management team and an Investor relations page hosted on its website – <a href="http://www.fmnplc.com">www.fmnplc.com</a> for updated information about its operations.
Principle 28 - Disclosures	The Company has in place an effective system to ensure that due disclosures are made timeously about its operations.

## General Information

### 14. Management Committee

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

The core of the Management Committee, the "ExCo" holds weekly meetings to deliberate on critical issues affecting the organization and the strategic positioning of the business.

The composition of the Management Committee is

as set out below:

- **Omoboyede Olusanya**
  - Group Managing Director/Chief Executive Officer
- **Devlin Hainsworth**
  - Managing Director, Foods Division
- **Stoney Su**
  - Managing Director, Agro Allied Division
- **Raffoul Nassib**
  - Managing Director, Honeywell Flour Mills Plc
- **Uchenna Ajo**
  - Group Human Resources and Services Director
- **Cephas Afebuameh** -
  - Group Director, Supply Chain

**- Anders Kristiansson -**

- Group Chief Finance Officer

**- Sadiq Usman -**

- Group Director, Strategy and Stakeholders Relations

**- Bola Adeeko**

- Director, Special Projects.

**- Joseph Umolu**

Company Secretary/Director, Legal Services

## 15. Human Resources Policies and other related matters

The Company recognizes that its people are very valuable assets. Consequently, the human resources policies of the Company are to ensure that the Company continues to place premium on its human capital development arising from the fact that this would ensure improved efficiency of the business and maintain a 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 internal communication circulars and newsletters – “Golden Penny News”.

## 16. Sustainability Policies and Environmental Protection initiatives

FMN is aware that sustainability is a journey, as such, our long-term strategy is inspired by the need for continuous capacity expansion, an enhanced route to market capability, the innovation of products of superior quality and the 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 materials 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 as retrospective as it is prospective. FMN will continue to put first our responsibility to our Planet, its People and our Returns.

## 17. Internal Audit, Risk Management and Compliance

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

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

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

## 18. Ethics and Code of Business Conduct

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

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

## 19. Whistle-Blowing

FMN has established a culture where every stakeholder feels comfortable raising concerns about potential and actual breaches of our Code of Business Conduct or policies.

The Company's code of conduct encourages and provides a channel for stakeholders, including employees, to report possible improprieties and unethical practices in good faith and confidence, without fear of reprisals or concerns.

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

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

## 20. Securities Trading Policy

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

Insiders are prohibited from dealing in the Company's securities during closed periods and are mandated in appropriate cases to notify and

obtain consent to deal from appropriate senior executives of the Company. The Company Secretary, who is the designated Administrator of the Policy is tasked with ensuring adherence to the provisions of the Policy and regularly issues Closed Period Notifications to Directors, employees and other relevant persons under the Policy.

During the financial year under review, the Directors and employees of the company complied with the Nigerian Exchange Limited's Rules relating to securities transactions and the provisions of the Securities Trading Policy.

## 21. Complaints Management Policy

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

The framework as established by FMN involves the maintenance of an electronic complaint register by the Registrars and the Policy is available on the company's website and can be accessed through the link herein – [www.fmnplc.com](http://www.fmnplc.com)

The electronic complaints register is updated daily by the Registrars with complaints received from shareholders. Steps taken towards the resolution of the matter(s) and the duration of communicating to the Shareholders are also maintained on the Register. Returns on Complaints management are sent by the Registrars on quarterly basis to SEC.



**JOSEPH ODION UMOLU**

Company Secretary  
FRC/2013/NBA/00000003687  
1 Golden Penny Place, Wharf Road,  
Apapa. Lagos, Nigeria.

30 May 2024

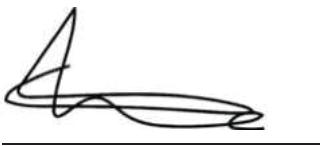
## **Statement of Directors' responsibilities in relation to the Consolidated and Separate Financial Statements For the year ended 31 March 2024**

The Directors accept responsibility for the preparation of the Consolidated and Separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in a manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment)Act, 2023.

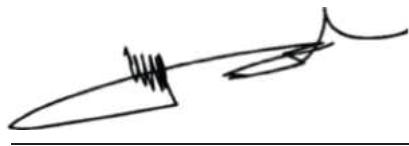
The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA), 2020 and for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



**Mr. Omoboyede Oyebolanle Olusanya**  
Group Managing Director/CEO  
FRC/2017/IODN/00000017634  
30 May 2024



**Alhaji Y. Olalekan A. Saliu**  
Director  
FRC/2013/ICAN/00000003595  
30 May 2024

## Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements For the year ended 31 March 2024

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Group Managing Director/CEO and Group Chief Financial Officer, hereby certify the consolidated and separate financial statements of Flour Mills of Nigeria Plc for the year ended 31 March 2024 as follows:

- (a) That we have reviewed the consolidated and separate financial statements of the Group and Company for the year ended 31 March 2024.
- (b) That the consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- (c) That the consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group and Company as of and for, the year ended 31 March 2024.
- (d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Group and Company is made known to us by other officers of the Group and Company, during the year end 31 March 2024.
- (e) That we have evaluated the effectiveness of the Group and Company's internal controls within 90 days prior to the date of audited financial statements, and certify that the Group and Company's internal controls are effective as of that date
- (f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
- (g) That we have disclosed the following information to the Group and Company's Auditors and Audit Committee:
  - (i) there are no material deficiencies in the design or operation of internal controls which could adversely affect the Group and Company's ability to record, process, summarise and report financial data, and have identified for the Group and Company's auditors any significant weaknesses in internal controls, and
  - (ii) there is no fraud that involves management or other employees who have a significant role in the Group and Company's internal control



**Mr. Omoboyede Oyebolanle Olusanya**  
Group Managing Director/CEO  
FRC/2017/IODN/00000017634  
30 May 2024



**Mr. Anders Kristiansson**  
Group Chief Finance Officer  
FRC/2014/ANAN/00000009819  
30 May 2024

## Certification Pursuant to Section 60 of the Investment and Securities Act, 2007

We, Omoboyede Oyebolanle Olusanya and Anders Kristiansson, certify that:

- (a) We have reviewed the report on the Effectiveness of Internal Control over Financial Reporting as of 31 March 2024 of Flour Mills of Nigeria Plc ("the Company") and its subsidiaries (together "the Group").
- (b) Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (c) Based on our knowledge, the consolidated and separate financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- (d) We:
  - (1) are responsible for establishing and maintaining internal controls;
  - (2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated and separate financial statements for external purposes in accordance with generally accepted accounting principles;
  - (4) have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- (e) We have disclosed, based on our most recent evaluation of internal control system, to the Group's auditors and the audit committee:
  - (1) All significant deficiencies and that there are no material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Group's ability to record, process, summarize and report financial information; and
  - (2) That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Group's internal control system.
- (f) We have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

**Mr. Omoboyede Oyebolanle Olusanya**  
Group Managing Director/CEO  
FRC/2017/IODN/00000017634  
30 May 2024

**Mr. Anders Kristiansson**  
Group Chief Finance Officer  
FRC/2014/ANAN/00000009819  
30 May 2024

# Report on the Effectiveness of Internal Control over Financial Reporting as of 31 March 2024

The management of Flour Mills of Nigeria Plc ("the Company") is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Securities and Exchange Act, 2007 and the Financial Reporting Council (Amendment) Act, 2023.

The management of Flour Mills of Nigeria Plc assessed the effectiveness of our internal control over financial reporting of the Company and its subsidiaries (together "the Group") as of 31 March 2024 using the criteria set forth in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and in accordance with the SEC Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act, 2007.

As of 31 March 2024, the management of Flour Mills of Nigeria Plc did not identify any material weakness in the design and the operating effectiveness of its internal control over financial reporting. As a result, management has concluded that, as of 31 March 2024, the Group's internal control over financial reporting was effective.

The Company's independent auditor, KPMG Professional Services, who audited the consolidated and separate financial statements included in this Annual Report, issued an unmodified conclusion on the effectiveness of the Group's internal control over financial reporting as of 31 March 2024 based on the limited assurance engagement performed by them. KPMG Professional Services' limited assurance report appears on pages 29 – 30 of the Annual Report.

## Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred subsequent to the date of our evaluation of the effectiveness of internal control over financial reporting that significantly affected, or are reasonably likely to significantly affect, the Company's internal control over financial reporting.

**Mr. Omoboyede Oyebolanle Olusanya**  
Group Managing Director/CEO  
FRC/2017/IODN/00000017634  
30 May 2024

**Mr. Anders Kristiansson**  
Group Chief Finance Officer  
FRC/2014/ANAN/00000009819  
30 May 2024

## Audit Committee Report

### To Members of Flour Mills of Nigeria Plc for the Financial Year Ended 31st March 2024

In compliance with Section 404(7) of the Companies and Allied Matters Act, 2020 (CAMA), the Audit Committee received the consolidated and separate financial statements for the year ended 31 March 2024 together with the Management letter from the External Auditors and Management response thereto at 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 consolidated and separate financial statements give a true and fair view of the state of the Company's financial affairs as at 31 March 2024 having been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in compliance with the CAMA 2020 and the Financial Reporting Council of Nigeria Act, (Amendment) 2023. 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 consolidated and separate 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 consolidated and separate financial statements for the year ended 31 March 2024 and the External Auditors' Report thereon be presented for adoption at this Annual General Meeting.

Dated 28 May, 2024

#### Other Members of the Audit Committee

Mr. Shekoni Nurudeen Adebayo

Mr. Adeshina Tajudeen Imran

Mr. Foluso Phillips

Alhaji Yunus Olalekan Saliu



Mr. Olalekan Oladepo Adesina  
FRC No: FRC/2013/NIM/00000003678  
Chairman, Audit Committee



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234 (1) 271 8599  
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## Independent Auditor's Limited Assurance Report

To the Shareholders of Flour Mills of Nigeria Plc

### Report on Limited Assurance Engagement Performed on Management's Assessment of Internal Control Over Financial Reporting

#### Conclusion

We have performed a limited assurance engagement on whether internal control over financial reporting of Flour Mills of Nigeria Plc ("the Company") and its subsidiaries (together "the Group") as of 31 March 2024 is effective in accordance with the criteria established by Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and the Securities and Exchange Commission Guidance on Implementation of Sections 60–63 of Investments and Securities Act 2007.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Group's internal control over financial reporting as of 31 March 2024 is not effective, in all material respects, in accordance with the COSO Framework and the Securities and Exchange Commission Guidance on Implementation of Sections 60–63 of Investments and Securities Act 2007.

#### Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB) and the Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting.

Our responsibilities are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (*including International Independence Standards*) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

#### Other matter

We have audited the consolidated and separate financial statements of Flour Mills of Nigeria Plc in accordance with the International Standards on Auditing, and our report dated 31 May 2024 expressed an unmodified opinion of those consolidated and separate financial statements.

Our conclusion is not modified in respect of this matter.

KPMG Professional Services, a partnership registered in Nigeria and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Registered in Nigeria No BN 986925

A list of partners is available for inspection at the firm's address.



## Responsibilities for Internal Control over Financial reporting

The Board of Directors of Flour Mills of Nigeria Plc is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Effectiveness of Internal Control over Financial Reporting. Our responsibility is to express a conclusion on the Group's internal control over financial reporting based on our assurance engagement.

### Our responsibilities

The Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting ("the Guidance") requires that we plan and perform the assurance engagement and provide a limited assurance report on the Group's internal control over financial reporting based on our assurance engagement.

### Summary of the work we performed as the basis for our conclusion

As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Definition and Limitations of Internal Control Over Financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Signed:**

**Goodluck C. Obi, FCA**

FRC/2012/ICAN/00000000442  
For: KPMG Professional Services  
Chartered Accountants  
31 May 2024  
Lagos, Nigeria





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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Flour Mills of Nigeria Plc

### Report on the Audit of the Consolidated and Separate Financial Statements

#### **Opinion**

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

- the consolidated and separate statements of financial position as at 31 March 2024;
- the consolidated and separate statements of profit or loss and other comprehensive income;
- the consolidated statement of changes in equity;
- the separate statement of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 March 2024, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

#### **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.



<b>1. Revenue recognition</b>	
Refer to material accounting policies (Note 2.5) and Revenue (Note 5) in the consolidated and separate financial statements	
<b>Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>The Group is diversified and earns revenue from a wide range of activities with varying revenue recognition criteria. This requires a careful assessment of the appropriateness and timing of revenue recognition in accordance with the requirements of the relevant accounting standards. Furthermore, revenue is most significant as it impacts the majority of the key performance indicators on which the Company and the Group are assessed. Thus, there is potential incentive for manipulation of revenue to meet targets or expectations.</p> <p>These factors make revenue an area of significance in our audit of the Group and the Company.</p>	<p>The following audit procedures were performed, among others:</p> <ul style="list-style-type: none"> <li>Evaluated the design, implementation and operating effectiveness of key controls over three-way match, price change approvals and customer credit limits.</li> <li>Assessed compliance with the relevant accounting standard including assessing the appropriateness of the allocation of revenue to multiple performance obligations (where applicable) by inspecting contractual agreements on a sample basis to determine the appropriateness and timing of revenue recognition.</li> <li>Recomputed revenue based on the sales quantities and approved selling prices and comparing the result to revenue recorded by the Group and Company.</li> <li>Evaluated the intra-group transactions and assessing that they were appropriately reconciled and eliminated in preparing the financial statements of the Group.</li> <li>Selected a sample of discounts and rebates granted to customers and inspected relevant underlying documentation to assess if they were appropriately computed and accounted for in the relevant financial period.</li> <li>Assessed the inclusion of revenue transactions in the appropriate period by inspecting revenue earned both during and subsequent to year end using specific</li> </ul>
<b>2. Impairment of investment in subsidiaries</b>	
Refer to material accounting policies on (Notes 2.4 & 2.15) and Investment in subsidiaries (Note 21) in the separate financial statements.	
<b>Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>The carrying amount of the Company's investment in subsidiaries is significant. Some of these subsidiaries are currently loss making and a number of them are dependent on financial support mostly in form of loans and advances from the parent company for their ongoing operations.</p> <p>Judgment is required in estimating the recoverable amounts of the investments in subsidiaries.</p> <p>The estimation of recoverable amounts is complex and involves making assumptions regarding the future performance of the businesses, inherent uncertainty involved in preparing forecasts/ future cash flow projections and determining an appropriate discount rate.</p> <p>The significance of the amounts involved and the uncertainties inherent in estimating the recoverable amounts make this a significant matter in our audit.</p>	<p>The following audit procedures were performed, among others:</p> <ul style="list-style-type: none"> <li>Held discussions with the Company to understand their future plans for the subsidiaries.</li> <li>Assessed the reasonability of the Company's forecasts by comparing them with historical performance.</li> <li>Using our own valuation specialist, we evaluated the reasonability of the discount rates, long term growth rates and the methodology applied by the Company to estimate the value in use.</li> <li>Considered the adequacy of the disclosures in the separate financial statements and comparing the disclosures with the requirements of the relevant accounting standards.</li> </ul>



### **Other Information**

The Directors are responsible for the other information. The other information comprises the Mission and Vision Statement, Board of Directors, Officers and Other Corporate Information, Group Performance Highlight, Report of the Directors, Corporate Governance Report, Statement of Directors' Responsibilities in Relation to the Consolidated and Separate Financial Statements, Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements, Audit Committee Report, Certification of Management Assessment of Internal Control over Financial Reporting, Management's Report on the Effectiveness of Internal Control over Financial Reporting and Other National Disclosures which we obtained prior to the date of this auditor's report, but does not include the consolidated and separate financial statements and our auditor's report thereon. Other information also includes the Chairman's statement, shareholders' information, together the "outstanding reports", which are expected to be made available to us after this 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 identified above 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 on the other information that we have obtained prior to the date of this auditor's report, 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 IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate 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 consolidated and separate financial statements.



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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



## Report on Other Legal and Regulatory Requirements

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

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Compliance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting.

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Company and Group's internal control over financial reporting as of 31 March 2024. The work performed was done in accordance with ISAE 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated 31 May 2024. The report is included on page 61 - 62 of the annual report.

Signed:

A handwritten signature in black ink, appearing to read "Goodluck Obi".

Goodluck C. Obi, FCA

FRC/2012/ICAN/00000000442  
For: KPMG Professional Services  
Chartered Accountants  
31 May 2024  
Lagos, Nigeria





# Highly Nutritious E Choc Oh!



## I want it, I get it

Golden Penny  
Noodles

I want what I want

Tantalizing Flavours Nourishing 7% Protein Quality Wheat



## Financial Statements

**Consolidated and separate statements of financial position  
as at 31 March**

	Notes	Group		Company	
		2024 ₦'000	2023 ₦'000	2024 ₦'000	2023 ₦'000
<b>ASSETS</b>					
Property, plant and equipment	17	340,450,044	340,804,379	78,830,783	122,019,533
Investment property	18	1,217,223	1,322,333	48,625	50,680
Biological assets	24	43,623	54,498	-	-
Right-of-use assets	39	30,621,096	15,501,196	3,112,995	2,709,056
Goodwill	20	4,148,022	4,148,022	1,876,816	1,876,816
Intangible assets	19	14,543,396	13,705,232	18,456	61,775
Investments in subsidiaries	21	-	-	80,614,727	85,164,727
Long term loans and receivables	25	31,188	43,534	13,484,152	20,853,541
Other investments	23	482,800	47,260	482,800	47,260
Deferred tax asset	15	37,190,259	11,484,351	2,596,107	-
<b>Total non-current assets</b>		<b>428,727,651</b>	<b>387,110,805</b>	<b>181,065,461</b>	<b>232,783,388</b>
Biological assets	24	1,348,583	666,274	-	-
Inventories	26	590,500,207	336,374,640	93,982,258	151,925,626
Trade and other receivables	27	71,635,190	47,469,558	456,409,839	97,817,112
Prepayments	29	224,434,095	228,073,084	163,069,309	169,592,143
Cash and cash equivalents	30	175,844,023	97,702,029	148,918,436	67,167,053
<b>Total current assets</b>		<b>1,063,762,098</b>	<b>710,285,585</b>	<b>862,379,842</b>	<b>486,501,934</b>
<b>Total assets</b>		<b>1,492,489,749</b>	<b>1,097,396,390</b>	<b>1,043,445,303</b>	<b>719,285,322</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Notes</b>					
<b>Equity</b>					
Share capital	31	2,050,197	2,050,197	2,050,197	2,050,197
Share premium	31	75,377,444	75,377,444	75,377,444	75,377,444
Foreign currency translation reserve		9,621,914	-	-	-
Fair value reserve		347,344	(88,196)	347,344	(88,196)
Retained earnings		126,638,951	132,667,941	114,558,107	104,481,082
<b>Equity attributable to owners of the Company</b>		<b>214,035,850</b>	<b>210,007,386</b>	<b>192,333,092</b>	<b>181,820,527</b>
<b>Non-controlling interests</b>	21	<b>19,614,597</b>	<b>15,217,501</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>233,650,447</b>	<b>225,224,887</b>	<b>192,333,092</b>	<b>181,820,527</b>

The accompanying notes and material accounting policies form an integral part of these consolidated and separate financial statements

**Consolidated and separate statements of financial position  
as at 31 March**

	Notes	Group		Company	
		2024 ₦'000	2023 ₦'000	2024 ₦'000	2023 ₦'000
<b>Liabilities</b>					
Borrowings	32	202,880,856	210,240,706	120,955,349	64,608,656
Lease liabilities	40	34,944,082	15,722,575	1,155,233	427,938
Retirement benefit obligation	33	8,301,930	11,205,123	6,233,764	8,418,371
Deferred income	35	23,847,069	27,362,183	2,493,995	2,529,289
Deferred tax liabilities	15	7,207,965	19,489,454	-	14,582,143
Long service award	34	4,103,218	4,060,137	3,198,330	2,998,181
<b>Total non-current liabilities</b>		<b>281,285,120</b>	<b>288,080,178</b>	<b>134,036,671</b>	<b>93,564,578</b>
Bank overdraft	30	7,847,196	32,806,764	7,847,055	20,191,541
Current tax payable	14	51,116,884	28,862,614	30,148,241	18,242,070
Trade and other payables	36	650,437,174	320,649,144	472,350,778	244,339,315
Borrowings	32	195,034,758	139,450,591	167,910,280	127,557,304
Lease liabilities	40	2,695,780	1,952,565	-	-
Deferred income	35	9,345,835	9,153,955	1,308,703	1,224,144
Derivative liabilities	28	-	2,942,620	-	2,088,559
Dividend payable	37	1,761,919	516,502	1,761,919	516,502
Contract liabilities	38	59,314,635	47,756,569	35,748,565	29,740,782
<b>Total current liabilities</b>		<b>977,554,181</b>	<b>584,091,324</b>	<b>717,075,540</b>	<b>443,900,217</b>
<b>Total liabilities</b>		<b>1,258,839,301</b>	<b>872,171,502</b>	<b>851,112,211</b>	<b>537,464,795</b>
<b>Total equity and liabilities</b>		<b>1,492,489,749</b>	<b>1,097,396,390</b>	<b>1,043,445,303</b>	<b>719,285,322</b>

These consolidated and separate financial statements were approved by the Board of Directors on 30th May 2024 and signed on its behalf by:

Mr. Omoboyede Oyebolanle Olusanya  
Group Managing Director/CEO  
FRC/2017/IODN/00000017634

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

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

The accompanying notes and material accounting policies form an integral part of these consolidated and separate financial statements

**Consolidated and separate statements of profit or loss and other comprehensive income  
For the year ended 31 March**

	Notes	Group		Company	
		2024 ₦'000	2023 ₦'000	2024 ₦'000	2023 ₦'000
Revenue	5	2,291,561,452	1,539,654,788	1,346,992,354	923,015,713
Cost of sales	6	(2,018,811,691)	(1,362,551,941)	(1,189,527,205)	(795,330,687)
<b>Gross profit</b>		<b>272,749,761</b>	<b>177,102,847</b>	<b>157,465,149</b>	<b>127,685,026</b>
Net operating gain/(losses)	8	8,034,725	9,662,543	(5,076,074)	(28,840,104)
Impairment (loss)/ write back on trade and intercompany receivables	44	(1,701,434)	(1,509,508)	(126,861)	76,816
Selling and distribution expenses	9	(23,625,353)	(15,479,921)	(17,316,170)	(10,869,932)
Administrative expenses	10	(47,328,063)	(40,531,410)	(28,685,986)	(23,964,300)
<b>Operating profit</b>		<b>208,129,636</b>	<b>129,244,551</b>	<b>106,260,058</b>	<b>64,087,506</b>
Finance income	12	4,638,656	717,611	26,612,314	13,178,025
Finance costs	13	(208,815,838)	(87,210,048)	(114,618,417)	(45,012,726)
<b>Profit before minimum taxation</b>		<b>3,952,454</b>	<b>42,752,114</b>	<b>18,253,955</b>	<b>32,252,805</b>
Minimum tax expense	14	(4,189,142)	(2,969,506)	-	-
(Loss)/profit before income tax		<b>(236,688)</b>	<b>39,782,608</b>	<b>18,253,955</b>	<b>32,252,805</b>
Income tax credit/(expense)	14	3,781,441	(10,278,323)	(1,436,201)	(18,078,901)
<b>Profit for the year</b>		<b>3,544,753</b>	<b>29,504,285</b>	<b>16,817,754</b>	<b>14,173,904</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurements of defined benefit liability		4,411,211	952,003	3,709,195	736,258
Related tax	15	(1,455,700)	(309,401)	(1,224,034)	(239,284)
		<b>2,955,511</b>	<b>642,602</b>	<b>2,485,161</b>	<b>496,974</b>
Equity investments at FVOCI-net change in fair value		435,540	13,260	435,540	13,260
<i>Items that may be reclassified to profit or loss</i>					
Cashflow hedges - effective portion of changes in fair value		-	1,898,421	-	1,898,421
Related tax		-	(616,987)	-	(616,987)
Foreign currency translation difference		9,621,914	-	-	-
		<b>9,621,914</b>	<b>1,281,434</b>	-	<b>1,281,434</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>13,012,965</b>	<b>1,937,296</b>	<b>2,920,701</b>	<b>1,791,668</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>16,557,718</b>	<b>31,441,581</b>	<b>19,738,455</b>	<b>15,965,572</b>
<b>Profit/(loss) attributable to</b>					
Owners of the parent		257,181	29,732,507	16,817,754	14,173,904
Non-controlling interests	21	3,287,572	(228,222)	-	-
		<b>3,544,753</b>	<b>29,504,285</b>	<b>16,817,754</b>	<b>14,173,904</b>
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the parent		13,254,354	31,669,803	19,738,455	15,965,572
Non-controlling interest	21	3,303,364	(228,222)	-	-
		<b>16,557,718</b>	<b>31,441,581</b>	<b>19,738,455</b>	<b>15,965,572</b>
<b>Earnings per share</b>					
<b>Per share information</b>					
Basic earnings per share (kobo)	16	6	725	410	346
Diluted earnings per share (kobo)	16	6	725	410	346

The accompanying notes and material accounting policies form an integral part of these consolidated and separate financial statements

## Consolidated statement of changes in equity for the year ended 31 March 2024

	Share Capital ₦'000	Share Premium ₦'000	Fair Value Reserve ₦'000	Hedging reserve ₦'000	Currency Translation Reserve ₦'000	Retained earnings ₦'000	Equity attributable to owners of the Company ₦'000	Non-controlling interests ₦'000	Total equity ₦'000
<b>Group</b>									
Balance at 1 April 2022	2,050,197	75,377,444	(101,456)	(1,281,434)	-	111,101,724	187,146,475	8,758,215	195,904,691
<b>Total comprehensive income</b>									
Profit/(loss) for the year	-	-	-	-	-	29,732,507	29,732,507	(228,222)	29,504,285
Other comprehensive income, net of tax	-	-	13,260	1,281,434	-	642,602	1,937,296	-	1,937,296
<b>Total comprehensive income for the year</b>			<b>13,260</b>	<b>1,281,434</b>		<b>30,375,109</b>	<b>31,669,803</b>	<b>(228,222)</b>	<b>31,441,581</b>
<b>Transactions with owners recorded directly in equity</b>									
Dividends declared (Note 37)	-	-	-	-	-	(8,815,850)	(8,815,850)	-	(8,815,850)
Write-back of unclaimed dividends (Note 37)	-	-	-	-	-	6,958	6,958	-	6,958
<b>Total transactions with owners of the company recognized directly in equity</b>						<b>(8,808,892)</b>	<b>(8,808,892)</b>		<b>(8,808,892)</b>
<b>Changes in ownership interests</b>									
Acquisition of subsidiary with NCI (Note 21)	-	-	-	-	-	-	-	6,687,508	6,687,508
<b>Balance at 31 March 2023</b>	<b>2,050,197</b>	<b>75,377,444</b>	<b>(88,196)</b>			<b>-132,667,941</b>	<b>210,007,386</b>	<b>15,217,501</b>	<b>225,224,887</b>
Balance at 1 April 2023	2,050,197	75,377,444	(88,196)			-132,667,941	210,007,386	15,217,501	225,224,887
<b>Total comprehensive income</b>									
Profit for the year	-	-	-	-	-	257,181	257,181	3,287,572	3,544,753
Other comprehensive income, net of tax	-	-	435,540	9,621,914	2,939,719	12,997,173	15,792	13,012,965	
<b>Total comprehensive income for the year</b>			<b>435,540</b>	<b>9,621,914</b>	<b>3,196,900</b>	<b>13,254,354</b>	<b>3,303,364</b>	<b>16,557,718</b>	
<b>Transactions with owners recorded directly to equity</b>									
Dividends declared (Note 37)	-	-	-	-	-	(9,225,890)	(9,225,890)	-	(9,225,890)
<b>Total transactions with owners of the company recognized directly in equity</b>						<b>-</b>	<b>(9,225,890)</b>	<b>(9,225,890)</b>	
<b>Changes in ownership interests</b>									
Acquisition of subsidiary with NCI (Note 21)	-	-	-	-	-	-	-	1,093,732	1,093,732
<b>Balance at 31 March 2024</b>	<b>2,050,197</b>	<b>75,377,444</b>	<b>347,344</b>			<b>9,621,914</b>	<b>126,638,951</b>	<b>214,035,850</b>	<b>19,614,597</b>
									<b>233,650,447</b>

The accompanying notes and material accounting policies form an integral part of these consolidated and separate financial statements

## Separate statement of changes in equity for the year ended 31 March 2024

	Share capital	Share Premium	Fair Value Reserve	Hedging Reserve	Retained earnings	Total attributable to equity holders of the Company
	N'000	N'000	N'000	N'000	N'000	N'000
<b>Company</b>						
Balance at 1 April 2022	2,050,197	75,377,444	(101,456)	(1,281,434)	98,619,096	174,663,847
<b>Total comprehensive income</b>						
Profit for the year	-	-	-	-	14,173,904	14,173,904
Other comprehensive income, net of tax	-	-	13,260	1,281,434	496,974	1,791,668
<b>Total comprehensive income for the year</b>	-	-	13,260	1,281,434	14,670,878	15,965,572
<b>Transactions with owners recorded directly in equity</b>						
Dividends declared (Note 37)	-	-	-	-	(8,815,850)	(8,815,850)
Write-back of unclaimed dividends (Note 37)	-	-	-	-	6,958	6,958
<b>Total transactions with owners of the company recognized directly in equity</b>	-	-	-	-	(8,808,892)	(8,808,892)
<b>Balance at 31 March 2023</b>	2,050,197	75,377,444	(83,196)	104,481,082	181,820,527	181,820,527
Balance at 1 April 2023	2,050,197	75,377,444	(83,196)	-	104,481,082	181,820,527
<b>Total comprehensive income</b>						
Profit for the year	-	-	-	-	16,817,754	16,817,754
Other comprehensive income, net of tax	-	-	435,540	-	2,485,161	2,920,701
<b>Total comprehensive income for the year</b>	-	-	435,540	-	19,302,915	19,738,455
<b>Transactions with owners recorded directly in equity</b>						
Dividends declared (Note 37)	-	-	-	-	(9,225,890)	(9,225,890)
<b>Total transactions with owners of the company recognized directly in equity</b>	-	-	-	-	(9,225,890)	(9,225,890)
<b>Balance at 31 March 2024</b>	2,050,197	75,377,444	347,344	-	114,558,107	192,333,092

The accompanying notes and material accounting policies form an integral part of these consolidated and separate financial statements

## Consolidated and separate statements of cash flows

### For the year ended 31 March

	Notes	Group		Company	
		2024 ₦'000	2023 ₦'000	2024 ₦'000	2023 ₦'000
<b>Cash flows from operating activities</b>					
Cash from/(used in) operations	30	179,640,378	110,949,401	31,905,884	(9,150,642)
Income tax paid	14	(17,133,680)	(11,087,898)	(7,524,190)	(4,843,738)
Long service award benefit paid	34	(830,775)	(397,497)	(625,467)	(329,450)
Retirement benefit paid	33	(899,494)	(534,927)	(607,636)	(405,142)
<b>Net cash from/(used in) operating activities</b>		<b>160,776,429</b>	<b>98,929,079</b>	<b>23,148,591</b>	<b>(14,728,972)</b>
<b>Cash flows from investing activities</b>					
Purchase of property plant and equipment	30	(30,908,552)	(147,584,004)	(11,348,595)	(37,477,184)
Proceeds from sale of property plant and equipment	30	3,402,284	9,212,641	57,093	350,907
Acquisition of right-of-use assets	30	(1,463,845)	(1,868,784)	(55,133)	(436,745)
Acquisition of intangible assets	19	(786,706)	(13,676,083)	-	-
Acquisition of subsidiary, net of cash acquired	22&23	(433,162)	(25,895,871)	(450,000)	(39,409,193)
Loans to related parties	25	-	(6,887)	(312,764,940)	(111,259,003)
Proceeds from loans to related parties	25	179,320	904	321,277,055	160,915,357
Purchase of biological assets	24	(32,967)	(6,027,250)	-	-
Interest received	12	4,638,656	693,715	13,512,314	4,154,129
Dividends received	12	-	23,896	13,100,000	9,023,896
<b>Net cash (used in)/from investing activities</b>		<b>(25,404,972)</b>	<b>(185,127,723)</b>	<b>23,327,794</b>	<b>(14,137,836)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings	32	249,213,940	266,020,282	235,055,253	125,257,011
Repayments of borrowings	32	(201,407,811)	(68,729,197)	(138,357,863)	(24,659,130)
Repayments of principal for lease liabilities	40	(3,883,333)	(3,000,330)	(317,618)	(285,566)
Repayments of interest for lease liabilities	40	(101,101)	(76,130)	(23,195)	(19,435)
Dividends paid	37	(7,980,473)	(11,097,290)	(7,980,473)	(11,097,291)
Interest paid	13	(68,653,676)	(53,887,867)	(41,035,634)	(29,157,152)
<b>Net cash (used in)/from financing activities</b>		<b>(32,812,454)</b>	<b>129,229,468</b>	<b>47,340,470</b>	<b>60,038,437</b>
Net increase in cash and cash equivalents		102,559,003	43,030,824	93,816,855	31,171,629
Cash and cash equivalents, as at 1 April		64,895,265	21,683,588	46,975,512	15,710,878
Effect of movements in exchange rates on cash held		542,559	180,853	279,014	93,005
<b>Cash and cash equivalents, as at 31 March</b>		<b>167,996,827</b>	<b>64,895,265</b>	<b>141,071,381</b>	<b>46,975,512</b>

The accompanying notes and material accounting policies form an integral part of these consolidated and separate financial statements

# Notes to the consolidated and separate financial statements

## 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 consolidated and separate financial statements comprise the Company and its subsidiaries (together referred to as the "Group").

### 1.2 Principal activities

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

### 1.3 Going concern status

The financial statements have been prepared on a going concern basis. The Directors believe that there is no intention or threat from any source to curtail significantly the Company's lines of business in the foreseeable future.

### 1.4 Ownership structure

Name of shareholder	No. of shares held	Percentage of share capital
Excelsior Shipping Company Limited	2,597,314,890	63
Other individuals and institutional shareholders	1,503,080,716	37
	<b>4,100,395,606</b>	<b>100</b>

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 2023 to 31 March 2024, with comparatives for year ended 31 March 2023.

### 1.6 Basis of accounting

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council (FRC) of Nigeria (Amendment) Act, 2023.

The consolidated and separate financial statements were authorised for issue by the Board on 30 May 2024. Details of the Group's material accounting policies are included in Note 2.

### 1.7 Basis of measurement

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

- Agricultural produce: Fair value less cost to sell.
- Non-bearer plant biological assets: Fair value where possible and cost where it is impossible to determine the fair value.

- Non-derivative financial assets and liabilities at amortised cost: Initially measured at fair value and subsequently measured at amortised cost.
- Inventories: Lower of cost and net realisable value.
- Defined benefits obligations: Present value of the obligation.
- Financial assets at Fair Value through Other Comprehensive Income ("FVOCI").
- Derivative financial assets and liabilities: Fair value through Other Comprehensive Income ("OCI").

## 1.8 Functional and presentation currency

These consolidated and separate financial statements are presented in the Nigerian Naira (₦), which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand unless otherwise stated.

## 2. Material accounting policies

The Group and Company have consistently applied the following accounting policies to all periods presented in these consolidated and separate financial statements, except if mentioned otherwise.

In addition, the Group and Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 April 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

Certain comparative amounts in the statement of profit or loss and OCI have been re-presented (see Note 45)

### 2.1 Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the subsidiaries.

### 2.2 Foreign operations

In the Group's consolidated financial statements, all assets and liabilities of Group entities with a functional currency other than the Naira are translated into Naira upon consolidation. On consolidation, assets and

liabilities have been translated at the closing rate at the reporting date. Income and expenses have been translated into Naira at the average rate over the reporting period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences are charged/credited to other comprehensive income and recognised in currency translation reserve in equity. The exchange differences arising on the translation are taken directly to a separate component of other comprehensive income "foreign currency translation difference". On the partial or total disposal of a foreign entity with a loss of control, the related share in the cumulative translation differences recognised in equity is recognised in the consolidated statement of profit or loss.

## **2.3 Segment reporting**

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

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

The basis of segmental reporting has been set out in Note 7.

### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Group.

## **2.4 Consolidation Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Group.

### **Subsidiaries**

The Group 'controls' an entity if it is exposed to, or has right to, variable returns from involvement with the entity and has the ability to affect those returns through its power over the entity. This is generally accompanied by a share of more than 50% of the voting rights. The financial information of the subsidiaries are prepared as of the same reporting date and consolidated using consistent accounting policies. Subsidiaries are consolidated from the date on which control is transferred to the Group and are included until the date on which the Group ceases to control them.

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

### **Non-controlling interests**

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

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

### **Business combinations**

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given (at the date of

exchange), liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. Costs directly attributable to the business combination are expensed as incurred in statement of profit or loss, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately.

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

Contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

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

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

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

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net

assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in IFRS. The group has adopted the fair value approach for the measurement of the non-controlling interest for the acquisition during the year.

### **Business combination of entities under common control**

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

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

### **Interests in subsidiaries in company separate financial statements**

In the Company's separate financial statements, investments 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.

## **2.5 Revenue from contracts with customers**

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

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

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

### **Revenue recognition**

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

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

each reporting date and updates the amounts of the asset and liability accordingly.

### **Rendering of services**

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

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

### **2.6 Biological assets**

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

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

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

Fair value gain or loss arising on initial and subsequent measurement is recognised in profit or loss for the period in which it arises.

### **2.7 Investment property**

Investment property are properties held for long term rental yields. Investment properties are carried in the Group statement of financial position at cost less accumulated depreciation. Cost includes transaction costs on initial recognition. Investment property is initially measured at cost and depreciated on a straight line basis to allocate cost less residual values of the assets over their estimated useful lives.

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

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

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

### **2.8 Property, plant and equipment**

The cost of an item of property, plant and equipment is recognised as an asset when:

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

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the

Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on a straight - line basis at rates deemed appropriate to write off the cost of the assets less their residual values over their expected useful lives. The depreciation of all asset starts when it is available for use.

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, fittings and equipment	3-10 years
Motor vehicles	4-5 years
Mature bearer plants	7-35 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. Depreciation expense are reported under cost of sales and administrative expense. 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 or property, plant and equipment items are not depreciated until they get to the stage of available for use.

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

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

## 2.9 Intangible assets

An intangible asset is recognised when:

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

## Intangible assets acquired separately

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

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

Item	Useful life
Computer software	3 - 5 years
Brand name	Indefinitely
Customer relationships	Indefinitely

## 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.

## 2.10 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 classify financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

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

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

### ii. Classification and subsequent measurement Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through OCI (FVOCI)

- debt investment; FVOCI
- equity investment; or Fair value through profit or loss (FVTPL).

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

A financial asset is measured at 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 or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### **Financial assets - Business model assessment**

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

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

Transfers of financial assets to third parties in transactions that do not qualify for 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 consider:

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

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

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

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

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

Financial assets which are equity instruments:

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

Financial assets which are debt instruments:

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

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or designated at fair value

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

#### **Financial assets - Subsequent measurement and gains and losses**

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

Note 46 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

## 2.10.1 Trade and other receivables Classification

Trade and other receivables are classified as financial assets subsequently measured at amortised cost (excluding, when applicable, VAT and prepayments). Trade receivables are recognised initially at the transaction price, unless they contain significant financing component then they are recognised at fair value. Other receivables include staff debtors and sundry debtors.

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.

Intercompany receivables consist of receivables arising from sales transactions with related parties, loan receivables from related parties and other receivables arising from recharges expenses incurred on behalf of the related parties. They are classified as financial assets subsequently measured at amortised cost and are categorised into current and long term receivables based on their tenure.

Intercompany receivables are recognised initially at the transaction price, unless they contain significant financing component then they are recognised at fair value. The intercompany receivables have been classified in this manner because their contractual terms give rise, on specified dates to cashflows that are solely payment of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cahflow on trade and other receivbales.

## Impairment

### Financial instruments and contract assets

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

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- trade receivables
- 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 or estimating whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group and Company's historical experience and informed credit assessment and including forward- looking information.

The Group and Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

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

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

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

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

### **Measurement of ECLs**

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

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

### **Credit impaired financial assets**

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

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

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

### **Presentation of allowance for ECL in the consolidated and separate 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 recognized in OCI.

### **Write-off**

The gross carrying amount of a financial asset is written off when the Group and Company have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is more than 1 year past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group and Company expect no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due. Any recovery made is recognized in profit or loss.

## **2.10.2 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. 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.

## **2.10.3 Borrowings and loans**

### **Recognition and measurement**

Borrowings and loans are recognised when the Group or Company becomes a party to the contractual provisions of the loan.

The loans are measured at initial recognition, at fair value plus transaction costs if any. They are subsequently measured at amortised cost using the effective interest method.

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

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

Borrowings expose the Group and Company to liquidity risk and interest rate risk. Refer to Note 46 for details of risk exposure and management thereof.

## **2.10.4 Trade and other payables**

### **Recognition and measurement**

Trade and other payables (including related party payables) are recognised when the Group or Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

### **Other Payables**

They are subsequently measured at amortised cost using the effective interest method if the impact of discounting is material.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to Note 46 for details of risk exposure and management thereof.

## **2.10.5 Derivatives and hedge accounting**

### **Classification**

The Group holds derivative financial instruments to hedge its foreign currency risk exposures.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as

separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss. The Group designates certain derivatives as hedging instruments to hedge its variability in cashflows associated with highly probable forecast transactions arising from changes in foreign exchange rates and certain derivatives.

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

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

- There is an economic relationship between the hedged item and the hedging instrument
- The effect of credit risk does not dominate the value changes that result from that economic relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item. If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

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

The Group designates only the intrinsic value of option contracts as a hedged item, i.e. excluding the time value of the option.

The changes in the fair value of the aligned time value of the option are recognised in other comprehensive income and accumulated in the cost of hedging reserve. If the hedged item is transaction-related, the time value is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time period related, then the amount accumulated in the cost of hedging reserve is reclassified to profit or loss on a rational basis – the Group applies straight-line amortisation. Those reclassified amounts are recognised in profit or loss in the same line as the hedged item. If the hedged item is a non-financial item, then the amount accumulated in the cost of hedging reserve is removed directly from equity and included in the initial carrying amount of the recognised non-financial item. Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

### Cash flow hedges

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

When the hedged forecast transaction results in the recognition of a non-financial asset, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset. This transfer does not affect

other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

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

### **Nature and purpose of hedging reserves**

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

### **Derivatives that do not qualify for hedge accounting**

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

### **Hedge effectiveness**

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

### **Hedges directly affected by interest rate benchmark reform**

The Group has adopted the Phase 2 amendments and retrospectively applied them from 1 April 2022.

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

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

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

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

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by IBOR reform is made to the hedged risk, hedged item or hedging instrument. These amendments

in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

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

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

### **Recognition and measurement**

Derivatives are recognised when the Group or Company becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Directly attributed transaction costs are recognised in profit or loss. Details of the valuation policies and processes are presented in Note 47.

#### **2.10.6 Offsetting**

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

#### **2.10.7 Derecognition Financial assets**

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

### **Financial liabilities**

The Group and Company derecognise financial liabilities when, and only when, the Group and Company obligations are discharged, cancelled or they expire. The Group and Company also derecognise 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.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cashflows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any cost and fees incurred are recognised as an adjustment to the carrying amount of

the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

## 2.11 Taxation

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

### Current tax

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

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).
- National Agency for Science and Engineering Infrastructure (NASENI) Levy - NASENI Levy is based on rate of 0.25% of the turnover of companies engaged in banking, information and communication technology (ICT), maritime, aviation and oil & gas sectors, in Nigeria, with an annual turnover of N100m and above.

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

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

During the year, the Group had only one subsidiary liable to the levy - Apapa Bulk Terminal Limited.

### 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 Group and 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 Group and Company's compliance framework ensures that the tax treatment accorded to its operations is in line with the enacted tax laws.

The Group and Company's judgements with respect to income taxes are based on the likelihoods that the tax

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

The Group and 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.

### **Deferred tax assets and liabilities**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated and separate financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for unused tax losses and for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary differences will be utilised and they are expected to reverse in the foreseeable future.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

## **2.12 Leases**

### **i. As lessee**

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain

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

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

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

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities as separate items in the consolidated and separate statements of financial position.

A lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of its original terms and conditions.

- for a modification that is not a separate lease, at the effective date of the modification the Group and Company account for it by remeasuring the lease liability using a discount rate determined at that date and:
- for modifications that decrease the scope of the lease, the Group and Company account for it by

- decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognising a gain or loss that reflects the proportionate decrease in scope; and
- for all other modifications, the Group and Company account for it by making a corresponding adjustment to the right-of-use asset.

## ii. As a lessor

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

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

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

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

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

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

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of short term and low value assets.

The Group recognises the lease payments associated with these leases as expenses on a straight line over the lease term.

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

## 2.13 Inventories

Inventories 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 part of 'cost of raw and packaging materials' in the period in which the reversal occurs.

Inventories include a "right to returned goods" 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.

#### **2.14 Goodwill**

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

The excess of the purchase price over the carrying amount of non-controlling interest, when the Group increases its interest in an existing subsidiary, is recognised in equity. Goodwill is tested annually for impairment. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash-generating units that are expected to benefit from the business combination.

#### **2.15 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.

## **2.16 Share capital**

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

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

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

## **2.17 Foreign currency translation reserve**

In preparing the financial statements of the group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise except for: Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings Exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting).

## **2.18 Deposit for imports**

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

## 2.19 Employee benefits

### Short-term employee benefits

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

### Defined contribution plans

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

### Defined benefits

The Group and Company also 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 scheme is not funded the Group ensures that adequate arrangements are in place to meet its obligations under the scheme.

### Long service award

In addition, the Group operates long service award for its qualified staff. The benefits are graduated depending on the employees number of years in service to the Group.

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

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

losses due to remeasurement of long service awards are recognised in profit or loss.

### **Termination benefits**

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

## **2.20 Provisions and contingencies**

Provisions are recognised when:

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

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

### **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 assets and liabilities**

A contingent asset is a potential economic benefit that is dependent on some future event(s) largely out of a company's control while 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.

## **2.21 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 as part of net operating gain/(losses) in the period in which they become receivable.

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

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

## **2.22 Finance income**

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

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

## **2.23 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.

## **2.24 Finance costs**

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

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Group defines a qualifying asset as an asset that takes more than a year to prepare for its intended use.

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

## **2.25 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.

## **2.26 Dividends payable**

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

## **2.27 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, profit or loss on disposal of property, plant and equipment, impairment of non-financial assets and other sundry income and expenses.

## 2.28 Cost of sales

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

## 2.29 Prepayments

Prepayments are non-financial assets which result when payments are made in advance of the receipt of goods and services and advance payments made for taxes. 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.

## 2.30 Other investments

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

## 2.31 Operating profit

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

## 3. Significant judgements, assumptions and sources of estimation uncertainty

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

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

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

### Use of Judgements

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

Note (42) - lease term; whether the Group is reasonably certain to exercise extension options

Note (22) - Non controlling interest- recognition and measurement of the business combination using the fair value approach.

Note (15) - recognition of deferred tax assets: availability and timing of future taxable profit against which deductible temporary difference and tax losses carried forward can be utilised;

Note (38) and (51) - recognition and measurement of provisions and contingencies: key judgements about the likelihood and magnitude of an outflow of resources;

Note (7) - Gain on bargain purchase allocation - Allocation of gain on bargain purchase realized from acquisition across segments.

## **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties as at 31 March 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes Note (35) and (36) - recognition of defined benefit obligation: key actuarial assumptions;

Note (25) - 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;

Note (37) - determining the inputted interest rate of the borrowing cost to compute the fair value of the loan;  
Note (28) - measurement of ECL allowance for the receivables and contract assets; key assumptions in determining the weighted-average loss rate; and

Areas of estimation uncertainties are disclosed below:

### **Biological assets**

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

### **Allowance for credit losses**

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

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

These assessments are subjective and involve a significant element of judgment by management on the ultimate recoverability of amounts receivable.

### **Contingencies**

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

### **Measurement of government grant**

As at the end of the reporting period, the Group was granted some government assisted loans at below market rates. In accordance with IAS 20, the government grant which is the difference between the proceeds of the loans and their fair value should be accounted for. Based on IFRS 9, all financial liabilities should be initially recognized at fair value. In computing the fair value of these loans, the imputed interest rate used in discounting the cash flows associated with the loans is based on management judgement of best estimate of its borrowing cost at the time the loans were granted.

### **Provision for gratuity**

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

### **Provision for long service award**

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

## Impairment of Goodwill

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

## Measurement of fair value

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

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

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

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the 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 included in Note 46 Financial Instruments - Fair Values and Financial Risk Management.

## 4 New Standards and Interpretations

### 4.1 Standards and interpretations issued but not yet effective

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

- Amendments to IAS 1 Classification of Liabilities as Current or Non-current.
- Amendments to IFRS 16 Lease Liability in a Sale and Leaseback .
- Amendments to IAS 1 Non-current Liabilities with Covenants.
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7
- Financial Instruments: Disclosures- Supplier Finance Arrangements
- Amendments to IAS 21 - Lack of Exchangeability
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

In January 2020, the IASB issued amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The amendment clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. The IASB also added two new paragraphs (Paragraph 76A

and 76B) to IAS1 to clarify what is meant by "settlement" of a liability. The IASB concluded that it was important to link the settlement of the liability with the outflow of resources of the entity. The amendment is not expected to have any material impact on the Group.

### **Amendments to IFRS 16 Lease Liability in a Sale and Leaseback.**

In January 2020, the IASB issued amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The amendment confirm the following:

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. The amendment is not expected to have any material impact on the Group.

### **Amendments to IAS 1 Non-current Liabilities with Covenants.**

Under the amendments to IAS 1 Presentation of Financial Statements the classification of certain liabilities as current or non-current may change (e.g. convertible debt). In addition, companies may need to provide new disclosures for liabilities subject to covenants.

The amendments will apply from 1 January 2024. However, companies need to consider whether their upcoming annual financial statements will need to include disclosures under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors of the possible future impacts. The amendment is not expected to have any material impact on the Group.

### **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 - Financial Instruments: Disclosures- Supplier Finance Arrangements**

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. To meet the disclosure objective, companies will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an

entity applies the

If an entity with material supplier finance arrangements has not yet applied the amendments to IAS 7 and IFRS 7, the entity should provide clear disclosure of:

- The approach to the presentation of significant supplier financing arrangements and, in accordance with IAS 1:122, the judgements made in applying that policy
- How supplier financing transactions have been reflected in the statement of cash flows
- The carrying amount of the liabilities in question and the line item(s) in which they are presented
- When supplier financing arrangements have been used as a tool to manage liquidity risk, the disclosures required by IFRS 7:39(c)

### **Amendments to IAS 21 - Lack of Exchangeability**

The amendments clarifies:

when a currency is exchangeable into another currency; and how a company estimates a spot rate when a currency lacks exchangeability.

Assessing exchangeability: When to estimate a spot rate

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.

Estimating a spot rate: Meeting the estimation objective

A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements on how to estimate a spot rate.

Therefore, when estimating a spot rate, a company can use:

- an observable exchange rate without adjustment; or
- another estimation technique.

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. This may include:

- the nature and financial impacts of the currency not being exchangeable
- the spot exchange rate used,
- the estimation process; and
- risks to the company because the currency is not exchangeable

The amendments apply for annual reporting periods beginning on or after 1 January 2025.

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

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

application of these amendments may have an impact on the group's consolidated financial statements in future periods should such transactions arise.

## 4.2 Changes in material accounting policies

### a. Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) from 1 April 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

There are no impact on the statement of financial position and there was also no impact on the opening retained earnings as at 1 April 2023 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognized.

### b. Material accounting policy information

The Group also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 April 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the consolidated and separate financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the consolidated and separate financial statements.

Management reviewed the accounting policies and made updates to the information disclosed below (2023: Significant accounting policies) in certain instances in line with the amendments.

## 5. Revenue

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
<b>Revenue from contracts with customers</b>				
Sale of goods	2,226,565,912	1,492,877,117	1,286,823,749	878,838,961
Rendering of services	64,995,540	46,777,671	60,168,605	44,176,752
Total Revenue	2,291,561,452	1,539,654,788	1,346,992,354	923,015,713
<b>Analysis by segment</b>				
<b>Sales of goods - point in time</b>				
Food	1,509,711,877	1,000,627,569	1,261,075,382	858,728,070
Agro allied	332,928,323	283,952,026	25,748,367	20,110,891
Sugar	383,925,712	208,297,522	-	-
<b>Provision of services - over time</b>				
Support services	64,995,540	46,777,671	60,168,605	44,176,752
	2,291,561,452	1,539,654,788	1,346,992,354	923,015,713

- \* Agro allied in the company relates to the sale of Golden penny vegetable oil, soya oil and margarine products.
- \* Support services relates to the operation of terminals, customs clearing, forwarding and shipping agents and logistics.

## 6. Cost of Sales (by Nature)

	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
Cost of raw and packing materials	1,839,924,444	1,225,962,938	1,112,828,433	730,241,823
Production employees cost (Note 11)	36,509,929	31,753,525	20,944,582	18,815,723
Depreciation	31,397,676	27,888,340	11,202,990	11,924,091
Fuel and oil	55,433,129	41,205,202	25,901,610	18,574,210
Factory rent and rates	4,328,057	140,320	3,072,850	3,138,145
Factory repairs and maintenance	24,799,986	21,483,088	11,137,604	9,958,827
Insurance	2,087,386	1,678,868	796,931	844,785
Technical fees	11,523,261	6,659,592	-	400
Other production expenses*	12,807,823	5,780,068	3,642,205	1,832,683
	2,018,811,691	1,362,551,941	1,189,527,205	795,330,687

- \* Other production expenses include cost incurred in/on personnel uniforms, factory security, laboratory, fumigation/sanitation, stationeries, Information Technology e.t.c

## 7. 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.

The following summary describes the operations of each reportable segment:

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

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

There are varying levels of integration between the Food and the Agro allied segments and the Sugar and Services segments.

This integration includes transfer and sale of raw and packaging materials and shared distribution services respectively.

All non-current assets of the group are domiciled in Nigeria and overseas.

## Segment revenue and profit or loss

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

<b>31 March 2024 Group</b>	<b>Revenue</b>	<b>Cost of sales</b>	<b>Gross profit/(loss)</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Food	1,509,711,877	1,285,170,445	224,541,432
Agro Allied	332,928,323	280,793,316	52,135,007
Sugar	383,925,712	376,193,541	7,732,171
Support Services	64,995,540	76,654,389	(11,658,849)
	<b>2,291,561,452</b>	<b>2,018,811,691</b>	<b>272,749,761</b>

<b>31 March 2023 Group</b>	<b>Revenue</b>	<b>Cost of sales</b>	<b>Gross profit/(loss)</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Food	1,000,627,569	866,340,586	134,286,983
Agro Allied	283,952,026	262,918,966	21,033,060
Sugar	208,297,522	202,565,637	5,731,885
Support Services	46,777,671	30,726,752	16,050,919
	<b>1,539,654,788</b>	<b>1,362,551,941</b>	<b>177,102,847</b>

	<b>Group</b>		<b>Group</b>	
	<b>31-Mar-24 N'000</b>	<b>31-Mar-24 Segment revenue</b>	<b>31-Mar-23 N'000</b>	<b>31-Mar-23 Segment revenue</b>
	<b>Segment profit/(loss)</b>	<b>Segment profit</b>	<b>Segment revenue</b>	<b>Segment profit</b>
Food	1,727,610,581	72,683,997	1,057,319,739	33,791,108
Agro Allied	460,827,778	(3,707,949)	328,413,581	13,031,651
Sugar	396,045,391	(24,765,131)	217,315,761	1,297,869
Support Services	121,390,182	10,433,240	88,697,668	3,588,640
Elimination of Inter-segment revenue	(414,312,480)	-	(152,091,961)	-
Elimination of Inter-segment profit	-	(50,691,703)	-	(8,957,154)
	<b>2,291,561,452</b>	<b>3,952,454</b>	<b>1,539,654,788</b>	<b>42,752,114</b>

Revenue from customers domiciled in Nigeria amounted to ₦2.229 trillion (2023: ₦1.512 trillion), while revenue from foreign customers (export revenue) amounted to ₦62.5 billion (2023: ₦27.2 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.

<b>Segment assets and liabilities - Group</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
<b>Segment assets</b>	<b>N'000</b>	<b>N'000</b>
Food	1,482,839,673	754,177,163
Agro Allied	488,214,664	292,344,260
Sugar	242,934,008	206,264,243
Support Services	85,066,408	66,791,150
Elimination of Inter-segment assets	(806,565,004)	(222,180,426)
	<b>1,492,489,749</b>	<b>1,097,396,390</b>

<b>Segment liabilities</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
	<b>N'000</b>	<b>N'000</b>
Food	1,406,216,582	695,618,300
Agro Allied	397,695,374	191,151,433
Sugar	228,843,089	158,830,399
Support Services	86,340,505	62,881,785
Elimination of Inter-segment liabilities	(860,256,248)	(236,310,415)
	<b>1,258,839,302</b>	<b>872,171,502</b>

## 7. Segment information (continued)

### Other material items

<b>Group</b>	<b>Food</b>	<b>Agro Allied</b>	<b>Sugar</b>	<b>Support Services</b>	<b>Reportable segment totals</b>	<b>Intersegment adjustments</b>	<b>Consolidated total</b>
<b>31 March 2024</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Interest income	16,233,761	11,407,878	577,593	418	28,219,650	(23,580,994)	4,638,656
Interest expense	(167,599,941)	(20,685,428)	(40,975,651)	-	(229,261,020)	20,445,182	(208,815,838)
Depreciation and amortisation	(18,763,825)	(6,485,943)	(4,666,901)	(1,387,366)	(31,304,036)	(3,294,708)	(34,598,744)
Fair value gain on derivatives	-	-	589,530	-	589,530	-	589,530
	(170,130,005)	(15,763,493)	(44,475,429)	(1,386,948)	(231,755,876)	(6,430,520)	(238,186,396)
<b>31 March 2023</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Interest income	4,399,036	5,855,983	262,420	547	10,517,986	(9,800,375)	717,611
Interest expense	(38,735,077)	(12,816,187)	(12,047,570)	(2,024,550)	(65,623,384)	9,897,663	(55,725,721)
Depreciation and amortisation	(18,041,447)	(3,470,985)	(5,820,442)	(1,750,487)	(29,083,361)	1,773,420	(27,309,941)
Fair value (loss)/gain on derivatives	(2,225,588)	106	(581,544)	-	(2,807,026)	-	(2,807,026)
	(54,603,076)	(10,431,083)	(18,187,136)	(3,774,490)	(86,995,785)	1,870,708	(85,125,077)

**8 Net operating gains and (losses)**

	Group		Company	
	31-Mar-24 N'000	31-Mar-23 N'000	31-Mar-24 N'000	31-Mar-23 N'000
Fees earned	(2,407,992)	6,476,331	(1,598,842)	147,751
Fair value gains/(loss) on derivatives *	2,806,573	(2,807,026)	1,954,147	(1,954,707)
Rental income	305,935	262,507	109,988	141,615
Insurance claim	257,656	340,294	50,472	49,299
Gain on bargain purchase (Note 22)	903,621	23,023,600	-	-
Sundry expenses	(5,243,193)	(28,722,150)	(7,119,278)	(30,471,403)
Bad debts recovered/(expense)	-	10,420	-	(14,373)
Reversal of impairment of PPE	-	1,051,589	-	1,051,589
Government grants (Note 35)	10,608,600	11,522,458	1,484,439	2,409,729
Profit/(loss) on disposal of property, plant and equipment	104,481	(195,838)	43,000	(199,604)
Fair value changes in biological assets (Note 24)	699,044	(1,299,642)	-	-
	8,034,725	9,662,543	(5,076,074)	(28,840,104)

\* The derivative gain for the Group includes the total amount of ₦2.807 billion (2023: ₦2.807 billion) and Company ₦1.954 billion (2023: ₦1.196 billion) recognised as unrealised gain.

**9 Selling and distribution expenses (analysed by nature)**

	Group		Company	
	31-Mar-24 N'000	31-Mar-23 N'000	31-Mar-24 N'000	31-Mar-23 N'000
Employee costs (Note 11)	7,437,220	6,461,377	5,363,669	4,434,976
Advertisement	6,276,685	2,123,121	4,467,304	1,716,683
Selling expenses	9,911,448	6,895,423	7,485,197	4,718,273
	23,625,353	15,479,921	17,316,170	10,869,932

**10 Administrative expenses (analysed by nature)**

	Group		Company	
	31-Mar-24 N'000	31-Mar-23 N'000	31-Mar-24 N'000	31-Mar-23 N'000
Auditors remuneration*	492,990	392,300	197,780	192,062
Bank charges	3,833,744	2,595,843	3,050,784	2,040,288
Legal and professional fees	3,979,342	2,112,767	1,800,068	1,514,913
Depreciation	4,068,840	4,097,641	2,499,431	2,585,880
Employee costs (Note 11)	18,516,004	16,079,681	13,240,435	10,813,874
Non income taxes, fines and penalty	911,198	617,042	490,031	359,594
Insurance	657,044	501,520	277,322	94,529
Computer related expenses	2,087,567	1,907,161	1,587,514	1,337,499
Medical, canteen and welfare expenses	1,614,897	1,260,352	1,246,100	883,524
Motor vehicle expenses	673,731	483,220	354,334	216,500
Fuel, gas and oil	892,177	557,225	513,915	258,668
General administrative expenses	3,880,191	5,916,832	684,936	1,604,324
Postages, telephone and cables	276,026	99,728	205,983	65,622
Printing and stationery	244,778	167,653	96,095	91,084
Rent and rate	323,619	233,361	261,980	163,796
Repairs and maintenance	2,057,050	1,253,806	698,147	538,794
Subscriptions and donations	780,184	525,367	430,378	198,538
Security services	758,918	684,487	132,091	176,177
Travelling expenses	1,279,763	1,045,424	918,662	828,634
	47,328,063	40,531,410	28,685,986	23,964,300

\* Auditors remuneration relates to fees paid to the Group auditors and other auditors within the group.

## 11 Employee information

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
<b>Employee cost comprise:</b>				
Salaries, wages and other benefits	57,135,433	49,674,851	35,931,023	30,901,004
Pensions	1,809,383	1,670,840	1,139,475	1,019,032
Long service awards	994,533	589,181	705,913	409,839
Gratuity	2,523,804	2,359,711	1,772,275	1,734,698
	62,463,153	54,294,583	39,548,686	34,064,573

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
<b>Total employee costs recognised in profit or loss:</b>				
Cost of sales (Note 6)	36,509,929	31,753,525	20,944,582	18,815,723
Administrative expenses (Note 10)	18,516,004	16,079,681	13,240,435	10,813,874
Selling and distribution expenses (Note 9)	7,437,220	6,461,377	5,363,669	4,434,976
	62,463,153	54,294,583	39,548,686	34,064,573

	Group		Company	
	31-Mar-24 Number	31-Mar-23 Number	31-Mar-24 Number	31-Mar-23 Number
<b>Average number of persons as at year end.</b>				
Managerial	1,530	1,748	1,037	1,062
Non - managerial staff	3,874	4,171	2,707	2,777
	5,404	5,919	3,744	3,839

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

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
Nil - N500,000	125	273	24	1
N500,001 - N1,000,000	1,209	1,652	1,007	1,234
N1,000,001 - N 10,000,000	3,731	3,716	2,444	2,387
N10,000,001 - N 20,000,000	303	250	237	191
N20,000,000 and above	36	28	32	26
<b>Total</b>	<b>5,404</b>	<b>5,919</b>	<b>3,744</b>	<b>3,839</b>

## 12. Finance income

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
<b>Dividend income</b>				
Dividend income	-	23,896	13,100,000	9,023,896
<b>Interest income</b>				
Interest income from short term investments and bank deposits	4,638,656	693,715	4,506,266	618,241
Interest income from loans to related companies	-	-	9,006,048	3,535,888
<b>Total investment income</b>	4,638,656	717,611	26,612,314	13,178,025

## 13. Finance costs

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
Interest expense on loans from related parties	-	-	2,314,374	4,604,090
Interest on bond and commercial papers	21,304,581	5,328,922	21,304,580	5,328,853
Loss on exchange difference	137,462,616	31,484,327	73,419,027	15,798,800
Interest expense on lease liabilities	2,699,546	1,837,854	163,756	56,774
Interest on bank loans and overdrafts	47,349,095	48,558,945	17,416,680	19,224,209
<b>Total finance costs</b>	208,815,838	87,210,048	114,618,417	45,012,726

## 14. Taxation

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

Per profit or loss	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
Income tax charged	31,808,702	23,488,505	18,742,497	16,143,966
Withholding tax on dividend income (I)	-	900,000	-	900,000
Tertiary education tax	3,281,376	2,670,069	1,784,301	1,887,566
Capital gain tax	-	363	-	363
Police Trust Fund Levy	2,280	2,797	913	1,613
NASENI Levy	-	4,803	-	-
Under/(Over) provision in prior year	569,298	(841,943)	(689,225)	(363,339)
Current tax expense	35,661,656	26,224,594	19,838,486	18,570,169
Origination and reversal of temporary differences	(39,443,097)	(15,946,271)	(18,402,285)	(491,268)
<b>Net income tax expense as per profit or loss</b>	(3,781,441)	10,278,323	1,436,201	18,078,901

(i) Corporation tax is calculated at 30% (2023: 30%) of the estimated taxable profit for the year while tertiary education tax is calculated at 3% (2023: 2.5%) of the estimated assessable profit for the year. The deferred tax charges recognised in the year relates to the origination and reversal of temporary differences.

### Per statement of financial position

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
At 1 April	28,862,614	14,411,960	18,242,070	7,250,478
Charge for the period	35,661,656	26,224,594	19,838,486	18,570,169
Minimum tax	4,189,142	2,969,506	-	-
<b>Payment during the year</b>				
Cash	(17,133,680)	(11,087,898)	(7,524,190)	(4,843,738)
Withholding tax utilised	(462,848)	(3,655,548)	(408,125)	(2,734,839)
<b>Current tax payable</b>	<b>51,116,884</b>	<b>28,862,614</b>	<b>30,148,241</b>	<b>18,242,070</b>

### Minimum Tax

Minimum tax was computed for the Group subsidiaries with no total profits, or tax payable which was less than minimum tax. During the year, the Group computed minimum tax based on 0.50% of turnover and this amounted to ₦4.189 billion (2023: ₦2.97 billion).

### Reconciliation of effective tax rate

#### The Group and Company

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
<b>Reconciliation of effective tax rate</b>				
<b>(Loss)/profit before tax on continuing operations (A)</b>	<b>(236,688)</b>	<b>39,782,608</b>	<b>18,253,955</b>	<b>32,252,805</b>
Tax at the statutory corporation tax rate of 30% (2023: 30%)	(71,006)	11,934,782	5,476,187	9,675,841
Effect of police trust fund levy	2,280	2,797	913	1,613
Effect of capital gains tax	-	363	-	363
Withholding tax on dividend	-	900,000	-	900,000
Effect of income that is exempt from taxation	(6,132,912)	(7,252,768)	(5,247,498)	(3,199,180)
Effect of other non deductible expenses	2,401,880	7,699,639	554,968	9,711,250
Effect of investment allowance and other incentives	(535,743)	(817,909)	(443,445)	(535,213)
Tertiary education tax at 3% of assessable profit	3,281,376	2,670,069	1,784,301	1,887,566
Previously unrecognised deductible temporary difference now recognised	(1,531,450)	(4,016,707)	-	-
Over provision in prior year	(1,195,866)	(841,943)	(689,225)	(363,339)
<b>Income tax expenses recognised in profit or loss (relating to continuing operations) (B)</b>	<b>(3,781,441)</b>	<b>10,278,323</b>	<b>1,436,201</b>	<b>18,078,901</b>
Effective tax rate (B/A)	1597.6%	25.8%	7.9%	56.1%

## 15 Deferred tax

Analysis of deferred tax balances	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
Deferred tax asset	37,190,259	11,484,351	2,596,107	-
Deferred tax liability	(7,207,965)	(19,489,454)	-	(14,582,143)
Net deferred tax asset/(liability)	29,982,294	(8,005,103)	2,596,107	(14,582,143)

The Group has unutilized capital allowances and unrelieved tax losses amounting to ₦13.26 billion and ₦11.52 billion (2023: ₦0.3 billion and ₦2.1 billion) respectively. The Group would re-assess the timing and availability of future taxable profit against which the asset can be utilised in subsequent years. Previously unrecognised deferred tax assets were recognised on the basis of probability of future taxable profits based on the Group's improved business outlook and forecast of growth. The capital allowances and tax losses can be carried forward indefinitely.

### Deferred tax assets and liabilities

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

Group as at 31 March 2024 Deferred tax (assets)/liabilities in relation to	Opening Balance	Arising from business combination	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	29,483,282	-	(8,523,264)	-	20,960,018
Tax losses	(3,219,363)	-	(4,812,592)	-	(8,031,955)
Exchange difference	(4,793,549)	-	(12,900,058)	-	(17,693,607)
Employee benefits	(4,864,672)	-	(326,972)	1,455,700	(3,735,944)
Inventories and trade and other receivables	(5,405,407)	-	(4,401,725)	-	(9,807,132)
Right of use assets	(2,428,189)	-	(7,435,784)	-	(9,863,973)
Biological assets	5,749	-	426,111	-	431,860
Impairment of investment in subsidiary	(1,333,421)	-	(908,140)	-	(2,241,561)
Revaluation surplus on land	560,673	-	(560,673)	-	-
	8,005,103	-	(39,443,097)	1,455,700	(29,982,294)

Group as at 31 March 2023 Deferred tax (assets)/liabilities in relation to	Opening Balance	Arising from business combination	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	26,367,258	21,681,703	(18,565,679)	-	29,483,282
Tax losses	(2,952,997)	-	(266,366)	-	(3,219,363)
Exchange difference	(1,290,502)	-	(3,503,047)	-	(4,793,549)
Employee benefits	(4,504,349)	-	(669,724)	309,401	(4,864,672)
Inventories and trade and other receivables	(6,237,504)	-	832,097	-	(5,405,407)
Right of use assets	(2,284,785)	(7,434,239)	7,290,835	-	(2,428,189)
Fair valuation of derivatives instrument	(589,530)	-	(27,457)	616,987	-
Biological assets	-	-	5,749	-	5,749
Gain on fair valuation of biological assets	269,931	-	(269,931)	-	-
Impairment of investment in subsidiary	-	-	(1,333,421)	-	(1,333,421)
Revaluation surplus on land	-	-	560,673	-	560,673
	8,777,522	14,247,465	(15,946,271)	926,388	8,005,103

<b>Company as at 31 March 2024</b> <b>Deferred tax (assets)/liabilities in relation to:</b>	<b>Opening balance</b>	<b>Recognised in profit or loss</b>	<b>Recognised in Other comprehensive income</b>	<b>Closing balance</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Property, plant and equipment	23,747,301	(5,754,592)		17,992,709
Exchange difference	(3,287,448)	(10,725,599)		(14,013,047)
Fair valuation of derivative instrument	(568,316)	568,316		-
Employee benefits	(3,731,595)	(1,294,365)	1,224,034	(3,801,926)
Inventories and trade and other receivables	(1,543,979)	(1,035,020)		(2,578,999)
Right of use assets	(33,820)	(161,025)		(194,845)
	14,582,143	(18,402,285)	1,224,034	(2,596,108)

<b>Company as at 31 March 2023</b> <b>Deferred tax (assets)/liabilities in relation to:</b>	<b>Opening balance</b>	<b>Recognised in profit or loss</b>	<b>Recognised in Other comprehensive income</b>	<b>Closing balance</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Property, plant and equipment	21,738,817	2,008,484	-	23,747,301
Exchange difference	(1,527,274)	(1,760,174)	-	(3,287,448)
Fair valuation of derivative instrument	(589,530)	(595,773)	616,987	(568,316)
Employee benefits	(3,548,929)	(421,950)	239,284	(3,731,595)
Inventories and trade and other receivables	(1,847,559)	303,580	-	(1,543,979)
Right of use assets	(8,386)	(25,434)	-	(33,820)
	14,217,139	(491,267)	856,271	14,582,143

## 16. 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.

<b>Profit or loss for the year attributable to equity holders of the parent</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Profit for the year from continuing operations	257,181	29,732,507	16,817,754	14,173,904
	<b>257,181</b>	<b>29,732,507</b>	<b>16,817,754</b>	<b>14,173,904</b>
Weighted average number of shares ('000)	4,100,394	4,100,394	4,100,394	4,100,394
<b>Basic earnings per share</b>				
From total operations (kobo per share)	6	725	410	346
From continuing operations (kobo per share)	6	725	410	346
<b>Diluted earnings per share</b>				
From total operations (kobo per share)	6	725	410	346
From continuing operations (kobo per share)	6	725	410	346

**17a Property, plant and equipment (Group)**

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

	Furniture, fittings and office equipment				Motor Vehicles ₦'000	Bearer plants ₦'000	Rehabilitation ₦'000	Berth Capital work-in-progress ₦'000	Total ₦'000
	Land ₦'000	Building ₦'000	Plant & Machinery ₦'000	Furniture, fittings and office equipment ₦'000					
<b>Cost</b>									
<b>Balance at 1 April 2022</b>	14,222,985	65,995,247	274,941,551	11,051,837	21,273,343	1,436,345	773,222	28,726,996	418,421,525
Additions	268,144	841,422	17,092,006	584,003	2,439,012	452,296	2,880	40,630,970	62,310,733
Disposals	-	(8,567)	(19,828,259)	(4,830)	(473,736)	-	-	-	(20,315,392)
Transfer - capital work in progress	-	4,245,455	18,735,360	778,866	489,708	2,750,562	-	(26,999,952)	-
Acquisition through business combination (Note 21)	9,857,600	23,311,607	50,305,048	319,641	575,641	-	-	903,734	85,273,271
Write off	-	-	(550,450)	(3,317)	-	-	-	(134,456)	(688,223)
<b>Balance at 31 March 2023</b>	24,348,729	94,385,164	340,695,256	12,726,200	24,303,968	4,639,203	776,102	43,127,292	545,001,914
<b>Balance at 1 April 2023</b>	24,348,729	94,385,164	340,695,256	12,726,200	24,303,968	4,639,203	776,102	43,127,292	545,001,914
Additions	584,834	588,902	3,717,881	143,334	1,082,491	-	-	21,221,573	27,389,014
Disposals	(12,731)	(193,616)	(221,160,816)	(1,670,372)	(619,699)	-	-	(1,248,832)	(24,906,066)
Transfer	431,687	2,305,529	26,018,506	687,787	286,886	333,183	20,858	(30,084,436)	-
Acquisition through business combination (Note 21)	7,910	185,453	5,516,774	96,001	143,915	-	-	-	5,950,053
Write off	-	-	(1,236,754)	(239,941)	(239,941)	(256,919)	-	(158,257)	(1,651,930)
Reclassification	-	5,172,477	8,470,020	1,129,946	199,337	-	714,956	-	15,686,736
<b>Balance at 31 March 2024</b>	25,360,429	102,443,909	362,260,808	12,872,955	25,139,979	4,972,386	1,511,916	32,907,340	567,469,721
<b>Accumulated depreciation and impairment:</b>									
<b>Balance at 1 April 2022</b>	1,280,679	18,650,852	150,079,359	8,583,626	11,633,668	713,374	389,575	250,000	191,581,133
Charge for the year	-	2,719,280	18,010,844	1,003,915	2,627,102	482,115	38,982	-	24,882,238
Disposals	-	(2,070)	(10,435,024)	(4,760)	(465,056)	-	-	-	(10,906,910)
Reversal of impairment	-	-	(1,051,589)	-	-	-	-	-	(1,051,589)
Write off	-	-	(304,100)	(3,237)	-	-	-	-	(307,337)
<b>Balance at 31 March 2023</b>	1,280,679	21,368,062	156,299,490	9,579,544	13,795,714	1,195,489	428,557	250,000	204,197,535
<b>Balance at 1 April 2023</b>	1,280,679	21,368,062	156,299,490	9,579,544	13,795,714	1,195,489	428,557	250,000	204,197,534
Charge for the year	153,640	3,284,901	23,813,520	1,240,424	2,854,050	884,691	39,612	-	32,270,838
Disposals	-	(189,454)	(20,544,460)	(874,349)	-	-	-	-	(21,608,263)
Acquisition through business combination	-	236,907	738,776	96,001	143,915	-	-	-	1,215,599
Reclassification	153,641	(153,641)	-	-	-	-	-	-	-
Write off	-	-	(404,351)	-	(2,435)	-	-	-	(406,786)
Translation effect*	-	3,038,742	7,635,322	105,857	150,840	-	419,994	-	11,350,755
<b>Balance at 31 March 2024</b>	1,587,960	27,585,517	167,538,297	10,147,477	16,942,084	2,080,180	888,163	250,000	227,019,677
Carrying amount	12,942,306	47,344,395	124,862,192	2,468,211	9,639,675	722,971	383,647	28,476,996	226,840,391
Balance as at 1 April 2022	23,068,050	73,017,102	184,395,766	3,146,656	10,508,254	3,443,714	347,545	42,877,292	340,804,379
Balance as at 31 March 2023	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	23,772,469	74,858,392	194,222,511	2,725,478	8,197,895	2,892,206	623,753	32,657,340	340,450,044

\* Reclassification relates to assets reclassified to furniture and fittings from plant and machinery in the group for the year

**17b Property, plant and equipment (Company)**

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

	<b>Furniture, fittings and office equipment</b> ₦'000	<b>Plant &amp; Machinery</b> ₦'000	<b>Motor Vehicles</b> ₦'000	<b>Capital work- in-progress</b> ₦'000	<b>Total ₦'000</b>
<b>Balance at 1 April 2022</b>					
Additions	4,132,998	28,884,692	144,554,926	7,755,291	15,992,290
Transfer - capital work in progress	268,123	320,928	5,485,587	469,431	2,015,193
Disposals	-	2,317,498	12,651,140	630,112	358,906
Transfer to subsidiaries	-	-	(829,651)	(2,349)	(372,969)
Write off	-	-	-	(14,911)	-
<b>Balance at 31 March 2023</b>	<b>4,401,121</b>	<b>31,523,118</b>	<b>161,670,552</b>	<b>8,837,574</b>	<b>17,993,420</b>
<b>Balance at 1 April 2023</b>	<b>4,401,121</b>	<b>31,523,118</b>	<b>161,670,552</b>	<b>8,837,574</b>	<b>17,993,420</b>
Additions	237,000	1,188,185	8,620	77,583	9,837,207
Transfer - capital work in progress		302,999	17,643,122	652,823	39,829
Reclassification			239,941	(239,941)	
Disposals				(16,622)	(455,767)
Transfer to subsidiaries	(12,532)	(7,312,081)	(92,303,158)	(1,812,152)	(1,170,865)
Write off			(936,609)	(256,918)	(135,055)
<b>Balance at 31 March 2024</b>	<b>4,625,589</b>	<b>24,514,036</b>	<b>87,502,033</b>	<b>7,430,302</b>	<b>16,227,282</b>
<b>Accumulated depreciation and impairment:</b>					
<b>Balance at 1 April 2022</b>	<b>419,907</b>	<b>10,020,540</b>	<b>91,824,956</b>	<b>5,979,642</b>	<b>8,462,286</b>
Charge for the year	-	1,293,905	9,799,344	757,165	2,003,212
Reclassification	-	-	(287,710)	(2,346)	(364,404)
Reversal of impairment	-	-	(1,051,589)	-	-
<b>Balance at 31 March 2023</b>	<b>419,907</b>	<b>11,314,445</b>	<b>100,285,001</b>	<b>6,734,461</b>	<b>10,101,094</b>
<b>Balance at 1 April 2023</b>	<b>419,907</b>	<b>11,314,445</b>	<b>100,285,001</b>	<b>6,734,461</b>	<b>10,101,094</b>
Charge for the year		1,248,939	9,108,451	824,401	2,016,510
Transfer to subsidiaries	(5,016)	(2,839,049)	(57,615,590)	(1,435,074)	(1,049,879)
Disposals				(16,543)	(441,754)
Write off				(215,277)	(215,277)
<b>Balance at 31 March 2024</b>	<b>414,891</b>	<b>9,724,335</b>	<b>51,777,862</b>	<b>6,107,245</b>	<b>10,410,694</b>
<b>Carrying amount</b>					
<b>Balance as at 1 April 2022</b>	<b>3,713,091</b>	<b>18,864,152</b>	<b>52,729,970</b>	<b>1,775,649</b>	<b>7,530,004</b>
<b>Balance as at 31 March 2023</b>	<b>3,981,214</b>	<b>20,208,673</b>	<b>61,385,551</b>	<b>2,103,113</b>	<b>7,892,326</b>
<b>Balance as at 31 March 2024</b>	<b>4,210,698</b>	<b>14,789,701</b>	<b>35,724,171</b>	<b>1,323,057</b>	<b>5,816,588</b>

**Analysis of bearer plants****31-Mar-24****Mature bearer plants**

	<b>Cost ₦'000</b>	<b>Accumulated depreciation ₦'000</b>	<b>Carrying amount ₦'000</b>
Sugar cane	4,602,261	(1,970,996)	2,631,265
Oil Palm	370,123	(109,183)	260,940
	4,972,384	(2,080,179)	2,892,205

**31-Mar-23****Mature bearer plants**

	<b>Cost ₦'000</b>	<b>Accumulated depreciation ₦'000</b>	<b>Carrying amount ₦'000</b>
Sugar cane	4,269,079	(1,095,958)	3,173,121
Oil Palm	370,123	(99,530)	270,593
	4,639,202	(1,195,488)	3,443,714

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

**Pledged as security**

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

**Capital commitments**

The total capital commitments of the Group as at 31 March 2024 amounted to ₦1.05billion (2023: ₦2.31billion) in respect of various capital projects.

**Capital work in progress**

Capital work in progress comprises immature bearer plants, buildings and plant and machinery under construction as at the year end. There was no capitalised borrowing cost during the year (2023: Nil).

**Closing Capital WIP is analysed as follows:**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-24 ₦'000</b>	<b>31-Mar-23 ₦'000</b>	<b>31-Mar-24 ₦'000</b>	<b>31-Mar-23 ₦'000</b>
Buildings	6,813,766	6,813,766	696,010	696,010
Plant and machinery	25,843,574	36,063,527	16,270,556	25,752,645
	<b>32,657,340</b>	<b>42,877,293</b>	<b>16,966,566</b>	<b>26,448,655</b>

## 18 Investment property

	Building Group ₦'000	Company ₦'000
<b>Cost</b>		
Balance at 1 April 2022	2,193,252	87,750
Addition	-	-
Balance at 31 March 2023	2,193,252	87,750
Balance at 1 April 2023	2,193,252	87,750
Addition	-	-
Balance at 31 March 2024	2,193,252	87,750
<b>Accumulated depreciation</b>		
Balance at 1 April 2022	765,809	35,015
Charge for the year	105,110	2,055
Balance at 31 March 2023	870,919	37,070
Balance at 1 April 2023	870,919	37,070
Charge for the year	105,110	2,055
Balance at 31 March 2024	976,029	39,125
<b>Carrying amount</b>		
Balance as at 1 April 2022	1,427,443	52,735
Balance as at 31 March 2023	1,322,333	50,680
Balance as at 31 March 2024	1,217,223	48,625

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

### Measurement of fair value

The fair value of the Group's and Company's investment property as at 31 March 2024 is ₦8.8 billion (2023: ₦7.8 billion) and ₦1.055 billion (2023: ₦729 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 dates by Messrs. Godwin Kalu & Co. (FRC registration number: FRC/2023/COY/812389) and Messrs. Jide Taiwo & Co. Estate Surveyors & Valuers (FRC registration number: FRC/2012/00000000254). Messrs. Godwin Kalu & Co and Messrs. Jide Taiwo & Co. are members of the Nigeria Institute of Estate Surveyors and Valuers and are not related to the Group. The fair value was determined based on the market comparable approach that reflects the recent transaction price of similar properties within a reasonable time frame.

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
Abuja residential property	774,100	581,200	774,100	581,200
Ibadan residential property	281,400	147,800	281,400	147,800
Lagos residential property	7,816,200	7,100,000	-	-
	8,871,700	7,829,000	1,055,500	729,000

Investment property comprises of a number of commercial properties that are leased to third parties. Each of the leases contains the lease period as well as the rental charge for the duration of the lease. Rental income earned by the Group amounted to ₦1.993 billion (2023: ₦262 million) and direct operating expenses amounted to ₦373 million (2023: ₦240 million). The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The valuation has been done using the market comparison approach. The fair values are based on market price of similar properties adjusted for relevant estimated costs of construction. This is based on the economic principle that a buyer will pay no more for an asset than what it will cost the buyer to own an equivalent asset of equal utility either through purchase or outright construction.	Adjusted cost of construction per floor area N million per square meter (2023: ₦2.42 million per square meter).	The estimated fair value will increase(decrease) if estimated adjusted cost of construction per square meter were higher(lower)

<b>Valuation techniques</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between key unobservable inputs and fair value measurement</b>
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 Nmillion per square meter (2023:N1.69 million per square meter).	The estimated fair value will increase(decrease) if estimated adjusted forced sale cost of construction per square meter werehigher (lower)

## 19 Intangible assets

	<b>Group</b>			
	<b>Brand name</b> N'000	<b>Customer relationships</b> N'000	<b>Computer software</b> N'000	<b>Total</b> N'000
<b>Cost</b>				
Balance at 1 April 2022	-	-	2,638,580	2,638,580
Additions	-	-	63,625	63,625
Acquisition through business combination (Note 21)	8,876,456	4,418,741	317,261	13,612,458
Balance at 31 March 2023	8,876,456	4,418,741	3,019,466	16,314,663
Balance at 1 April 2023	8,876,456	4,418,741	3,019,466	16,314,663
Additions	-	-	786,706	786,706
Translation effect			280,646	280,646
Balance at 31 March 2024	8,876,456	4,418,741	4,086,818	17,382,015
<b>Accumulated depreciation</b>				
Balance at 1 April 2022	-	-	2,269,398	2,269,398
Charge for the year	-	-	340,033	340,033
Balance at 31 March 2023	-	-	2,609,431	2,609,431
Balance at 1 April 2023	-	-	2,609,431	2,609,431
Charge for the year	-	-	141,031	141,031
Transfer	-	-	-	-
Translation effect	-	-	88,157	88,157
Balance at 31 March 2024	-	-	2,838,619	2,838,619
<b>Carrying amount</b>				
Balance as at 1 April 2022	-	-	369,182	369,182
Balance as at 31 March 2023	8,876,456	4,418,741	410,035	13,705,232
Balance as at 31 March 2024	8,876,456	4,418,741	1,248,199	14,543,396

	<b>Company</b>	
	<b>Computer software</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>
<b>Cost</b>		
Balance at 1 April 2022	2,166,507	2,166,507
Addition	-	-
Balance at 31 March 2023	2,166,507	2,166,507
Balance at 1 April 2023	2,166,507	2,166,507
Addition	-	-
Write off	(265,783)	(265,783)
Balance at 31 March 2024	1,900,724	1,900,724
<b>Accumulated depreciation</b>		
Balance at 1 April 2022	1,870,485	1,870,485
Charge for the year	234,247	234,247
Balance at 31 March 2023	2,104,732	2,104,732
Balance at 1 April 2023	2,104,732	2,104,732
Charge for the year	43,318	43,318
Write off	(265,782)	(265,782)
Balance at 31 March 2024	1,882,268	1,882,268
<b>Carrying amount</b>		
Balance as at 1 April 2022	296,022	296,022
Balance as at 31 March 2023	61,775	61,775
Balance as at 31 March 2024	18,456	18,456

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

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

For the Group, Brand name and customer relationships relate to previously unidentified intangible assets recognized upon acquisition of Honeywell Flour Mills Plc by the Company in the previous year. These intangible assets have been estimated to have indefinite useful lives.

## 20 Goodwill

Group	31-Mar -24			31-Mar -23		
	Cost ₦'000	Accumulated impairment ₦'000	Carrying value ₦'000	Cost ₦'000	Accumulated impairment ₦'000	Carrying value ₦'000
	4,148,022	-	4,148,022	4,148,022	-	4,148,022
Company	31-Mar -24			31-Mar -23		
	Cost ₦'000	Accumulated impairment ₦'000	Carrying value ₦'000	Cost ₦'000	Accumulated impairment ₦'000	Carrying value ₦'000
	1,876,816	-	1,876,816	1,876,816	-	1,876,816

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

	Group	
	31-Mar -24	31-Mar -23
Goodwill on acquisition of Premium Edible Oil Products Limited (formerly ROM Oil Mills Limited) - allocated to Premier Feed Mills Company Limited	1,351,067	1,351,067
Goodwill on acquisition of Premium Cassava Products Limited (formerly Thai Farms International Limited) - allocated to Nigerian Eagle Flour Mills Limited	920,139	920,139
Goodwill on acquisition of Quilvest through New Horizon Flour Mills Limited allocated to Flour Mills of Nigeria Plc.	1,876,816	1,876,816
	4,148,022	4,148,022

	Company	
	31-Mar -24	31-Mar -23
Goodwill on acquisition of Quilvest through New Horizon Flour Mills Limited allocated to Flour Mills of Nigeria Plc.	1,876,816	1,876,816
	1,876,816	1,876,816

Goodwill has been assessed for impairment as part of the annual mandatory impairment testing in line with the requirements of the IFRS Accounting 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 2024, the adjusted carrying values of the assets of the CGUs to which the Goodwill was allocated were lower than the irrecoverable amounts. As a result, no impairment loss on Goodwill has been recognized (2023: 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
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 that is based on four (4) year projections of current year free cash flows from operations aside from Premier Feed Mills Company Limited of which five (5) year projections have been considered. The weighted average cost of capital (WACC) used is between 11.50% - 22.77% per annum (2023: 19.70% - 21.30% per annum).

### Key forecast assumptions

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

- Discount rate (WACC): 11.50% - 22.77% per annum (2023: 19.7% - 21.30% per annum)
- Net cash flow: The Net cash flow is based on 4-year forecast using 2024 as the base year. However, 5-year forecast have been used for Premier Feed Mills Company Limited
- Terminal growth rate of 3.61% - 11.18%.

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 four (4) years and the estimated sales volume and price growth for the next four years. For Premier Feed Mills Company Limited , revenue growth has been 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 for Premier Feed Mills Company Limited and the next four years for other entities respectively.

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. In prior period, management had assessed that the recoverable amounts of all CGU's exceeded their carrying amount in the period under review (2023: same).

### 21 Investment in subsidiaries

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

	Group		Company	
	31-Mar-24 N'000	31-Mar-23 N'000	31-Mar-24 N'000	31-Mar-23 N'000
<b>Unquoted</b>				
Apapa Bulk Terminal Limited	-	-	50,000	50,000
Nigerian Eagle Flour Mills Limited	-	-	510,000	510,000
Crestview Towers Limited	-	-	10,000	10,000
FMN International Limited	-	-	1,114,900	1,114,900
Ecowise Horizon Investment Limited	-	-	1,000	1,000
Golden Penny Power Limited	-	-	1,000	1,000
Golden Fertilizer Company Limited (Note 21 (a)(ii))	-	-	33,807,193	38,807,193
Golden Sugar Company Limited	-	-	43,817,193	43,817,193
Flour Mills Apapa Free Trade Zone-Management Company (Note 21 (a) (i))	-	-	75,000	-
Flour Mills Agbara Free Trade Zone-Management Company (Note 21 (a) (i))	-	-	75,000	-
Flour Mills Iganmu Free Trade Zone -Management Company (Note 21 (a) (i))	-	-	75,000	-
Flour Mills Apapa Free Trade Zone Enterprise (Note 21(a) (I))	-	-	75,000	-
Flour Mills Agbara Free Trade Zone Enterprise (Note 21(a) (i))	-	-	75,000	-
Flour Mills Iganmu Free Trade Zone Enterprise (Note 21 (a) (i))	-	-	75,000	-
	-	-	79,761,286	84,311,286
<b>Quoted</b>				
Northern Nigeria Flour Mills Plc	-	-	903,441	903,441
	-	-	80,664,727	85,214,727
Impairment	-	-	(50,000)	(50,000)
	-	-	80,614,727	85,164,727

(i) During the year, Flour Mills of Nigeria Plc invested N450 million to acquire 75,000,000 units of shares each in these respective entities; Flour Mills of Nigeria Free Trade Zone Enterprise Apapa, Flour Mills of Nigeria Free Trade Zone Enterprise Iganmu, Flour Mills of Nigeria Free Trade Zone Enterprise Agbara, Flour Mills of Nigeria Management Company Apapa, Flour Mills of Nigeria Management Company Agbara and Flour Mills of Nigeria Management Company Iganmu.

(ii) During the year, based on the decision of the management, the quasi equity investment of N5 billion in Golden Fertilizer Company Limited was converted to interest-bearing intragroup loan receivables. The investment in equity was reclassified to interest bearing intercompany loan and eliminated at group level. Golden Fertilizer is in the business of fertilizer process and it serves as the holding company for the Agro-allied business under the Flour Mills Group. See Note 25.

<b>(b) Shareholding in Subsidiaries</b>	<b>Ordinary Shares</b>	<b>31-Mar -24</b>	<b>31-Mar -23</b>	<b>Principal Activity</b>
<b>Direct interest</b>				
Apapa Bulk Terminal Ltd	380,000,000 ordinary shares of 50 kobo per shares	100	100	Port Operations
Ecowise Horizon Investment Ltd	1,000,000 ordinary shares of N1 per shares	100	100	Investment Manufacturing
Golden Sugar Company Ltd	20,000,000 ordinary shares of 50 kobo per shares	100	100	of sugar
Golden Penny Power Ltd	1,000,000 ordinary shares of N1 per shares	100	100	Power generation
Northern Nigeria Flour Mills Plc	178,200,000 ordinary shares of 50 kobo per shares	60	60	Flour milling
Crestview Towers Ltd	20,000,000 ordinary shares of 50k each	100	100	Real estate
Nigerian Eagle Flour Mills Ltd	510,000,000 ordinary shares of N1 per shares	51	51	Flour milling Support
FMN International Ltd	200,000 ordinary shares of \$10 each	100	100	services
Flour Mills Apapa Free Trade Zone-Management Company	75,000,000 ordinary shares of N1 per shares	100	-	Flour milling
Flour Mills Agbara Free Trade Zone-Management Company	75,000,000 ordinary shares of N1 per shares	100	-	Flour milling
Flour Mills Iganmu Free Trade Zone-Management Company	75,000,000 ordinary shares of N1 per shares	100	-	Flour milling
Flour Mills Apapa Free Trade Zone-Enterprise	75,000,000 ordinary shares of N1 per shares	100	-	Flour milling
Honeywell Flour Mills Plc	3,841,846,799 ordinary shares of 50 kobo per shares	48	48	Flour milling
Flour Mills Agbara Free Trade Zone Enterprise	75,000,000 ordinary shares of N1 per shares	100	-	Flour milling
Flour Mills Iganmu Free Trade Zone Enterprise	75,000,000 ordinary share s of N1 per shares	100	-	Flour milling
Golden Fertilizer Company Ltd	100,000,000 ordinary shares of N1 per shares	100	100	Agriculture
<b>Indirect interest</b>				
Servewell Agricultural Services Ltd	10,000,000 ordinary shares of 50k each	100	100	Silo storage services
Independent Grain Handling & Storage Limited	10,000,000 ordinary shares of 50k each	100	100	Silo storage services
Upland Grains Production Company Ltd	10,000,000 ordinary shares of 50k each	100	100	Silo storage services
Premium Edible Oil Products Ltd	4,389,500,000 ordinary shares of 50k each	100	100	Manufacturing of edible oil. of flour product
Honeywell Flour Mills Plc	2,323,836,751 ordinary shares of 50 kobo per shares	30	30	product
Greywise Investment Solutions Ltd	1,000,000 ordinary shares of N1 per shares	100	100	Investment
Best Chickens Ltd	20,000,000 ordinary shares of 50k each	100	100	Agriculture
Premier Feed Mills Company Ltd	50,000,000 ordinary shares of 50 kobo per shares	62	62	Livestock feeds of flour
Port Harcourt Flour Mills Limited	10,000,000 ordinary shares of N1 per shares	55	-	Flour milling

In prior years, the following companies were merged into Apapa Bulk Terminal Limited - Golden Shipping Company Nigeria Limited and Olympic Towers Limited.

Other than FMN International Limited situated in Cyprus, the place of business of all the subsidiaries is Nigeria.

#### (c) Movement in investment in subsidiaries

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
At 1 April	-	-	85,164,727	45,755,534
Additions in the year (Note 21(a(i)and (iii))	-	-	450,000	602,000
Transfers (Note 21(a(ii))	-	-	-	38,807,193
Reclassification to inter company loan receivables	-	-	85,614,727	85,164,727
At 31 March	-	-	80,614,727	85,164,727

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

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

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

- Discount rate (WACC): 11.50% - 22.77% per annum (2023: 19.7% - 21.30% per annum)
- Net cash flow: The Net cash flow is based on 4-year forecast using 2024 as the base year. However, 5-year forecast has been used for Premier Field Mills
- Terminal growth rate of 3.61% - 11.18%.
- Inflation rate: Inflation rate is based on forecast consumer price indices during the period for the country. An inflation rate of 28.92% has been applied for the current year (2023: 21.91%). 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 ten (10) years.

Revenue growth was projected taking into account the average growth levels experienced over the past four (4) years and the estimated sales volume and price growth for the next four years. It was assumed that sales prices would grow at a constant margin above forecast inflation over the next four years.

#### (d) Subsidiaries with material non-controlling interests

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

	% Ownership interest held by non-controlling interest	
	31-Mar-24	31-Mar-23
Northern Nigeria Flour Mills Plc.	40.4%	40.4%
Honeywell Flour Mills Plc	22.3%	22.3%
Premier Feed Mills Company Limited.	38.0%	38.0%
Nigerian Eagle Flour Mills Limited	49.0%	49.0%
Port Harcourt Flour Mills Limited	72.0%	0%

<b>Summarised consolidated and separate statement of financial position In thousands of Naira</b>	<b>NCI %</b>	<b>Non current assets</b>	<b>Current assets</b>	<b>Total assets</b>	<b>Non current liabilities</b>	<b>Current liabilities</b>	<b>Total liabilities</b>	<b>Net assets</b>	<b>Carrying amount of non-controlling interest</b>
Northern Nigeria Flour Mills Plc	40%	7,521,822	10,402,624	17,924,446	1,080,056	8,766,653	9,846,709	8,077,737	3,268,252
Premier Feed Mills Company Limited	38%	18,534,725	46,860,213	65,394,938	20,079,786	35,384,682	55,464,467	9,930,471	3,773,579
Honeywell Flour Mills Plc	22%	81,831,114	67,134,834	148,965,948	37,330,329	88,779,107	126,109,436	22,856,512	6,687,508
Nigerian Eagle Flour Mills Limited	49%	4,889,596	13,692,087	18,581,683	535,805	9,577,296	10,113,101	8,468,582	4,149,605
Port Harcourt Flour Mills Limited (Note 22)	72%	4,397,194	528,095	4,925,289	1,429,570	1,038,990	2,468,560	2,456,730	1,093,732
<b>Total</b>		117,174,451	138,617,853	255,792,304	60,455,546	143,546,728	204,002,273	51,790,032	18,972,676
Intra-group eliminations									641,921
Non-controlling interest per consolidated statement of financial position									19,614,597

<b>Summarised statement of profit or loss and other comprehensive income In thousands of Naira</b>	<b>NCI %</b>	<b>Revenue</b>	<b>Profit/(loss) before tax</b>	<b>Tax expense</b>	<b>Profit/(loss) for the year</b>	<b>Other comprehensive income/(loss)</b>	<b>Total Profit/(loss) allocated to NCI</b>	<b>OCI attributable to NCI</b>	<b>Total comprehensive income/(loss) attributable to NCI</b>
Northern Nigeria Flour Mills Plc	40%	25,951,365	2,306,657	(782,288)	1,524,369	34,645	1,559,014	615,845	13,997
Premier Feed Mills Company Limited	38%	105,970,775	1,104,934	-	1,104,934	4,722	1,109,566	419,875	1,795
Honeywell Flour Mills Plc	22%	188,311,035	(8,598,493)	(1,521,285)	(10,119,778)	-	(10,119,778)	(2,251,651)	-
Nigerian Eagle Flour Mills Limited	49%	72,661,527	9,092,408	(79)	9,092,329	-	9,092,329	4,455,241	-
Port Harcourt Flour Mills Limited (Note 22)	72%	-	67,076	-	67,076	-	67,076	48,262	48,262
<b>Total</b>		392,894,702	3,972,582	(2,303,652)	1,668,930	39,367	1,708,297	3,287,572	15,792
Intra-group eliminations									-
Total profit or loss allocated to non-controlling interest							3,287,572	15,792	3,303,364

<b>Summarised statement of cash flows</b>		<b>NCI percentage Cash flow from</b>	<b>Cash flow operating activities</b>	<b>Cash flow investing activities</b>	<b>Cash flow financing activities</b>	<b>Net increase (decrease) in cash flow</b>
<b>In thousands of Naira</b>						
Northern Nigeria Flour Mills Plc		40%	1,665,263	(197,686)	(238,395)	1,229,182
Premier Feed Mills Company Limited		38%	2,997,108	(2,924,767)	3,301,281	3,373,622
Honeywell Flour Mills Plc		22%	70,737,070	(1,801,355)	(71,910,777)	(2,975,062)
Nigerian Eagle Flour Mills Limited		49%	8,389,737	(882,028)	(7,550,000)	(42,291)
Port Harcourt Flour Mills Limited		22%	838,974	(88,203)	(755,000)	(4,229)
<b>Total</b>			<b>84,628,152</b>	<b>(5,894,039)</b>	<b>(77,152,891)</b>	<b>1,581,222</b>

On 5 June 2023, Nigeria Eagle Flour Mills (a subsidiary of Flour Mills Nigeria Plc) acquired 55% of the voting rights of Port Harcourt Flour Mills (PHFM) and PHFM became a sub-subsidiary from that date (see Note 22). Accordingly, the information relating to PHFM is only for the period from 5 June 2023 to 31 March 2024.

<b>Summarised consolidated and separate statement of financial position</b>		<b>NCI percentage</b>	<b>Non current assets</b>	<b>Total assets</b>	<b>Non current liabilities</b>	<b>Current liabilities</b>	<b>Total liabilities</b>	<b>Net assets</b>	<b>Carrying amount of non-controlling interest</b>
<b>In thousands of Naira</b>									
Northern Nigeria Flour Mills Plc	40%	7,622,627	10,111,407	17,734,034	883,665	10,008,950	10,892,615	6,841,419	2,768,038
Premier Feed Mills Company Limited	38%	30,196,186	31,615,286	61,811,472	8,054,033	39,140,006	47,194,039	14,617,433	5,554,625
Honeywell Flour Mills Plc (Note 22)	22%	83,463,437	78,753,163	162,216,600	80,519,978	60,559,241	141,079,219	21,137,381	6,687,508
Nigerian Eagle Flour Mills Limited	49%	5,352,913	11,804,893	17,157,806	1,078,760	5,102,907	6,181,667	10,976,140	5,378,308
<b>Total</b>		<b>126,635,163</b>	<b>132,284,749</b>	<b>258,919,912</b>	<b>90,536,436</b>	<b>114,811,104</b>	<b>205,347,540</b>	<b>53,572,373</b>	<b>20,388,479</b>
Intra-group eliminations									(5,170,978)
Non-controlling interest per consolidated statement of financial position									15,217,501

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

<b>Summarised statement of profit or loss and other comprehensive income In thousands of Naira</b>	<b>Revenue</b>	<b>Profit/(loss) before tax</b>	<b>Tax expense</b>	<b>Profit for the year</b>	<b>Other comprehensive income</b>	<b>Total comprehensive income attributable</b>	<b>Profit allocated to NCI</b>	<b>OCI attributable to NCI</b>	<b>Total comprehensive income attributable to NCI</b>
	<b>NCI %</b>								
Northern Nigeria Flour Mills Plc	40%	16,161,840	544,163	15,763	559,926	-	93,424	226,210	-
Premier Feed Mills Company Limited	38%	81,048,659	(2,906,485)	-	(2,906,485)	-	(2,906,485)	(1,104,464)	-
Honeywell Flour Mills Plc	22%	132,778,935	(8,270,309)	(203,828)	(8,474,137)	-	(8,474,137)	(1,885,496)	-
Nigerian Eagle Flour Mills Limited	49%	40,009,485	5,169,785	4,761	5,174,546	-	5,174,546	2,535,528	-
Total		269,998,919	(5,462,846)	(183,304)	(5,646,150)	-	(6,112,652)	(228,222)	-
Intra-group eliminations						-	-	-	-
Total profit or loss allocated to non-controlling interest						(228,222)	-	(228,222)	-

**Summarised statement of cash flows  
In thousands of Naira**

	<b>NCI percentage Cash flow from</b>	<b>Cash flow operating activities</b>	<b>Cash flow investing activities</b>	<b>Cash flow financing activities</b>	<b>Net increase (decrease) in cash flow</b>
Northern Nigeria Flour Mills Plc	40%	1,209,107	(159,280)	(250,146)	799,681
Premier Feed Mills Company Limited	38%	9,392,060	(1,753,171)	(10,185,685)	(2,546,796)
Honeywell Flour Mills Plc	22%	(553,009)	(1,300,350)	(4,698,685)	(6,552,044)
Nigerian Eagle Flour Mills Limited	49%	(8,271,130)	(579,423)	8,643,149	(207,404)
Total		1,777,028	(3,792,224)	(6,491,367)	(8,506,563)

## 22 Business Combination - Incorporation of Port Harcourt Flour Mills Limited

On 5 June 2023, Nigerian Eagle Flour Mills Limited entered into a contract agreement with the Government of Rivers State for the purchase of its equity interest in Port Harcourt Flour Mills, a private limited liability company duly incorporated under the laws of the Federal Republic of Nigeria.

Prior to the acquisition, the Bayelsa State Government owned 4,500,000 shares representing 45% of the Company's total shares, and the Government of Rivers State, through the Rivers State Ministry of Finance Incorporated, owns 5,500,000 shares representing 55% of the total shares in the Company. Nigerian Eagle Flour Mills Limited also oversaw the Management of the Company's operations and thereafter, offered to buy 100% of the shares held by The Government of Rivers and Bayelsa State in the Company. However, only 55% of the shares previously held by The Government of Rivers State was acquired by Nigerian Eagle Flour Mills Limited at the end of the financial year and discussions are being currently held with The Government of Bayelsa State to fully buy the remaining 45% equity interest in Port Harcourt Flour Mills Limited, however this is yet to be finalised as at the end of the financial year. The transaction was entered into as part of FMN's global growth strategy as Port Harcourt Flour Mills Limited was seen as a good opportunity to service south-south customers. NEFM saw this opportunity and leverage on it together with proximity to port for ease of access to importing its raw materials to service the factory.

### Details of the purchase consideration are as follows:

	₦'000
Purchase consideration	433,162
Total purchase consideration	433,162

Acquisition-related costs of N111 million are included in legal and professional fees under administrative expenses in the statement of profit or loss and in operating cash flows in the statement of cash flows.

The fair value assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value ₦'000
Property, plant and equipment	4,792,200
Trade and other payables	(727,864)
Current tax liabilities	(204,251)
Deferred tax liabilities	(1,429,570)
Net identifiable assets acquired	2,430,515
Less: non-controlling interests (measured at fair value of the recognised identifiable net assets)*	(1,093,732)
Net assets acquired	1,336,783

\*The fair value of the non-controlling interests at the acquisition date has been measured using the proportionate share of identifiable net asset of Port Harcourt Flour Mills Limited.

### Gain on bargain purchase

Gain on bargain purchase arising from the acquisition has been recognised as follows:

	₦'000
Consideration transferred	433,162
Non-controlling interest in the acquiree	1,093,732
Fair value of identifiable net assets	(2,430,515)
	<b>(903,621)</b>

The entity has made a gain on bargain purchase of ₦904 million which is included in other operating income. The gain on bargain purchase has arisen due to Nigeria Eagle Flour Mills acquiring 55% of the total shares in Port Harcourt Flour Mills Limited.

### Revenue and profit contribution

The acquired business has not contributed any revenue to the Group for the period from 5 June 2023 to 31 March 2024. However, it contributed a net profit of ₦457.9 million to the Group in this period due to handling income that the business receives on storage services offered to third party customers. If the acquisition had occurred on 1 April 2023, it would still have contributed no revenue to the Group for the year ended 31 March 2024 but it would have contributed a profit of ₦499.76 million, which would have been ₦41.9 million higher than the profit it currently contributes to the Group. These amounts have been calculated using the subsidiary's results.

## 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-24 N'000	31-Mar-23 N'000	31-Mar-24 N'000	31-Mar-23 N'000
<b>Quoted equity investments</b>				
Transnational Corporation Plc	127,500	127,500	127,500	127,500
Net fair value gain/(loss)	355,300	(80,240)	355,300	(80,240)
	482,800	47,260	482,800	47,260
	482,800	47,260	482,800	47,260

The Group's investment in Transnational Corporation Plc was fair valued using the market price of ₦14.20 per share (2023: ₦1.39) as at year end which resulted in fair value increase of ₦355.30 million (2023: fair value decrease of ₦80.24 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 asset

	Livestock (a) N'000	Oil palm (b) N'000	Cassava (c) N'000	Sugarcane (d) N'000	Total N'000
<b>Balance at 1 April 2022</b>	73,475	91,974	78,254	586,855	830,558
Addition	8,375	177,869	11,184	5,829,822	6,027,250
Fair value gain/(loss) due to remeasurement	27,914	12,219	5,192	(1,344,967)	(1,299,642)
Harvested during the year	(55,266)	(207,970)	(7,214)	(4,566,945)	(4,837,395)
<b>Balance at 31 March 2023</b>	<b>54,498</b>	<b>74,092</b>	<b>87,416</b>	<b>504,765</b>	<b>720,771</b>
<b>Balance at 1 April 2023</b>	<b>54,498</b>	<b>74,092</b>	<b>87,416</b>	<b>504,765</b>	<b>720,771</b>
Additions	25,296	-	7,671	-	32,967
Fair value gain/(loss) due to remeasurement	(10,877)	25,707	(48,227)	732,441	699,044
Harvested during the year	(11,374)	-	(35,282)	-	(46,656)
Write off*	(13,922)	-	-	-	(13,922)
<b>Balance at 31 March 2024</b>	<b>43,621</b>	<b>99,799</b>	<b>11,578</b>	<b>1,237,206</b>	<b>1,392,204</b>

\* Write off of livestock relates to the mortality of livestock during the year (2023: Nil).

## Analysed into:

Current  
Non-current

	31-Mar-24 N'000	31-Mar-23 N'000
1,348,583	666,273	
43,621	54,498	
<b>1,392,204</b>	<b>720,771</b>	

- (a) Livestock relates to poultry used for poultry eggs production at Best Chickens Limited and are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in the profit or loss. Point-of-sale costs include all costs that will be necessary to sell the assets. The fair value of livestock is determined based on the present value of future income to be realised from the sales of livestocks and the poultry eggs at the end of the current year. The livestock written off during the year relates to loss of livestock to death and other natural disasters
- (b) Oil palm refers to growing fresh fruit bunches at Premium Edible Oil Products Limited and are stated at fair value less cost-to-sell with any resultant gain or loss recognised in profit or loss. Selling costs include all costs that would be necessary to sell the fresh fruit bunches (including cost of harvest). The fair value is determined based on valuation using the market prices of fresh fruit bunches per tonne of similar weight and quality. Oil Palm trees are classified as bearer plants (See Note 17).
- (c) Cassava is cultivated at Premium Cassava Products Limited (a division of Golden Sugar Company) and the harvested cassava tubers are used for starch extraction and production of high quality cassava flour. They are stated at fair value less estimated cost-to-sell. Cost-to-sell include costs that would be necessary to sell the cassava tubers (including the cost of harvest). Fair value is determined based on valuation using market prices per tonne of cassava tubers of similar weight and quality, adjusted for stage of maturity.
- (d) Growing sugarcane refers to sugarcane plants at the plantation owned by Golden Sugar Company Limited. The initial sugarcane suckers has a cane-production life of seven years (See Note 17). The cost of the suckers, the related land preparation cost and other directly associated cost such as those of fertilizer have been capitalised as bearer plants and are being depreciated over seven years. The canes which are harvested from the suckers annually for sugar milling are classified as biological assets. The biological assets are carried at fair value less estimated cost to sell. The fair value is based on market prices of sugarcane per tonne and stage to maturity.

**Methods and assumptions used in determining fair value**

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

**Measurement of fair values****Fair value hierarchy**

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

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

Type	Valuation techniques	Valuation variables	Inter-relationship between key valuation variables and fair value measurement
 Oil Palm	<b>Market comparison technique:</b> The fair values are based on market price per tonne of similar palm fruit bunches adjusted for age of maturity.	Estimated plantation size 1,497 hectares (2023: 1,497 hectares) Estimated market price per tonne ₦206,155 (2023: ₦158,281) Number of trees 166,840 (2023: 166,840). Estimated yield per tree 5 bunches per year (2023: 5). Estimated cost to sell per bunch ₦524 (2023: ₦361).	The estimated fair value would increase/(decrease) if: a. the estimated price per tonne of fresh fruit bunch were higher/(lower). b. If the estimated yield per tree were higher/(lower). c. If the estimated cost to sell were lower/(higher)
 Livestock	<b>Market comparison technique:</b> The fair values are based on market price of livestock of similar age, weight and breed.	Estimated number of birds as at 2024: 25,403 (2023: 23,883). Average age ranges between 25 and 92 weeks. Average price per bird is ₦1,797 (2023: ₦2,300).	The estimated fair value would increase/(decrease) if: a. the estimated price per birds were higher/(lower) the estimated number of birds were higher/ (lower)
	<b>Market comparison technique:</b> 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 43.7 hectares (2023: 433 hectares). Also the estimated yield per hectare was 2.4 metric tonnes (2023: 7.54 tonnes). Estimated market price N 133,723 per metric tonne (2023: ₦43,000 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	<b>Market comparison technique:</b> 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 3,157 hectares (2023: 2,856 hectares) Estimated market price per metric tonne is ₦62,253 per metric tonnes (2023: ₦27,000 per metric tonnes). Estimated yield per hectare 58 metric tonnes (2023: 70 metric tonnes).	The estimated fair value would increase/ decrease if: a. Price per metric tonne were higher/ (lower) b. Estimated yield per hectare were higher/ (lower).

## Risk management strategy related to agricultural activities

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

### a Regulatory and environmental risks

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

### b Supply, demand and yield risks

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

### c Climate, disease and other risks

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

## 25 Long term loans and receivables

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
Port Harcourt Flour Mills Limited	-	166,974	-	-
Golden Sugar Company Limited	-	-	-	12,836,775
Kaboji Farms Limited	-	-	-	-
Golden Fertilizer Company Limited	-	-	4,362,725	8,058,883
Honeywell Flour Mills Plc	-	-	9,121,427	1,100,609
Receivable from ABCML	31,188	43,534	-	-
Impairment of long term receivables	-	(166,974)	-	(1,142,726)
Total long term loans and receivables	31,188	43,534	13,484,152	20,853,541

### Credit quality on long term receivables

The Company granted intercompany loans with a carrying amount of ₦13.484 billion as at 31 March 2024 (2023: ₦20.8 billion) to Golden Fertilizer Company Limited and Honeywell Flour Mills Plc within the Group. 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 is charged based on the weighted average cost of group borrowing facilities.

**Movement in long term receivables**

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
Opening balance	43,534	37,551	20,853,541	69,962,336
Additions during the year	-	6,887	312,764,940	111,259,003
	43,534	44,438	333,618,481	181,221,339
Repayments in the year	(179,320)	(904)	(321,277,055)	(160,915,357)
Write-back in the year	166,974	-	1,142,726	547,559
	31,188	43,534	13,484,152	20,853,541

**26 Inventories**

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
Raw materials and components	438,778,056	222,759,605	36,908,205	86,141,446
Work in progress	35,351,096	13,456,234	7,300,491	5,254,552
Finished goods	36,722,674	30,752,760	23,037,825	16,753,825
Consumable stores and maintenance spares	88,386,168	73,064,509	31,400,712	45,801,702
	599,237,994	340,033,108	98,647,233	153,951,525
Inventories (provision)	(8,737,787)	(3,658,468)	(4,664,975)	(2,025,899)
	590,500,207	336,374,640	93,982,258	151,925,626

**Movement in inventory allowance**

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
Opening Balance	3,658,468	4,058,212	2,025,899	330,523
Inventories write back	(174,756)	(731,694)	(93,300)	(40,518)
Inventories provision	5,254,075	331,950	2,732,376	1,735,894
Closing Balance	8,737,787	3,658,468	4,664,975	2,025,899

The cost of inventories recognised as an expense during the year in the Group was ₦1.78 trillion (2023: ₦1.2 trillion), while in the Company it was ₦1.09 trillion (2023: ₦773 billion).

Inventory write down during the period for the Group was ₦5.07 billion (2023: ₦3.66 billion), Company ₦2.64 billion (2023: ₦2.03 billion). This has been recognised in the cost of sales.

**27 Trade and other receivables**

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
Trade receivables	61,034,771	37,108,984	27,600,332	20,020,541
Intercompany receivables-net (Note 41)	-	-	405,945,930	64,460,191
Impairment allowance on trade and intercompany receivables (Note 44 )	(6,053,893)	(4,185,485)	(4,402,004)	(2,880,779)
Trade receivables at amortised cost	54,980,878	32,923,499	429,144,258	81,599,953
Staff debtors	3,615,593	3,610,006	2,777,148	2,653,986
Sundry debtors*	13,038,719	10,936,053	24,488,433	13,563,173
Total trade and other receivables	71,635,190	47,469,558	456,409,839	97,817,112

\*Sundry debtors relate majorly to Group and Company's withholding tax of ₦5.2 billion and ₦1.1 billion (2023: ₦2.9 billion and ₦428 million) respectively. Also included in sundry debtors is an amount of ₦8.0 billion (2023: ₦9.0 billion) relating to Company's dividend receivable from subsidiaries. There are no impairment charge and allowance on staff and sundry debtors for the year (2023: nil).

## 28 Derivatives

Refer to Note 44 fair value information for details of valuation policies and processes.

Refer to Financial instruments and risk management for further details

Group	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	Assets N'000	Liabilities N'000	Assets N'000	Liabilities N'000
Foreign exchange futures contracts-Forwards	-	-	-	2,942,620
	-	-	-	2,942,620

Company	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	Assets N'000	Liabilities N'000	Assets N'000	Liabilities N'000
Foreign exchange futures contracts-Forwards	-	-	-	2,088,559
	-	-	-	2,088,559

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

Group	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	Assets N'000	Liabilities N'000	Assets N'000	Liabilities N'000
Base derivative asset/(liabilities)	-	-	-	(2,942,620)
	-	-	-	(2,942,620)

	Derivative forward net N'000	Derivative futures net liability N'000	Derivative forward net N'000	Derivative futures net liability N'000
100 basis point increase in NIBOR rates			-	(2,957,458)
100 basis point increase in USD LIBOR rates			-	(2,938,719)
100 basis point increase in NIBOR rates			-	(2,927,782)
100 basis point increase in USD LIBOR rates			-	(2,946,521)

Company	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	Assets N'000	Liabilities N'000	Assets N'000	Liabilities N'000
Base derivative asset/(liabilities)	-	-	-	(2,088,559)
	-	-	-	(2,088,559)

	Derivative forward net N'000	Derivative futures net liability N'000	Derivative forward net N'000	Derivative futures net liability N'000
100 basis point increase in NIBOR rates			-	(2,098,616)
100 basis point increase in USD LIBOR rates			-	(2,086,107)
100 basis point increase in NIBOR rates			-	(2,078,517)
100 basis point increase in USD LIBOR rates			-	(2,091,026)

The Group and Company's derivative asset and liability represents the fair value of Forward 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 no foreign currency payable (2023: USD 96 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.

## 29. Prepayments

	Group	Company		
	31-Mar -24 N'000	31-Mar -23 N'000	31-Mar -24 N'000	31-Mar -23 N'000
Deposit for imports (Letters of credit) (d)	186,577,188	131,489,455	142,302,200	125,642,327
Deposit for FX relating to forward and futures contracts	-	53,775,923	-	17,833,104
Advance payment to suppliers(c)	33,837,717	31,567,363	18,733,776	19,542,369
Prepaid rent on operating premises(a)	304,218	212,042	165,508	164,597
Prepaid expenses (b)	3,714,972	11,028,301	1,867,825	6,409,746
	<b>224,434,095</b>	<b>228,073,084</b>	<b>163,069,309</b>	<b>169,592,143</b>
Analysed into:				
Current	224,434,095	228,073,084	163,069,309	169,592,143
Non-Current	-	-	-	-
	<b>224,434,095</b>	<b>228,073,084</b>	<b>163,069,309</b>	<b>169,592,143</b>

- (a) Prepaid rent represents advance payment on short term leases.
- (b) Prepaid expenses comprises of prepaid insurance premium, and prepaid IT expenses.
- (c) In prior year, the Company made a payment of ₦31.3 billion to the Federal Government as a prepayment to offset future taxes subject to certain conditions being met. However, as at 31 March 2024, the Company, having met the conditions, has utilized ₦14.5 billion to offset monthly Value Added Tax (VAT) payments. The utilization of the amount requires approval by the tax authority, the outcome of which is not wholly within the control of the Company. The Company is positive about a favorable outcome.

The unutilized amount of N16.8 billion is therefore accounted for as contingent assets

- (d) The N 187 billion are deposits for Letter of Credit.

## 30. Cash and cash equivalents

Cash and cash equivalents consist of:

	Group	Company	
	31-Mar -24 N'000	31-Mar -23 N'000	31-Mar -24 N'000
Cash on hand	1,131,507	966,470	959,384
Bank balances and fixed deposits	174,712,516	96,735,559	147,959,052
	<b>175,844,023</b>	<b>97,702,029</b>	<b>148,918,436</b>
Cash and cash equivalents per statement of financial position	(7,847,196)	(32,806,764)	(7,847,055)
Bank overdraft	(7,847,196)	(32,806,764)	(20,191,541)
<b>Cash and cash equivalents per statement of cashflows</b>	<b>167,996,827</b>	<b>64,895,265</b>	<b>141,071,381</b>
	<b>167,996,827</b>	<b>64,895,265</b>	<b>141,071,381</b>

Cash and cash equivalents comprise cash and bank balances, net of outstanding bank overdrafts. The carrying amount of these assets approximate their fair values due to their short term nature. See note 43 for additional information on exposure to credit and currency risk. There are no short term deposits for unclaimed dividends in the current year (2023: ₦4.04 billion) for the Company.

	Group		Company	
	31-Mar-24 N'000	31-Mar-23 N'000	31-Mar-24 N'000	31-Mar-23 N'000
<b>Cash generated from/(used in) operations profit for the year</b>				
Profit for the year	3,544,753	29,504,285	16,817,754	14,173,904
Adjustments for:				
Depreciation of Property, Plant and Equipment	17	33,486,437	24,882,238	13,198,301
Amortisation of intangible assets	19	141,031	340,033	43,318
Depreciation of investment property	18	105,110	105,110	2,055
Gain/(Loss) on loan modification	32	418,188	3,572,570	2,279
Gain on bargain purchase	22	(903,621)		
Loss/(gain) on derecognition of leases	30.2	(104,615)	-	97,079
Losses/(gains) on disposals of property, plant and equipment	8	(104,481)	195,838	(43,000)
Depreciation of ROU assets	39	2,186,875	2,087,670	458,467
Net (losses)/gain on foreign exchange	40	10,535,478	22,570,929	-
Investment income	12	(4,638,656)	(717,611)	(26,612,314)
Finance costs	13	71,353,222	55,725,721	41,199,390
Fair value loss/(gain) on biological assets	24	(699,044)	1,299,642	-
Fair value loss/(gain) on derivatives	8	-	2,807,026	-
Provision for retirement benefit obligations	33	2,407,512	2,423,527	1,943,600
Write-off/impairment of property plant and equipment	17	1,245,144	(670,703)	1,113,305
Write-off of inventory	26	5,079,319	-	2,639,076
Write-off of biological assets	24	13,922	-	-
Income tax charge/(credit)	14	(3,781,441)	10,278,323	1,436,201
Provision for long service award	34	873,856	866,623	741,029
Transfers in/(out)-long service award	34	-	-	84,587
Transfers in/(out)-employee benefit obligation	33	-	-	188,625
Impairment/(reversal of impairment) on long term loans and trade receivables	25 & 27	1,701,434	(1,509,508)	378,499
Minimum tax	14	4,189,142	2,969,506	-
		127,049,565	156,731,219	53,688,251
				74,298,328
<b>Changes in working capital:</b>				
Inventories	26	(259,158,230)	(51,911,819)	55,304,292
Trade and other receivables	27	(26,496,888)	(9,714,668)	(315,310,430)
Prepayments	29	3,625,757	(172,783,395)	6,522,834
Trade and other payables	36	329,245,471	158,131,714	227,732,449
Deferred income	35	(3,323,234)	12,697,394	49,265
Contract liabilities	38	11,640,557	19,477,303	6,007,782
Derivative assets	28	-	84,480	-
Derivative liability	28	(2,942,620)	(1,762,827)	(2,088,559)
		179,640,378	110,949,401	31,905,884
				(9,150,642)

- (a) The changes in property, plant and equipment have been adjusted for transfers to leases, intangible assets, and fixed assets transferred to related parties as disclosed in Note 17.
- (b) The changes in trade and other receivables for the Company have been adjusted for transfer to long term receivables and quasi equity converted to loans as disclosed in Note 27. Also, changes in trade and other receivables for the Group and Company have been respectively adjusted for withholding tax utilized as disclosed in Note 14.
- (c) The changes in inventory for the Group have been adjusted for biological assets harvested during the year as disclosed in Note 26.
- (d) The changes in derivative asset for the Group and Company has been adjusted for fair value gains disclosed in Note 8.
- (e) Included in the proceeds from loans and borrowings are transaction costs related to loans and borrowings.

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

<b>Group</b>		<b>Loans and borrowings N'000</b>	<b>Lease liabilities N'000</b>	<b>Dividend payable N'000</b>	<b>Total N'000</b>
Balance as at 1 April 2023		349,691,297	17,675,140	516,502	367,882,939
<b>Changes from financing cash flows</b>					
Proceeds from borrowings	32	249,213,940			249,213,940
Repayment of borrowings	32	(201,407,811)			(201,407,811)
Repayment of lease liabilities	40		(3,883,333)		(3,883,333)
Dividend paid	37			(7,980,473)	(7,980,473)
<b>Total changes from financing cash flows</b>					
Other changes		47,806,129	(3,883,333)	(7,980,473)	35,942,323
Gain on loan modification		418,188			418,188
Gain on derecognition of leases			(472,433)		(472,433)
Foreign exchange difference		20,656,198			20,656,198
New leases		1,065,845			1,065,845
Interest expense		2,699,546			2,699,546
Dividend declared during the year				9,225,890	9,225,890
Unclaimed dividend transferred to reserve					-
<b>Total liability-related other changes</b>		418,188	23,949,156	9,225,890	33,593,234
Balance as at 31 March 2024		397,915,614	37,639,862	1,761,919	437,418,496

<b>Company</b>		<b>Loans and borrowings N'000</b>	<b>Lease liabilities N'000</b>	<b>Dividend payable N'000</b>	<b>Total N'000</b>
Balance as at 1 April 2023		192,165,960	427,938	516,502	193,110,399
<b>Changes from financing cash flows</b>					
Proceeds from borrowings	32	235,055,253			235,055,253
Repayment of borrowings	32	(138,357,863)			(138,357,863)
Repayment of lease liabilities	40		(317,618)		(317,618)
Dividend paid	37			(7,980,473)	(7,980,473)
<b>Total changes from financing cash flows</b>		96,697,390	(317,618)	(7,980,473)	88,399,299
Other changes					
Gain on loan modification		2,279			2,279
Gain on derecognition of leases			(15,594)		(15,594)
New leases		919,946			919,946
Interest expense		163,756			163,756
Dividend declared during the year				9,225,890	9,225,890
Unclaimed dividend transferred to reserve					-
<b>Total liability-related other changes</b>		2,279	1,068,108	9,225,890	10,311,871
Balance as at 31 March 2024		288,865,629	1,155,233	1,761,919	291,821,568

<b>Group</b>		<b>Loans and borrowings N'000</b>	<b>Lease liabilities N'000</b>	<b>Dividend payable N'000</b>	<b>Total N'000</b>
Balance as at 1 April 2022		148,827,642	17,654,283	2,804,900	169,286,825
<b>Changes from financing cash flows</b>					
Proceeds from borrowings	32	266,020,282	-	-	266,020,282
Repayment of borrowings	32	(68,729,197)	-	-	(68,729,197)
Repayment of lease liabilities	40	-	(3,000,330)	-	(3,000,330)
Dividend paid	37	-	-	(11,097,290)	(11,097,290)
<b>Total changes from financing cash flows</b>		<b>197,291,085</b>	<b>(3,000,330)</b>	<b>(11,097,290)</b>	<b>183,193,465</b>
<b>Other changes</b>					
Gain on loan modification		3,572,570	-	-	3,572,570
Foreign exchange difference		-	413,115	-	413,115
New leases		-	846,348	-	846,348
Interest expense		-	1,837,854	-	1,837,854
Dividend declared during the year		-	-	8,815,850	8,815,850
Unclaimed dividend transferred to reserve		-	-	(6,958)	(6,958)
<b>Total liability-related other changes</b>		<b>3,572,570</b>	<b>3,097,317</b>	<b>8,808,892</b>	<b>15,478,779</b>
Balance as at 31 March 2023		<b>349,691,297</b>	<b>17,751,270</b>	<b>516,502</b>	<b>367,959,069</b>

<b>Company</b>		<b>Loans and borrowings N'000</b>	<b>Lease liabilities N'000</b>	<b>Dividend payable N'000</b>	<b>Total N'000</b>
Balance as at 1 April 2022		90,598,826	590,079	2,804,900	93,993,805
<b>Changes from financing cash flows</b>					
Proceeds from borrowings	32	125,257,011	-	-	125,257,011
Repayment of borrowings	32	(24,659,130)	-	-	(24,659,130)
Repayment of lease liabilities	40	-	(285,566)	-	(285,566)
Dividend paid	37	-	-	(11,097,291)	(11,097,291)
<b>Total changes from financing cash flows</b>		<b>100,597,881</b>	<b>(285,566)</b>	<b>(11,097,291)</b>	<b>89,215,024</b>
<b>Other changes</b>					
Gain on loan modification		969,253	-	-	969,253
New leases		-	86,086	-	86,086
Interest expense		-	56,774	-	56,774
Dividend declared during the year		-	-	8,815,850	8,815,850
Unclaimed dividend transferred to reserve		-	-	(6,958)	(6,958)
<b>Total liability-related other changes</b>		<b>969,253</b>	<b>142,860</b>	<b>8,808,892</b>	<b>9,921,005</b>
Balance as at 31 March 2023		<b>192,165,960</b>	<b>39,942,580</b>	<b>-</b>	<b>193,129,834</b>

### 30.2 Reconciliation of movements of assets during the year to cash flows

<b>Group</b>		<b>Right of Use Assets N'000</b>	<b>Property, and Plant N'000</b>
Additions to Right of Use Assets			(1,864,586)
Additions to Property, Plant and Equipment			27,389,014
Acquisition through business combination			5,950,053
Modifications to Right of Use Assets			(665,104)
Additions to Lease Liability			631,683
Modifications to Lease Liability			434,162
Fair value of net assets-Port Harcourt Flour Mills			(2,430,515)
<b>Additions recognised in the statement of cashflows</b>		<b>(1,463,845)</b>	<b>30,908,552</b>

	Right of Use Assets ₦'000	Property, Plant and Equipment ₦'000
Gain on derecognition of lease liability	472,433	
Loss on derecognition of right of use asset	(367,818)	
Net gain/(loss)	104,615	-
Gain on Disposal of Property, Plant and Equipment	104,484	
Carrying amount of Property, Plant and Equipment disposed	3,297,803	
Proceeds from disposal of Property, Plant and Equipment	- 3,402,287	
<b>Company</b>		
Additions to Right of Use Assets	(309,975)	
Modifications to Right of Use Assets	(665,104)	
Additions to Lease Liability	288,263	
Modifications to Lease Liability	631,683	
Additions to Property, Plant and Equipment	(11,348,595)	
Additions recognised in the statement of cashflows	(55,133) (11,348,595)	
Gain on derecognition of lease liability	15,594	
Loss on derecognition of right of use asset	(112,673)	
Net gain/(loss)	(97,079)	-
Gain on Disposal of Property, Plant and Equipment	43,000	
Carrying amount of Property, Plant and Equipment disposed	14,093	
Proceeds from disposal of Property, Plant and Equipment	- 57,093	

### 31. Share capital

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
4,100,395,606 (2022: 4,100,395,606) ordinary shares of 50 kobo each	2,050,197	2,050,197	2,050,197	2,050,197
Share premium	2,050,197	2,050,197	2,050,197	2,050,197
	75,377,444	75,377,444	75,377,444	75,377,444
	77,427,641	77,427,641	77,427,641	77,427,641
<b>Reconciliation of number of shares issued:</b>				
Reported as at 1 April 2023	4,100,395,606	4,100,395,606	4,100,395,606	4,100,395,606
Reported as at 31 March 2024	4,100,395,606	4,100,395,606	4,100,395,606	4,100,395,606

#### 31.1 Substantial interest in shares

Excelsior Shipping Company Limited has 2,597,314,890 (2023: 2,597,314,890) ordinary shares of 50k each, representing 63.34% (2023: 63.34%) of the issued and paid-up share capital of the Company.

## 32. Borrowings

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
<b>Secured borrowings</b>				
Bank of Industry Loan - CBN intervention fund (a)	32,651,286	29,581,815	9,165,716	3,556,886
<b>Unsecured borrowings</b>				
Commercial Agricultural Credit Scheme - Agricultural loans (b)	181,119	315,106	71,238,579	-
RSSF-Real Sector Support Facility (c)	130,613,662	131,469,831	24,062,703	27,841,483
Power and Airline Intervention fund (d)	563,248	913,525	563,248	913,525
Other Bank Loans (e)	77,052,487	85,170,732	553,929	35,472,811
Intercompany Loan (g)	-	-	<b>28,116,734</b>	<b>24,119,400</b>
Commercial papers and Bond issue (f)	155,164,720	100,261,855	155,164,720	100,261,855
National Sugar Development Council	762,650	669,160	-	-
Private Sector Accelerated Agriculture Development Scheme	926,442	1,309,273	-	-
	<b>397,915,614</b>	<b>349,691,297</b>	<b>288,865,629</b>	<b>192,165,960</b>
<b>Analysed into</b>				
Current	195,034,758	139,450,591	167,910,280	127,557,304
Non-current	202,880,856	210,240,706	120,955,349	64,608,656
	<b>397,915,614</b>	<b>349,691,297</b>	<b>288,865,629</b>	<b>192,165,960</b>
<b>Borrowing movement</b>				
Opening balance	349,691,297	148,827,642	192,165,960	90,598,826
Additions	249,213,940	266,020,282	235,055,253	125,257,011
Loss on loan modification	418,188	3,572,570	2,279	969,253
Repayment	(201,407,811)	(68,729,197)	(138,357,863)	(24,659,130)
Closing balance	<b>397,915,614</b>	<b>349,691,297</b>	<b>288,865,629</b>	<b>192,165,960</b>

- (a) Flour Mills of Nigeria Plc obtained funds from the CBN/BOI Power and Aviation Intervention Fund and Manufacturing Intervention Fund in different tranches, with tenors of 10 to 15 years. Principal repayment commenced in September 2013. Principal and interest are repaid quarterly in arrears. The facilities have fixed interest rates between 7% and 14% 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 7% and 14%. Tenors range between 3 and 7 years.
- (b) FMN's subsidiaries have a total of ₦192million (2023: ₦346 million) outstanding in the Central Bank of Nigeria - Commercial Agricultural Credit Scheme (CACS). The loans were obtained by some subsidiaries at interest rates ranging from 7% - 9% per annum. Medium-term loans under the scheme have a moratorium of 18 to 24 months and a 5-7 years tenor (with principal and interest payable quarterly in arrears), while short-term loans under the scheme have a tenor of one year.
- (c) The Central Bank of Nigeria, as part of the efforts to unlock the potential of the real sector to engender output growth, value added productivity and job creation established the Real Sector Support Facility (RSSF) with a tenor of one year 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.
- (d) In a bid to catalyze financing of the real sector of the Nigeria economy, the Central Bank of Nigeria has set aside ₦300billion 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.

- (e) Other bank loans (amounting to ₦79.9billion for the Group), refers to debt obtained by FMN Group subsidiaries from commercial banks in Nigeria, This loan has tenor of less than one year. This is repayable at maturity with interest rates at 18%.
- (f) Also, in February 2020, Flour Mills of Nigeria Plc completed another corporate bond issue, having raised a total amount of ₦20.00 billion from investors. The issue was in two Series - ₦12.5billion of Series III A at 10.0% with a tenor of 3 years (bullet repayment of principal at the end of the tenor) and Series 3B of ₦7.5billion at 11.1% with a tenor of 5 years (bullet repayment of principal at the end of the tenor).

In December 2020, Flour Mills of Nigeria Plc completed another corporate bond issue, having raised a total amount of ₦29.89 billion from investors. The issue was in two Series - ₦4.9billion of Series IV A at 5.5% with a tenor of 5 years (bullet repayment of principal at the end of the tenor) and Series IV B of ₦25.0 billion at 6.25% with a tenor of 7 years (bullet repayment of principal at the end of the tenor).

- (g) This loan relates to the borrowings provided by other subsidiaries in the Flour Mills Group to Flour Mills of Nigeria Plc. These are Premier Feed Mills Company Limited, Golden Sugar Company Limited and Nigeria Eagle Flour Mills Limited

The relevant interest rate is the prevailing interest rate on short term loans provided by commercial banks. During the year, this ranged from 11.50% - 22.77% (2023: 7%-15%).

Loans obtained under (a-c) were obtained at below market interest rate and were hence recorded at their fair value at inception, using the appropriate market rate at date of draw down. Due to the nature of the lending and the providers, the benefit of the below market rate has been treated as government grants and included in deferred income (Note 35).

### 33. Retirement benefit obligation

#### Defined benefit plan

The Group operates unfunded defined benefit plans for qualifying employees of the Group. Under the plans, the employees are entitled to retirement benefits on attainment of a retirement age ranging from 50 to 60 years.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 31 March 2024 by Deloitte Nigeria (Takalani Sikhavhakhava, FRC/2022/COY/091021). The present value of the defined benefit obligation, and the related current service cost, were measured using the Projected Unit Credit Method.

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
<b>Carrying value</b>				
Present value of the defined benefit obligation-wholly unfunded	(8,301,930)	(11,205,123)	(6,233,764)	(7,815,524)
<b>Movements for the year</b>				
Opening balance	11,205,123	10,268,526	8,418,371	7,815,524
Transfers	-	-	188,625	(53,800)
Benefit paid during the period	(899,494)	(534,927)	(607,636)	(405,142)
<b>Net expenses recognised in profit or loss and other comprehensive income</b>	(2,003,699)	1,471,524	(1,765,596)	1,061,789
At the period end	8,301,930	11,205,123	6,233,764	8,418,371
<b>Net expense for the year:</b>				
Current service cost	825,575	1,045,977	755,913	752,278
Interest cost	1,581,937	1,377,550	1,187,687	1,045,769
Recognised in profit or loss	2,407,512	2,423,527	1,943,600	1,798,047
Actuarial gains recognised in other comprehensive income	(4,411,211)	(952,003)	(3,709,195)	(736,258)
	(2,003,699)	1,471,524	(1,765,595)	1,061,789

<b>Actuarial gains and losses due to:</b>				
Change in assumptions	(1,692,216)	(649,951)	(1,201,694)	(524,351)
Changes in experience	(2,718,995)	(302,052)	(2,507,501)	(211,907)
	(4,411,211)	(952,003)	(3,709,195)	(736,258)

<b>Key financial assumptions used</b>	<b>Group</b>		<b>Company</b>	
	<b>31-Mar -24</b>	<b>31-Mar -23</b>	<b>31-Mar -24</b>	<b>31-Mar -23</b>
Interest credit	7.27%	8.00%	8.00%	8.00%
	18.00%	14.58%	18.69%	14.49%
Average rate of inflation (per annum)*	14.60%	13.00%	14.60%	13.00%
Expected increase in salaries (per annum)	14.00%	13.00%	14.00%	13.00%
Average duration of the plan (years)	7.18	9.70	6.28	8.49

### Demographic assumption

#### Mortality in service

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

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

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefits obligation by the amount shown below:

<b>Group</b>		<b>N'000</b>
<b>31-Mar-24</b>		
Base		8,317,392
Discount rate	1%	7,891,169
	- 1%	8,792,485
Salary Increase	1%	8,808,660
	- 1%	7,870,845
12 months deposit rate (Central Bank of Nigeria)	1%	641,687
	- 1%	632,081
Mortality experience	Age rated up by 1 year	8,429,384
	Age rated down by 1 year	8,163,386
<b>31-Mar-23</b>		<b>N'000</b>
Base		11,205,126
Discount rate	1%	10,323,365
	- 1%	12,212,535
Salary Increase	1%	11,735,966
	- 1%	10,726,170
12 months deposit rate (Central Bank of Nigeria)	1%	556,107
	- 1%	500,772
Mortality experience	Age rated up by 1 year	11,194,506
	Age rated down by 1 year	11,183,616

<b>Company 31-Mar-24</b>		<b>N'000</b>
Base		6,234,720
Discount rate	+1%	5,931,141
	- 1%	6,572,204
Salary increase	+1%	6,583,679
	- 1%	5,916,644
12 months deposit rate (Central Bank of Nigeria)	+1%	641,687
	- 1%	632,081
Mortality experience	Age rated up by 1year	6,316,484
	Age rated down by 1year	6,123,022
<b>31-Mar-23</b>		
Base		7,563,304
Discount rate	+1%	7,159,669
	- 1%	8,586,222
Salary increase	+1%	8,208,281
	- 1%	7,476,402
12 months deposit rate (Central Bank of Nigeria)	+1%	N/A
	- 1%	N/A
Mortality experience	Age rated up by 1year	7,821,100
	Age rated down by 1year	7,824,579

\* Average inflation rate was determined based on the average duration of the retirement benefit obligation.

### 34 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 of 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 2024 by Deloitte Nigeria (Takalani Sikhavhakhavha, FRC/2022/COY/091021). 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 and Company's obligations in respect of its long service awards is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-24 N'000</b>	<b>31-Mar-23 N'000</b>	<b>31-Mar-24 N'000</b>	<b>31-Mar-23 N'000</b>
Long service awards	4,103,218	4,060,137	3,198,330	2,998,181
The movement in the account during the year was as follows:				
At the beginning of the year	4,060,137	3,591,011	2,998,181	2,926,253
Transfer	-	-	84,587	(11,479)
Net expense recognised in profit or loss	873,856	866,623	741,029	412,857
Benefits paid	(830,775)	(397,497)	(625,467)	(329,450)
<b>At the end of the year</b>	<b>4,103,218</b>	<b>4,060,137</b>	<b>3,198,330</b>	<b>2,998,181</b>

**Net expenses recognised in profit or loss**

Service cost	451,839	754,628	326,436	349,179
Interest cost	527,950	435,822	391,740	352,317
Actuarial (gains)/losses	(105,933)	(323,827)	22,853	(288,639)
	873,856	866,623	741,029	412,857

The actuarial (gains) and losses on long service awards are analyzed as follows:

Change in economic assumptions	(879,885)	(364,626)	(795,285)	(303,380)
Change in demographic assumptions	773,952	40,799	818,138	14,741
At 31 March	(105,933)	(323,827)	22,853	(288,639)

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

Group	Valuation at 31-Mar-24 31-Mar-23	
Discount rate (per annum)	19%	14%
Expected rate(s) of salary increases (per annum)	14%	13%
Average rate on inflation (per annum)	17%	13%
Benefit inflation rate (per annum)	7%	7%
Average duration of the plan (years)	5.58	7.22
Company	Valuation at 31-Mar-24 31-Mar-23	
Discount rate (per annum)	19%	14.33%
Expected rate(s) of salary increases (per annum)	14%	13%
Average rate on inflation (per annum)	17%	13%
Benefit inflation rate (per annum)	7%	7%
Average duration of the plan (years)	5.62	6.5

**Demographic assumptions**

Mortality in service. The rates of mortality assumed for employees are the rates published in the A67/70 Climate 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	5.0%
30	7	31-39	3.0%
35	9	40-44	2.0%
40	14	45-50	1.5%
45	26	51-55	1.1%
		56-59	2.5%

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the long service awards obligation to the amount shown below.

Group 31-Mar-24	N'000
Base	536,443,357
Discount rate	0.5% 524,133,315 - 0.5% 549,320,055
Salary increase	0.5% 546,641,614 - 0.5% 526,718,895
Benefit escalation rate	0.5% 541,574,346 - 0.5% 531,507,451
Mortality experience	Age rated up by 1 year 535,931,738 Age rated down by 1 year 537,160,600

<b>31-Mar-23</b>		<b>N'000</b>
Base		4,060,137
Discount rate	1%	3,807,585
	-1%	4,299,499
Salary increase	1%	4,284,544
	-1%	3,818,060
Benefit escalation rate	1%	4,064,635
	-1%	4,017,413
	Age rated up by 1 year	4,024,844
Mortality experience	Age rated down by 1 year	4,054,055

<b>Company</b>		<b>N'000</b>
<b>31-Mar-24</b>		
Base		3,199,027
Discount rate	0.5%	3,119,581
	-0.5%	3,282,338
Salary increase	0.5%	3,268,538
	-0.5%	3,132,320
Benefit escalation rate	0.5%	3,216,892
	-0.5%	3,181,874
Mortality experience	Age rated up by 1 year	3,181,044
	Age rated down by 1 year	3,214,932

<b>31-Mar-23</b>		<b>N'000</b>
Base		2,998,181
Discount rate	+1%	2,829,012
	-1%	3,191,331
Salary increase	+1%	3,181,218
	-1%	2,835,773
Benefit escalation rate	+1%	3,017,891
	-1%	2,984,101
12 months deposit rate (Central Bank of Nigeria)	Age rated up by 1 year	2,988,989
Mortality experience	Age rated down by 1 year	3,010,675

\*Average inflation rate was determined based on the average duration of the long service award.

### 35 Deferred income

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar -24</b> N'000	<b>31-Mar -23</b> N'000	<b>31-Mar -24</b> N'000	<b>31-Mar -23</b> N'000
Non Current	23,847,069	27,362,183	2,493,995	2,529,289
Current	9,345,835	9,153,955	1,308,703	1,224,144
	33,192,904	36,516,138	3,802,698	3,753,433

The deferred income relates to government grants arising from the benefit received from below-market-interest rate government assisted loans (BOI, CACS, PAIF and RSSF loans) granted to date. The income is recognised in profit or loss at an amount proportionate to the additional finance costs incurred from amortisation of the loan.

	Group		Company	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	Assets ₦'000	Liabilities ₦'000	Assets ₦'000	Liabilities ₦'000
At 1 April	36,516,138	23,818,744	3,753,432	6,163,161
Additions	7,285,366	24,219,852	1,533,704	-
Release of deferred income from government grant (Note 8)	(10,608,600)	(11,522,458)	(1,484,439)	(2,409,729)
At 31 March	33,192,904	36,516,138	3,802,697	3,753,432

### 36 Trade and other payables

	Group		Company	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	₦'000	₦'000	₦'000	₦'000
Trade payable	526,145,421	220,681,718	332,874,949	156,347,765
Intercompany payables (Note 41)	-	-	85,482,004	41,195,126
Accrued expenses	114,473,766	89,385,146	48,139,937	44,131,635
Sundry creditors	5,222,627	2,959,458	2,534,628	27,574
<b>Non-financial liabilities</b>				
Statutory payables	4,595,360	7,622,822	3,319,260	2,637,215
	650,437,174	320,649,144	472,350,778	244,339,315

The average credit period on purchases is 28 days. No interest is charged on trade payables. The Group and Company have financial risk management policies in place to ensure that all payables are paid within a reasonable time of the credit time frame.

The Group's major supplier, Star Trading Company Limited, accounts for over 70% of the inventory purchases and the Group does not default in the payment to its suppliers.

### Reconciliation of movements in trade and other payables

	Group		Company	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	₦'000	₦'000	₦'000	₦'000
Changes in trade and other payables	329,788,030	158,312,567	228,011,463	86,168,303
Impact of foreign exchange differences	(542,559)	(180,853)	(279,014)	(93,005)
	329,245,471	158,131,714	227,732,449	86,075,298

### 37. Dividend payable

	Group		Company	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	₦'000	₦'000	₦'000	₦'000
At 1 April	516,502	2,804,900	516,502	2,804,901
Declared during the year	9,225,890	8,815,850	9,225,890	8,815,850
Payment during the year	(7,980,473)	(11,097,290)	(7,980,473)	(11,097,291)
Unclaimed dividends transferred to reserves	-	(6,958)	-	(6,958)
	1,761,919	516,502	1,761,919	516,502

Unclaimed dividends transferred to retained earnings represent dividends which have remained unclaimed and are therefore no longer recoverable or actionable by the shareholders in accordance with the Section 429 of Companies and Allied Matters Act (CAMA), 2020.

Recognised dividends per share during the year amounted to ₦2.25 per share (2023: ₦2.15 per share). The Board of Directors have proposed a dividend of ₦1.80 per share (2023: ₦2.25 per share).

## 38 Contract liabilities

Amount represents customer deposits made for products which will be recognised as revenue at the point the control of the products are transferred to the customers. The amount of ₦12.75 billion included in contract liabilities have been recognised as revenue (2023: ₦2.89 billion).

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
Contract liabilities	59,314,636	47,756,570	35,748,564	29,740,782

## 39. Right of use asset

Cost	Group		Company		
	₦'000 Equipment	₦'000 Property	₦'000 Total	₦'000 Property	₦'000 Total
At 1 April 2022	2,282,604	19,419,583	21,702,187	3,618,158	3,618,158
Additions	-	1,868,784	1,868,784	436,745	436,745
Derecognition**		(675,542)	(675,542)	-	-
At March 2023	2,282,604	20,612,825	22,895,429	4,054,903	4,054,903
At 1 April 2023	2,282,604	20,612,825	22,895,429	4,054,903	4,054,903
Additions	-	1,864,586	1,864,586	309,975	309,975
Modification	-	665,104	665,104	665,104	665,104
Derecognition**	-	(538,232)	(538,232)	(158,632)	(158,632)
Translation effect	-	-	21,088,682	-	-
At March 2024	2,282,604	22,604,283	45,975,569	4,871,350	4,871,350
<b>Accumulated depreciation</b>					
At 1 April 2022	(228,065)	(5,754,041)	(5,982,106)	(925,786)	(925,786)
Depreciation charge	(113,740)	(1,973,930)	(2,087,670)	(420,061)	(420,061)
Derecognition**		675,543	675,543		
At March 2023	(341,805)	(7,052,428)	(7,394,233)	(1,345,847)	(1,345,847)
At 1 April 2023	(341,805)	(7,052,428)	(7,394,233)	(1,345,847)	(1,345,847)
Depreciation charge	(114,052)	(2,072,823)	(2,186,875)	(458,467)	(458,467)
Derecognition**		170,414	170,414	45,959	45,959
Translation effect			(5,943,779)		
At March 2024	(455,857)	(8,954,837)	(15,354,473)	(1,758,355)	(1,758,355)
<b>Carrying amount</b>					
At March 2024	1,826,747	13,649,446	30,621,096	3,112,995	3,112,995
At March 2023	1,940,799	13,560,397	15,501,196	2,709,056	2,709,056
At March 2022	2,054,539	13,665,542	15,720,081	2,692,372	2,692,372

\*\* These are write offs during the year for fully depreciated right of use assets.

The Group and the Company lease silos, warehouses, office buildings, flats and apartments.

#### 40. Lease liabilities

	Group		Company	
	31-Mar -24 ₦'000	31-Mar -23 ₦'000	31-Mar -24 ₦'000	31-Mar -23 ₦'000
Balance as at 1 April	17,675,140	17,654,283	427,938	590,079
Additions	434,162	846,348	288,263	86,086
Interest expenses	2,699,546	1,837,854	163,756	56,774
Modification	631,683	-	631,683	-
Derecognition	(472,433)	-	(15,594)	-
Exchange difference*	20,656,198	413,115	-	-
	41,624,296	20,751,600	1,496,046	732,939
Less: Interest payment on lease	(101,101)	(76,130)	(23,195)	(19,435)
Less: Principal payment on lease	(3,883,333)	(3,000,330)	(317,618)	(285,566)
	37,639,862	17,675,140	1,155,233	427,938
Non-current liabilities	34,944,082	15,722,575	1,155,233	427,938
Current liabilities	2,695,780	1,952,565	-	-
	37,639,862	17,675,140	1,155,233	427,938

The incremental borrowing rates of the naira and dollar denominated lease liabilities are 6%-16% and 7.73% respectively.

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.

Lease expense for the year are as follows:

	Group		Company	
	31-Mar -24 ₦'000	31-Mar -23 ₦'000	31-Mar -24 ₦'000	31-Mar -23 ₦'000
Depreciation	2,072,823	2,087,670	420,061	420,061
Short term leases	304,218	212,042	165,508	164,597
Lease interest expense	2,699,546	1,837,854	163,756	56,774
Exchange loss on lease items	20,656,198	413,115	-	-
Variable lease expense	4,435,705	1,115,136	118,723	425,903
	30,168,490	5,665,817	868,048	1,067,335

#### 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.

#### 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 lessee as income on a straight-line basis over the lease term. The total amount of rental income received in the year is ₦1.716 billion (2023: ₦262 million).

Lease payments are received in-advance from third party lessees.

## 41. Related parties transactions

The Company had transactions with the following related parties:

Name of related party	Relationships	Nature of transaction
Apapa Bulk Terminal Limited	Subsidiary	Cargo handling and rental services to the Company
Ecowise Horizon Investment Limited	Subsidiary	Investment
Golden Sugar Company Limited	Subsidiary	Purchase of packaging materials from the Company
Northern Nigeria Flour Mills Plc	Subsidiary	Purchase of wheat grain from the Company
Golden Fertilizer Company Limited	Sub-subsidiary	Provision of business support services
Premier Feed Mills Company Limited	Sub-subsidiary	Purchase of packaging materials from the Company
Nigerian Eagle Flour Mills Limited	Subsidiary	Purchase of packaging materials from the Company
Crestview Towers Limited	Subsidiary	Sold residential apartments to the Company
Premium Edible Oil Products Limited	Sub-subsidiary	Sale of edible oil to the Company
Thai Farm International Limited	Sub-subsidiary	Purchase of packaging materials from the Company
Honeywell Flour Mills Plc	Sub-subsidiary	Purchase of flour products
Best Chickens Limited	Sub-subsidiary	Provision of business support services
Eastern Premier Feed Mill Limited	Sub-subsidiary	Purchase of raw and packaging materials
Flour Mills of Nigeria Free Trade Zone Entity Apapa	Subsidiary	Flour Milling Operations
Flour Mills of Nigeria Free Trade Zone Entity Agbara	Subsidiary	Flour Milling Operations
Flour Mills of Nigeria Free Trade Zone Entity Igamu	Subsidiary	Flour Milling Operations
Flour Mills of Nigeria Management Company Apapa	Subsidiary	Flour Milling Operations
Flour Mills of Nigeria Management Company Agbara	Subsidiary	Flour Milling Operations
Flour Mills of Nigeria Management Company Igamu	Subsidiary	Flour Milling Operations
Golden Sugar Company Limited Free Trade Zone Entity	Sub-subsidiary	Manufacturing of sugar
Apapa Bulk Terminal Limited Free Trade Zone Entity	Sub-subsidiary	Port Operations
Golden Fertilizer Company Limited Free Trade Zone Entity	Sub-subsidiary	Agriculture

Related party balances:	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
Intercompany receivables				
Golden Fertilizer Company Limited	-	-	11,151,728	2,049,880
Apapa Bulk Terminal Limited	-	-	433,892	152,428
Golden Sugar Company Limited	-	-	39,942,580	9,940,411
Nigerian Eagle Flour Mills Limited	-	-	3,790,839	1,741,566
Premier Feed Mills Company Limited	-	-	335,989	486,187
Northern Nigeria Flour Mills Plc	-	-	3,617,423	7,868,441
Crestview Towers Limited	-	-	2,782	8,408
Premium Edible Oil Products Limited	-	-	32,387,492	277,794
Best Chickens Limited	-	-	340,518	63,279
Eastern Premier Feed Mills Limited	-	-	7,776,285	11,265,651
Independent Grain Handling and Storage Limited	-	-	68,336	7,669
Upland Grains Production Company Limited	-	-	21,397	7,697
Servewell Agricultural Services Limited	-	-	12,492	6,486
Ecowise Horizon Investment Limited	-	-	15,118,008	14,301,110
Honeywell Flour Mills Plc	-	-	37,951,786	16,564,819
Other related parties*	-	-	253,187,321	162,942
Impairment of intercompany receivables	-	-	(192,938)	(444,577)
	-	-	405,945,930	64,460,191
Total (Note 27)	-	-	405,945,930	64,460,191

\*This relates to intercompany receivables due to corporate restructuring

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
<b>Intercompany payables</b>				
Eastern Premier Feed Mills Limited	-	-	-	-
Premium Edible Oil Products Limited	-	-	(80,494)	3,699,675
Apapa Bulk Terminal Limited	-	-	11,669,277	825,241
Premier Feed Mills Company Limited	-	-	1,144,374	5,539,878
Honeywell Flour Mills Plc	-	-	3,346,077	59,924
Golden Shipping Company Nigeria Limited	-	-	-	10,864
Golden Fertilizer Company Limited	-	-	-	1,699,046
Golden Sugar Company Limited	-	-	67,951	29,346,781
Golden Penny Power Limited	-	-	1,099,267	194
Flour Mills of Nigeria Free Trade Zone Enterprise Apapa	-	-	67,851,422	-
Apapa Bulk Terminal Limited Free Trade Zone Enterprise	-	-	384,130	-
Olympic Towers Limited	-	-	-	13,523
<b>Total (Note 36)</b>	-	-	<b>85,482,004</b>	<b>41,195,126</b>
<b>Long term loans receivables (Note 25)</b>	-	-	<b>13,484,152</b>	<b>20,853,541</b>
The following transactions were carried out with related parties during the year;				
<b>Purchase of goods and services</b>	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
Apapa Bulk Terminal Limited	-	-	32,745	8,295
Premium Edible Oil Products Limited	-	-	1,500,105	2,669,224
Golden Sugar Company Limited	-	-	2,784,297	4,700,459
Nigerian Eagle Flour Mills Plc	-	-	53,410,803	32,168,533
Northern Nigerian Flour Mills Plc	-	-	4,626,036	5,257,105
Eastern Premier Feed Mills Limited	-	-	235,918	1,551,124
Honeywell Flour Mills Plc	-	-	4,314,098	6,519,914
Golden Fertilizer Company Limited	-	-	1,550,418	1,880,889
Premier Feed Mills Limited	-	-	8,326,681	6,256,796
	-	-	<b>76,781,101</b>	<b>61,012,339</b>
<b>Sale of goods and services</b>				
	-	-	2,093,060	-
Eastern Premier Feed Mills Limited	-	-	12,087,348	-
Premier Feed Mills Company Limited	-	-	5,773,733	1,120,974
Northen Nigeria Flour Mills Plc	-	-	61,280,835	21,703,159
Nigerian Eagle Flour Mills Limited	-	-	5,305,089	9,962,918
Golden Sugar Company Limited	-	-	5,997,565	-
Honeywell Flour Mills Plc	-	-	1,685,196	-
Flour Mills of Nigeria Free Trade Zone Enterprise Apapa	-	-	2,490,838	25,819,323
Premium Edible Oil Products Limited	-	-	2,227,327	27,388
Golden Fertilizer Company Limited	-	-	244	6,720,810
Apapa Bulk Terminal Limited	-	-	<b>98,941,235</b>	<b>65,354,572</b>
<b>Interest income from related parties</b>				
	-	-	4,331,561	149,558
Golden Fertilizer Company Limited	-	-	-	12,825
Upland Grains Production Company Limited	-	-	3,068,210	2,958,413
Golden Sugar Company Limited	-	-	-	-
Nigerian Eagle Flour Mills Limited	-	-	-	-
Independent Grains Handling and Storage Limited	-	-	-	12,995
Servewell Agricultural Services Limited	-	-	-	13,149
Northern Nigeria Flour Mills Limited	-	-	-	-
Honeywell Flour Mills Plc	-	-	1,606,277	329,283
Premier Feed Mills Company Limited	-	-	-	7,643
Premium Cassava Products Limited	-	-	-	18,279
Premium Edible Oil Products Limited	-	-	-	33,743
	-	-	<b>9,006,048</b>	<b>3,535,888</b>

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
Interest expense to related parties				
Apapa Bulk Terminal Limited	-	-	-	-
Nigerian Eagle Flour Mills Limited	-	-	183,486	36,157
Premium Edible Oil Products Limited	-	-	-	69,412
Premier Feed Mills Company Limited	-	-	1,808,420	1,699,706
Honeywell Flour Mills Plc	-	-	114,933	501,015
Golden Fertilizer Company Limited	-	-	199,148	2,067,149
Golden Sugar Company Limited	-	-	8,387	230,651
			<b>2,314,374</b>	<b>4,604,090</b>
Rental income from related parties				
Apapa Bulk Terminal Limited	-	-	8,500	17,000
Golden Fertilizer Company Limited	-	-	20,100	20,100
Premium Edible Oil Products Limited	-	-	-	6,667
Golden Sugar Company Limited	-	-	59,500	68,000
			<b>88,100</b>	<b>111,767</b>
Rental expense to related parties				
Apapa Bulk Terminal Limited	-	-	3,001,095	3,000,000
Golden Sugar Company Limited	-	-	-	-
			<b>3,001,095</b>	<b>3,000,000</b>

Related party transactions disclosed is inclusive of the relevant Value Added Tax applicable on the transactions.

### Compensation of key management personnel

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

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
Short term benefits	1,229,451	913,232	860,616	639,262
Long term benefits (Post-employment benefit)	26,132	23,554	18,292	16,488
	<b>1,255,583</b>	<b>936,786</b>	<b>878,908</b>	<b>655,750</b>

### 42 Directors' emoluments

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

	Group		Company	
	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
<b>The remuneration paid to Directors was:</b>				
Fees	4,050	3,000	4,050	3,000
Salaries and other emoluments	188,295	139,478	188,295	139,478
	<b>192,345</b>	<b>142,478</b>	<b>192,345</b>	<b>142,478</b>

**Fees and other emoluments discussed above include amount paid to:**

Chairman	10,800	8,000	10,800	8,000
Other directors	181,545	134,478	181,545	134,478
	<b>192,345</b>	<b>142,478</b>	<b>192,345</b>	<b>142,478</b>

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

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar -24</b>	<b>31-Mar -23</b>	<b>31-Mar -24</b>	<b>31-Mar -23</b>
190,000 - 200,000	14	14	14	14
19,000,001 - 20,000,000	1	1	1	1
	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>
	<b>Group</b>		<b>Company</b>	
	<b>31-Mar -24</b>	<b>31-Mar -23</b>	<b>31-Mar -24</b>	<b>31-Mar -23</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Highest paid Director	<b>49,992</b>	<b>37,031</b>	<b>49,992</b>	<b>37,031</b>

No loan was given to any key management personnel during the year (2023: Nil)

#### **43. Capital risk management**

The Group and Company manage their capital to ensure that it is able to continue as going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an efficient capital structure to optimise the cost of capital.

In order to maintain the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares by way of right-issue or sell investments to reduce debt. The Group monitors capital on the basis of the debt to equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including overdrafts, bonds and other bank loans as shown in the consolidated statement of financial position) less cash and cash equivalents. Total equity is the equity attributable to owners of Flour Mills of Nigeria Plc. in the consolidated statement of financial position.

The Group and Company are not subject to any externally imposed capital requirements.

The Group's risk management committee reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

#### **Ratios**

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

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar -24</b>	<b>31-Mar -23</b>	<b>31-Mar -24</b>	<b>31-Mar -23</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Borrowings	34	397,915,614	349,691,297	288,865,629
Lease liabilities	42	37,639,862	17,675,140	1,155,233
Total borrowings		<b>435,555,476</b>	<b>367,366,437</b>	<b>290,020,862</b>
Cash and cash equivalents	31	(167,996,827)	(64,895,265)	(141,071,381)
Net borrowings		<b>267,558,649</b>	<b>302,471,172</b>	<b>148,949,481</b>
Equity		233,650,447	225,224,887	192,333,092
Gearing ratio		115%	134%	77%
				80%

## 44. Financial instruments and risk management

### Financial risk management

#### Overview

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

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

Risk management is carried out by management under policies approved by the board of directors. Management identifies and evaluates the financial risks in co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk credit risk and liquidity risk. The Group's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

Financial risk management is an integral part of the way the Group is managed. The Board of Directors establishes the Group's financial risk management policies and the Group Managing Director establishes objectives in line with these policies. The Group Chief Finance Officer is then responsible for setting financial strategies, which are executed by the financial leadership team.

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.

### 44.1 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. 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. See Note 27.

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.

#### Exposure to credit risk

The average credit period on sale of goods is 30 days. The Group uses an allowance matrix to measure the Expected Credit Losses (ECLs) of trade receivables from customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

Roll rates are calculated using the age of outstanding receivables and historical loss rates. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the inflation rate and Gross Domestic Product (GDP) of Nigeria to be the most relevant factors, and accordingly adjusts the historical loss

rates based on expected changes in this factor. Scalar factor of 1.35 (2023: 1.00) applied are based on inflation, exchange forecasts and national economic outlook.

The Group has recognised an allowance for doubtful debts of 100% against all receivables over 365 days because historical experience has been that receivables that are past due beyond 365 days are not recoverable. Allowances for doubtful debts are recognised against trade receivables between 30 and 365 days based on the determined loss rate per age bracket.

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

Credit sales form a small portion of overall sales (2%). The concentration of credit risk is limited due to this fact and the large and unrelated customer base. The Group has pledged no trade receivables during the year.

Group		31-Mar -24	31-Mar -23	31-Mar -24	31-Mar -24	31-Mar -23	31-Mar -23
	Credit impaired	Weighted average loss rate	Weighted average loss rate	Gross carrying amount	Loss allowance (Lifetime expected credit N'000)	Gross carrying amount	Loss allowance (Lifetime expected credit loss) N'000
1-30 days	No	4%	5%	48,565,252	2,006,230	27,939,830	1,397,378
31-60 days	No	13.4%	8%	7,136,070	955,967	4,997,789	383,408
61-90 days	No	33%	24%	2,528,729	826,354	1,239,429	294,764
91-180 days	No	26%	34%	703,144	184,870	1,111,867	374,729
181-365 days	No	85%	40%	138,568	117,464	141,697	56,834
Over 365 days	Yes	100%	100%	1,963,008	1,963,008	1,678,372	1,678,372
				<b>61,034,771</b>	<b>6,053,893</b>	<b>37,108,984</b>	<b>4,185,485</b>

Company		31-Mar -24	31-Mar -23	31-Mar -24	31-Mar -24	31-Mar -23	31-Mar -23
	Credit impaired	Weighted average loss rate	Weighted average loss rate	Gross carrying amount	Loss allowance (Lifetime expected credit N'000)	Gross carrying amount	Loss allowance (Lifetime expected credit loss) N'000
1-30 days	No	7%	5%	21,133,646	1,508,408	14,011,469	648,105
31-60 days	No	22%	13%	3,400,131	752,823	2,356,361	313,293
61-90 days	No	50%	23%	1,780,146	883,872	1,234,049	286,512
91-180 days	No	72%	33%	104,098	75,096	1,163,350	384,037
181-365 days	No	99%	81%	84,998	84,492	33,303	26,823
Over 365 days	Yes	100%	100%	1,097,313	1,097,313	1,222,009	1,222,009
				<b>27,600,332</b>	<b>4,402,004</b>	<b>20,020,541</b>	<b>2,880,779</b>

#### 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 2024**

	<b>Long term receivables</b>	<b>Trade receivables</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Opening balance	166,974	4,185,485	4,352,459
Impairment (writeback)/loss	(166,974)	1,868,408	1,701,434
Closing balance	-	6,053,893	6,053,893

**Company 2024**

	<b>Intercompany receivable</b>	<b>Long term receivables</b>	<b>Trade receivables</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Opening balance	444,577	1,142,726	2,880,779	4,468,082
Impairment (write-back)/loss	(251,639)	(1,142,726)	1,521,225	126,860
Closing balance	192,938	-	4,402,004	4,594,942

**Group 2023**

	<b>term Long receivables</b>	<b>Trade receivables</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Opening balance	166,974	3,719,785	3,886,759
Write-off	-	(1,043,808)	(1,043,808)
Impairment loss	-	1,509,508	1,509,508
Closing balance	166,974	4,185,485	4,352,459

**Company 2023**

	<b>Intercompany receivable</b>	<b>Long term receivables</b>	<b>Trade receivables</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Opening balance	358,904	1,690,285	2,495,708	4,544,897
Impairment loss/(write-back)	85,673	(547,559)	385,071	(76,816)
Closing balance	444,577	1,142,726	2,880,779	4,468,081

**Intercompany loan receivables**

The Company held non-trade receivables from its subsidiaries. The Company uses a general impairment model approach for assessment of ECLs for these receivables. The Group monitors changes in credit risk of the subsidiaries by tracking the published external credit ratings used as a basis in the determination of the subsidiaries credit risk grading. The loan receivables are not credit impaired.

12-month and lifetime probabilities of default are based on historical data supplied by S&P ratings for each credit rating. Loss given default (LGD) parameters generally reflect an assumed recovery rate of 48%. The company has opted to consider the outstanding intercompany loan receivables balance in the current year after offsetting it with the intercompany loan payables balance for impairment. The exposure to credit risk for the net receivable balance is measured at amortised cost at the reporting date and analysed as follows.

<b>Credit rating</b>	<b>At Amortized cost</b>	
	<b>2024</b>	<b>2023</b>
B- to B+	-	8,058,883
C to CCC+	13,484,152	13,937,383
Gross carrying amounts	13,484,152	21,996,266
Loss allowance	-	(1,142,726)
Amortised cost	13,484,152	20,853,540
<b>Carrying amount</b>	<b>13,484,152</b>	<b>20,853,540</b>

### 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.

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 based on its assessment of the expected credit loss for these receivables.

Derivative contracts are entered into with bank and financial institution counterparties which have high quality credit ratings. The following represents the maximum amounts of financial assets subject to credit risk exposure;

<b>Group</b>	<b>31-Mar-24</b>		<b>31-Mar-23</b>	
	<b>Amortised cost ₦'000</b>	<b>31-Mar-24 Amortised cost ₦'000</b>	<b>31-Mar-23 Amortised cost ₦'000</b>	<b>31-Mar-23 Amortised cost ₦'000</b>
Trade receivables	28	54,980,878	32,923,499	
Staff receivables	28	3,615,593	3,610,006	
Loan term loans and receivable	26	31,188	43,534	
Bank balances	31	174,712,516	96,735,559	
		233,340,175	133,312,598	
<b>Company</b>	<b>31-Mar-24</b>		<b>31-Mar-23</b>	
	<b>Amortised cost ₦'000</b>	<b>31-Mar-24 Amortised cost ₦'000</b>	<b>31-Mar-23 Amortised cost ₦'000</b>	<b>31-Mar-23 Amortised cost ₦'000</b>
Trade receivables	28	27,600,332	20,020,541	
Related party receivables	28	405,945,930	64,460,191	
Staff receivables	28	2,777,148	2,653,986	
Sundry debtors	28	24,488,433	13,563,173	
Bank balances	31	147,959,052	66,268,998	
		608,770,895	166,966,889	

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.

### 44.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group and Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cashflows, and by matching the maturity profiles of financial assets and liabilities.

### Maturity analysis of financial liabilities

The following tables detail the Group and Company's remaining contractual maturity for its 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 -2024

##### Derivatives and non-derivatives financial liabilities

		Carrying amount N'000	Nominal Gross Amount 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	36	526,145,421	526,145,421	-	-	526,145,421	-	-
Borrowings	32	397,915,614	465,695,528	62,525,678	17,722,312	122,636,245	156,606,464	106,204,829
Dividend payable	37	1,761,919	1,761,919	-	-	1,761,919	-	-
Bank overdraft	30	7,847,196	7,847,196	-	7,847,196	-	-	-
Derivative liability	28	-	-	-	-	-	-	-
Lease liabilities	40	37,639,862	54,862,543	365,454	730,904	3,296,378	22,631,437	27,838,370
		971,310,012	1,056,312,607	62,891,132	26,300,412	653,839,963	179,237,901	134,043,199

#### Group -2023

##### Derivatives and non-derivatives financial liabilities

		Carrying amount N'000	Nominal Gross Amount 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	36	220,681,718	220,681,718	-	-	220,681,718	-	-
Borrowings	32	349,691,297	382,641,500	-	85,170,733	62,578,490	96,437,733	138,454,544
Dividend payable	37	516,502	516,502	-	-	516,502	-	-
Bank overdraft	30	32,806,764	32,806,764	-	32,806,764	-	-	-
Derivative liability	28	2,942,620	2,942,620	292,225	787,471	1,862,924	-	-
Lease liabilities	40	17,675,140	20,407,935	148,460	544,060	1,375,420	5,721,839	12,618,156
		624,314,041	659,997,039	440,685	119,309,028	287,015,054	102,159,572	151,072,700

**Group -2024****Derivatives and non-derivatives financial liabilities**

	Carrying amount ₦'000	Nominal Gross Amount ₦'000	Less than 1 month ₦ '000	1 to 3 months ₦'000	3 months to 1 year ₦'000	1 to 5 years ₦'000	Over 5 years ₦'000
Trade and other payables 36	332,874,949	332,874,949	-	-	332,874,949	-	-
Borrowings 32	288,865,629	306,074,313	62,371,013	13,150,197	108,052,487	56,338,114	66,162,502
Dividend payable 37	1,761,919	1,761,919	-	-	1,761,919	-	-
Bank overdraft 30	7,847,055	7,847,055	-	7,847,055	-	-	-
Derivative liability 28	-	-	-	-	-	-	-
Lease liabilities 40	1,155,233	1,286,707			686,404	6,750	593,553
	<b>632,504,785</b>	<b>649,844,943</b>	<b>62,371,013</b>	<b>20,997,252</b>	<b>443,375,759</b>	<b>56,344,864</b>	<b>66,756,055</b>

**Group -2023****Derivatives and non-derivatives financial liabilities**

	Carrying amount ₦'000	Nominal Gross Amount ₦'000	Less than 1 month ₦ '000	1 to 3 months ₦'000	3 months to 1 year ₦'000	1 to 5 years ₦'000	Over 5 years ₦'000
Trade and other payables 36	156,347,765	156,347,765	-	-	156,347,765	-	-
Borrowings 32	192,165,960	195,195,549	-	59,592,210	62,453,490	50,031,649	23,118,200
Dividend payable 37	516,502	516,502	-	-	516,502	-	-
Bank overdraft 30	20,191,541	20,191,541	-	20,191,541	-	-	-
Derivative liability 28	2,088,559	2,088,559	207,410	558,917	1,322,232	-	-
Lease liabilities 40	427,938	452,317	35,572	72,612	203,985	79,779	60,369
	<b>371,738,265</b>	<b>374,792,233</b>	<b>242,982</b>	<b>80,415,280</b>	<b>220,843,974</b>	<b>50,111,428</b>	<b>23,178,569</b>

The Group has access to undrawn borrowing facilities amounting to ₦120 billion (2023: ₦127 billion). The Bank overdraft may be drawn at any time and may be terminated by the bank without notice. The Group continues to monitor its access to finance and take appropriate measures to ensure obligations are settled in the normal course of business.

### 44.3 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.

#### 44.3.1 Foreign currency risk

The Group is mainly exposed to fluctuation in the exchange rate of the American Dollar (USD), Euro (EUR) and Swiss Franc (CHF).

The Group is currently involved in the backward integration of Agro Allied products in order to reduce the foreign exchange risk associated with the high dependence on imported raw materials. The Group has also commenced the export of products to neighbouring African Countries in order to get more inflow of the USD.

	US Dollar	Euro	CHF	Swiss Franc
<b>31-Mar-24</b>				
Closing rate as at 31 March 2024	1,309.39	1413.04	1451.08	
Average rate for the Period	1067.28	1143.76	1208.81	
<b>31-Mar-23</b>				
Closing rate as at 31 March 2023	561.00	610.13	612.54	
Average rate for the Period	631.34	657.83	663.08	

#### 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 their respective foreign currency amounts at the reporting date:

	Group		Company	
	31-Mar-24 USD'000	31-Mar-23 USD'000	31-Mar-24 USD'000	31-Mar-23 USD'000
Cash and bank balance	39,975	18,588	37,200	9,434
Trade receivables	8,453	9,563	2,532	5,185
Trade payables	(352,449)	(121,768)	(199,626)	(85,457)
Net exposure	(304,021)	(93,617)	(159,894)	(70,838)

	Group		Company	
	31-Mar-24 EUR'000	31-Mar-23 EUR'000	31-Mar-24 EUR'000	31-Mar-23 EUR'000
Cash and bank balance	346	339	346	339
Trade receivables	-	7,769	-	7,792
Trade payables	(119)	-	(85)	-
Net exposure	227	8,108	261	8,131

## Foreign currency sensitivity analysis

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

The following table details the Group and Company's sensitivity to a 20% (2023:20%) increase and decrease in the value of Naira against foreign currencies - USD and EUR. Management believes that a 20% (2023:20%) movement in either direction is reasonably possible at the balance sheet date. The sensitivity analysis below include outstanding balances of foreign currency (USD and EUR) denominated assets and liabilities. A positive number indicates an increase in profit where Naira strengthens by 20% (2023:20%) against foreign currencies - USD and EUR. For a 20% (2023:20%) weakening of Naira against foreign currencies - USD and EUR there would be an equal and opposite impact on profit, and the balances below would be negative.

	<b>31-Mar-24 USD'000</b>	<b>31-Mar-24 USD'000</b>	<b>31-Mar-23 USD'000</b>	<b>31-Mar-23 USD'000</b>
<b>Group</b>				
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
<b>Impact on profit or loss</b>				
US Dollar 20% (2023:20%)	79,616,411	(79,616,411)	10,503,827	(10,503,827)
<b>Company</b>				
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
<b>Impact on profit or loss</b>				
US Dollar 20% (2023:20%)	41,872,721	(41,872,721)	7,948,024	(7,948,024)
<b>Group</b>				
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
<b>Impact on profit or loss</b>				
Euro 20% (2023:20%)	64,152	(64,152)	989,387	(989,387)
<b>Company</b>				
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
<b>Impact on profit or loss</b>				
Euro 20% (2023:20%)	73,761	(73,761)	38,708	(38,708)

## Cash flow hedges

As at the end of the current financial year, there are no forward foreign currency outstanding relating to any hedged item.

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

	<b>Hedge reserves</b>	
	<b>2024</b>	<b>2023</b>
Changes in fair value arising from foreign currency risk - future commitments to purchase inventory	-	1,898,421
Derecognition of hedge item	-	(1,281,434)
Tax movement in reserve during the year	-	(616,987)
	-	-

## Interest rate profile and tenor of borrowings

The terms and conditions and interest rate profile of outstanding loans at the end of the reporting period was as follows:

<b>Group</b>	<b>Currency N'000</b>	<b>Nominal Interest rate</b>	<b>Maturity N'000</b>	<b>31-Mar-24 N'000</b>	<b>31-Mar-23 N'000</b>
Bank overdraft	Naira	18.5%-24%	On demand	7,847,196	31,877,955
Bank of industry Loan-CBN intervention fund	Naira	7%-10%	2023-2029	32,651,286	29,581,815
Commercial Agricultural Credit Scheme-Agriculture loans	Naira	9%	2023-2026	181,119	315,106
Power and Airline Intervention fund	Naira	9%	2025	563,248	913,525
Commercial papers and bonds	Naira	6%-16%	2023-2027	155,164,720	100,261,855
Term loans	Naira	21%	2023	77,052,487	30,411,507
Other bank loans	Naira	6%-21%	2023-2031	-	54,759,226
RSSF -Real Sector Support Facility	Naira	9%	2024-2032	130,613,662	131,469,831
National Sugar Development Council	Naira	3%	2031	762,649	669,161
Private Sector-Led Accelerated Agriculture Development Scheme (PAADS)	Naira	9%	2031	926,442	1,309,273.00
				<b>405,762,809</b>	<b>381,569,254</b>

Company	Currency ₦'000	Nominal Interest rate	Maturity ₦'000	31-Mar-24 ₦'000	31-Mar-23 ₦'000
Bank overdraft	Naira	18.5%-24%	On demand	7,847,055	19,614,856
Bank of industry Loan-CBN intervention fund	Naira	7%-10%	2026	9,165,716	3,556,886
Term loans	Naira	21%	2023	71,238,579	
Import finance facility	Naira	10.0%	2023	553,929	15,373,633
Commercial papers and bonds	Naira	6%-16%	2023-2027	155,164,720	100,261,855
RSSF -Real Sector Support Facility	Naira	9%	2026-2031	24,062,703	28,325,805
Power and Airline Intervention fund	Naira	9%	2025	563,248	913,525
Intercompany loans	Naira	8%-14%	2023-2029	28,116,734	24,119,400
				<b>296,712,684</b>	<b>192,165,960</b>

### 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 interest rate risk internally to key management personnel and these represent management's assessment of the reasonably possible change in interest rates.

### Interest rate sensitivity analysis

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

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	<b>31-Mar-24 N'000</b>	<b>31-Mar-23 N'000</b>
<b>Group</b>		
<b>Fixed rate instruments</b>		
Financial liabilities	-	-
	-	-
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	(7,847,196)	(32,806,764)
	(7,847,196)	(32,806,764)

	<b>31-Mar-24 N'000</b>	<b>31-Mar-23 N'000</b>
<b>Company</b>		
<b>Fixed rate instruments</b>		
Financial liabilities	-	-
	-	-
<b>Variable rate instruments</b>		
Financial assets	13,484,152	21,996,267
Financial liabilities	(7,847,055)	(20,191,541)
	5,637,097	1,804,726

#### Fair value sensitivity analysis for fixed-rate instruments

The Group and Company does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Group and Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would have increased or decreased profit or loss by ₦713,532 (2023: ₦99,378) and ₦411,993 (2023: ₦670,897) for the Group and Company respectively. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

#### 44.3.2 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 ₦483 million (2023: ₦47 million).

The Group investment carried at FVOCI, is listed on the Nigerian Exchange Limited (NGX). A 10% increase in the share price would have increased equity by ₦48.3 million, an equal change in the opposite direction would have decreased equity by ₦48.3 million.

#### 44. Fair value information Accounting classification and fair value

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 due to their short term nature and the consequent insignificant impact of discounting.

Group 31-Mar-24 In thousands of Naira	Carrying amount					Fair value			
	Derivative financial instruments measured at FVOCI amortised cost	Financial assets measured at FVOCI	FVOCl Equity Instruments	Non-derivative financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value through OCI</b>									
Other investments	23	-	-	482,800	-	482,800	-	-	482,800
Derivative assets	28	-	-	-	-	-	-	-	-
	-	-	482,800	-	482,800	-	-	-	482,800
<b>Financial assets at amortised cost</b>									
Long term loans and receivables	25	-	31,188	-	31,188	-	31,188	-	31,188
Trade and other receivables	27	-	71,635,190	-	-	71,635,190	-	-	-
Cash and cash equivalents	30	-	175,844,023	-	-	175,844,023	-	-	-
	-	247,510,401	-	-	247,510,401	-	31,188	-	31,188
<b>Financial liabilities measured at fair value through OCI</b>									
Derivative liabilities	28	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Financial liabilities at amortised cost</b>									
Bank overdrafts	30	-	-	(7,847,196)	(7,847,196)	-	-	-	-
Lease liabilities	40	-	-	(37,639,862)	(37,639,862)	-	(37,639,862)	-	(37,639,862)
Unsecured bank loans	32	-	-	(465,695,528)	(465,695,528)	-	(465,695,528)	-	(465,695,528)
Dividend payable	37	-	-	(1,761,919)	(1,761,919)	-	-	-	-
Trade and other payables (excluding statutory deductions)	36	-	-	(645,841,814)	(645,841,814)	-	-	-	-
	-	-	-	(1,158,786,319)	(1,158,786,319)	-	(503,335,390)	-	(503,335,390)

	Note	Carrying amount						<b>Fair value</b>		
		<b>Derivative financial instruments at FVTPL</b>	<b>Financial assets measured at amortised cost</b>	<b>FVOCI Equity Instruments</b>	<b>Non-derivative financial liabilities</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets measured at fair value through OCI</b>										
Other investments	23	-	-	47,260	-	47,260	47,260	-	-	47,260
Derivative assets	28	-	-	-	-	-	-	-	-	-
Financial assets at amortised cost										
Long term loans and receivables	25	-	43,534	-	43,534	-	43,534	-	-	43,534
Trade and other receivables	27	-	47,469,558	-	47,469,558	-	-	-	-	-
Cash and cash equivalents	30	-	97,702,029	-	97,702,029	-	-	-	-	-
<b>Financial liabilities measured at fair value through OCI</b>										
Derivative liabilities	28	2,942,620	-	-	2,942,620	-	2,942,620	-	-	-
		2,942,620	-	-	2,942,620	-	2,942,620	-	-	-
Financial liabilities at amortised cost										
Bank overdrafts	30			(32,806,764)	(32,806,764)	-				
Lease liabilities	40			(17,675,140)	(17,675,140)	-	(17,675,140)			(17,675,140)
Unsecured bank loans	32	-	-	-	(349,691,297)	(349,691,297)	-	(349,691,297)	-	(349,691,297)
Dividend payable	37	-	-	-	(516,502)	(516,502)	-	-	-	-
Trade and other payables (excluding statutory deductions)	36	-	-	-	(313,026,322)	(313,026,322)	-	-	-	-
		-	-	-	(713,716,025)	(713,716,025)	-	(367,366,437)	-	(367,366,437)

	Note	Carrying amount						Fair value		
		Derivative financial instruments measured at FVOCI at amortised cost	Financial assets measured at FVOCI	FVOCI Equity Instruments	Non-derivative financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value through OCI</b>										
Other investments	23	-	482,800	-	482,800	482,800				
Derivative assets	28	-	-	-	-	-				
		-	482,800	-	482,800	482,800				
Long term loans and receivables	25	13,484,152	-	13,484,152	-	13,484,152				
Trade and other receivables	27	456,409,839	-	456,409,839	-	456,409,839				
Cash and cash equivalents	30	-	2,880,779	-	-	2,880,779				
		-	472,774,770	-	-	472,774,770				
<b>Financial liabilities measured at fair value through OCI</b>										
Derivative liabilities	28	-	-	-	-	-				
<b>Financial liabilities at amortised cost</b>										
Bank overdrafts	30	-	-	(7,847,055)	(7,847,055)	-	-	-	-	-
Lease liabilities	40	-	-	(1,155,233)	(1,155,233)	-	(1,155,233)	-	(1,155,233)	
Unsecured bank loans	32	-	-	(306,074,313)	(306,074,313)	-	(306,074,313)	-	(306,074,313)	
Dividend payable	37	-	-	(1,761,919)	(1,761,919)	-	-	-	-	
Trade and other payables (excluding statutory deductions)	36	-	-	(469,031,517)	(469,031,517)	-	-	-	-	
		-	-	(785,870,037)	(785,870,037)	-	(307,229,546)	-	(307,229,546)	

<b>Note</b>	<b>Carrying amount</b>					<b>Fair value</b>			
	<b>Derivative financial instruments measured at FVTPL</b>	<b>Financial assets measured at FVOCI</b>	<b>FVOCL Equity Instruments</b>	<b>Non-derivative financial liabilities</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets measured at fair value through OCI</b>									
Other investments	23	-	-	47,260	-	47,260	47,260	-	47,260
		-	-	47,260	-	47,260	47,260	-	-
<b>Financial assets at amortised cost</b>									
Long term loans and receivables	25	-	20,853,541	-	20,853,541	-	20,853,541	-	20,853,541
Trade and other receivables	27	-	97,817,112	-	97,817,112	-	-	-	-
Cash and cash equivalents	30	-	67,167,053	-	67,167,053	-	-	-	-
		-	185,837,706	-	185,837,706	-	20,853,541	-	20,853,541
<b>Financial assets measured at fair value through OCI</b>									
Derivative liabilities	28	2,942,260	-	-	2,942,260	-	2,942,260	-	2,942,260
		2,942,260	-	-	2,942,260	-	2,942,260	-	2,942,260
<b>Financial liabilities at amortised cost</b>									
Bank overdrafts	30	-	-	(20,191,541)	(20,191,541)	-	-	-	-
Lease liabilities	40	-	-	(427,938)	(427,938)	-	(427,938)	-	(427,938)
Unsecured bank loans	32	-	-	(192,165,960)	(192,165,960)	-	(192,165,960)	-	(192,165,960)
Dividend payable	37	-	-	(516,502)	(516,502)	-	-	-	-
Trade and other payables (excluding statutory deductions)	36	-	-	(241,702,100)	(241,702,100)	-	-	-	-
		-	-	(455,004,041)	(455,004,041)	-	(192,593,898)	-	(192,593,898)

## 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 maximizes 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 discount rates used are 22.77% (2023: 15.75%).

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 (Note 29).

### Financial instrument in Level 3

The fair value is based on unobservable inputs. The Group has no level 3 financial assets or financial liabilities as at the reporting period.

## 45. Changes in presentation

During the year, changes were made to the presentation of line items on the consolidated and separate statements of profit or loss and other comprehensive income. This change impacted the initial presentation of loss on exchange difference of ₦31.5 billion and ₦15.79 billion previously presented in the Group and company financial statements respectively, as part of Net operating gain and (losses) and is now re-presented as finance costs. The changes were made in order to achieve a fair presentation and align with the industry practice. See further details as shown below:

<b>Group</b> <b>31 March 2023</b>	<b>As previously reported ₦'000</b>	<b>Reclassification ₦'000</b>	<b>As Re - Presented ₦'000</b>
Net operating gains and (losses)	(21,821,784)	31,484,327	9,662,543
Finance costs	(55,725,721)	(31,484,327)	(87,210,048)
Others	107,051,790		107,051,790
Profit for the year	29,504,285		29,504,285
Other comprehensive income	1,937,296		1,937,296
Total comprehensive income	<b>31,441,581</b>		<b>31,441,581</b>
Basic and diluted earnings per share (kobo)	725		725
<b>Company</b> <b>31 March 2023</b>	<b>As previously reported ₦'000</b>	<b>Reclassification ₦'000</b>	<b>As Re - Presented ₦'000</b>
Net operating gains and (losses)	(44,638,904)	15,798,800	(28,840,104)
Finance costs	(29,213,926)	(15,798,800)	(45,012,726)
Others	88,026,734		88,026,734
Profit for the year	<b>14,173,904</b>		<b>14,173,904</b>
Other comprehensive income	1,791,668		1,791,668
Total comprehensive income	<b>15,965,572</b>		<b>15,965,572</b>
Basic and diluted earnings per share (kobo)	346		346

#### 46. Non-audit fees paid to the Auditors

In the current year the total amount of non-audit fees paid to our auditors in respect of advisory services amounted to ₦22.59 million (2023: ₦12.5 million). The Group paid total amount of ₦120 million for audit related services in respect of limited assurance on Internal Control Over Financial Reporting (ICFR) (2023: Nil) during the year.

#### 47. Commitments

Guarantees and other financial commitments

The Company has committed itself to providing continued financial support to all subsidiaries in the Group with net liability position.

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the Company's state of affairs have been taken into consideration in the preparation of the consolidated and separate financial statements under review.

#### 48. Contingencies

The Group and the Company are involved in litigation in the ordinary course of business. The total amount for contingent liabilities is ₦226 million with respect to cases against the Group and Company as at year end (2023: ₦126 million). The actions are being contested and the Directors are of the opinion that none of the cases are likely to have a material adverse effect on the Group and Company.

The directors believe that any liability that may arise on conclusion of the reviews is not likely to be material. However, the amount of the ultimate liability if any, cannot be reliably estimated as at the reporting date. Accordingly, no provision has been made in these consolidated and separate financial statements. The

directors have not made further disclosures about the nature of the regulatory reviews as doing so would amount to disclosing information that could prejudice or harm the Company's position on the matters.

#### **49. Events after the reporting period**

On 9 November 2023 the Shareholders, through a resolution, approved the restructuring of Nigeria Bag Manufacturing Division, BAGCO of the Company to become a stand alone subsidiary. Subsequent to year end, on 15 May 2024, a court ordered meeting was held where the restructuring was approved. The final regulatory approval process is still ongoing and yet to be finalised as at date of approval of the consolidated and separate financial statements.

Except from this, 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 2024, and its financial performance for the year then ended, that have not been adequately provided for or disclosed in these consolidated and separate financial statements.

# Other National Disclosures

## Consolidated Value Added Statement

### Group

	31-Mar-24 ₦'000	31-Mar-24 %	31-Mar-23 ₦'000	31-Mar-23 %
Turnover	2,291,561,452		1,539,654,788	
Finance income	4,638,656		717,611	
<b>Brought-in-materials</b>				
- Local	(287,229,461)		(132,620,568)	
- Foreign	(1,839,924,444)		(1,225,962,938)	
<b>Value Added</b>	169,046,203	100	181,788,893	100
<b>Distribution of value added</b>				
To Pay Employees	62,463,153		54,294,583	
Salaries, wages, medical and other benefits	62,463,153	37	54,294,583	30
<b>To Pay Providers of Capital</b>				
Finance costs	71,353,222		55,725,721	
	71,353,222	42	55,725,721	31
<b>To Pay Government</b>				
Income tax	35,661,656		26,224,594	
	35,661,656	21	26,224,594	14
<b>To be retained in the business for expansion and future wealth creation:</b>				
Depreciation and amortisation (for the replacement of PPE)	35,466,516		31,985,981	
Deferred tax	(39,443,097)		(15,946,271)	
	(3,976,581)	-2	16,039,710	9
<b>Value retained</b>				
Retained profit	257,181		29,732,507	
Non-controlling interest	3,287,572		(228,222)	
	3,544,753	2	29,504,285	16
<b>Value Added</b>	169,046,203	100	181,788,893	100

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

## Separate Value Added Statement

Company	31-Mar-24 ₦'000	31-Mar-24 %	31-Mar-23 ₦'000	31-Mar-23 %
Turnover	1,346,992,354		923,015,713	
Finance income	26,612,314		13,178,025	
<b>Brought-in-materials</b>				
- Local	(80,199,529)		(53,190,309)	
- Foreign	(1,180,700,687)		(772,962,154)	
<b>Value Added</b>	112,704,452	100	110,041,275	100
<b>Distribution of value added</b>				
<b>To Pay Employees</b>				
Salaries, wages, medical and other benefits	39,548,686		34,064,573	
	39,548,686	35	34,064,573	31
<b>To Pay Providers of Capital</b>				
Finance costs	41,199,390		29,213,926	
	41,199,390	37	29,213,926	27
<b>To Pay Government</b>				
Income tax	19,838,486		18,570,169	
	19,838,486	18	18,570,169	17
<b>To be retained in the business for expansion and future wealth creation:</b>				
Depreciation and amortisation (for the replacement of PPE)	13,702,421		14,509,971	
Deferred tax	(18,402,285)		(491,268)	
	(4,699,864)	-4	14,018,703	13
<b>Value retained</b>				
Retained profit	16,817,754		14,173,904	
	16,817,754	14	14,173,904	13
<b>Value Added</b>	112,704,452	100	110,041,275	100

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

**Group****Consolidated Statement of Financial Position**

	<b>31-Mar-24 ₦'000</b>	<b>31-Mar-23 ₦ '000</b>	<b>31-Mar-22 ₦'000</b>	<b>31-Mar-21 ₦'000</b>	<b>31-Mar-20 ₦'000</b>
<b>Assets</b>					
Non-current assets	428,727,651	387,110,805	254,895,383	238,727,670	242,722,155
Current assets	1,063,762,098	710,285,585	412,116,426	306,005,143	189,731,687
<b>Total assets</b>	<b>1,492,489,749</b>	<b>1,097,396,390</b>	<b>667,011,809</b>	<b>544,732,813</b>	<b>432,453,842</b>
<b>Liabilities</b>					
Non-current liabilities	281,285,120	288,080,178	177,520,701	160,422,753	127,887,817
Current liabilities	977,554,182	584,091,324	293,586,417	209,696,110	148,758,253
<b>Total liabilities</b>	<b>1,258,839,302</b>	<b>872,171,502</b>	<b>471,107,118</b>	<b>370,118,863</b>	<b>276,646,070</b>
<b>Total equity</b>	<b>233,650,447</b>	<b>225,224,888</b>	<b>195,904,691</b>	<b>174,613,950</b>	<b>155,807,772</b>
	<b>1,492,489,749</b>	<b>1,097,396,390</b>	<b>667,011,809</b>	<b>544,732,813</b>	<b>432,453,842</b>

**Consolidated Statement of Profit or Loss  
and Other Comprehensive Income**

	<b>31-Mar-24 ₦'000</b>	<b>31-Mar-23 ₦ '000</b>	<b>31-Mar-22 ₦'000</b>	<b>31-Mar-21 ₦'000</b>	<b>31-Mar-20 ₦'000</b>
Revenue	2,291,561,452	1,539,654,788	1,163,802,851	771,607,880	573,774,356
Profit before taxation	3,952,454	42,752,114	41,118,148	41,118,148	17,496,815
Taxation	3,781,441	(10,278,323)	(11,200,392)	(11,567,960)	(5,815,148)
Profit from continuing operations	7,733,895	32,473,791	29,917,756	29,550,188	11,681,667
Profit for the year	3,544,753	29,504,285	28,015,226	25,716,923	11,376,743
Non-controlling interest	(3,287,572)	228,222	(2,339,191)	431,863	(909,070)
Profit attributable to parents of the Company	257,181	29,732,507	25,676,035	26,148,786	10,467,673
<b>Per share data</b>					
Earnings per share (Naira)	0.06	7.25	6.26	6.38	2.55
Net assets per share (Naira)	56.98	54.93	47.78	42.58	38.00

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

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

## Company

### Separate Statement of Financial Position

	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-22 ₦'000	31-Mar-21 ₦'000	31-Mar-20 ₦'000
<b>Assets</b>					
Non-current assets	181,065,461	232,783,388	220,970,412	219,163,251	189,083,838
Current assets	862,379,842	486,501,934	266,647,165	161,159,274	125,183,221
<b>Total assets</b>	<b>1,043,445,303</b>	<b>719,285,322</b>	<b>487,617,577</b>	<b>380,322,525</b>	<b>314,267,059</b>
<b>Liabilities</b>					
Non-current liabilities	134,036,671	93,564,578	100,333,110	95,377,417	67,325,900
Current liabilities	717,075,540	443,900,217	212,620,619	125,066,314	100,624,270
<b>Total liabilities</b>	<b>851,112,211</b>	<b>537,464,795</b>	<b>312,953,729</b>	<b>220,443,731</b>	<b>167,950,170</b>
<b>Total equity</b>	<b>192,333,092</b>	<b>187,695,773</b>	<b>174,663,847</b>	<b>159,878,794</b>	<b>146,316,889</b>
	<b>1,043,445,303</b>	<b>719,285,322</b>	<b>487,617,577</b>	<b>380,322,525</b>	<b>314,267,059</b>

### Separate Statement of Profit or Loss and Other Comprehensive Income

	31-Mar-24 ₦'000	31-Mar-23 ₦'000	31-Mar-22 ₦'000	31-Mar-21 ₦'000	31-Mar-20 ₦'000
Revenue	1,346,992,354	923,015,713	832,810,561	535,881,585	394,884,217
Profit before taxation	18,253,955	32,252,805	29,748,829	28,183,601	17,537,684
Taxation	(1,436,201)	(18,078,901)	(7,929,013)	(8,011,112)	(4,955,115)
Profit from continuing operations	16,817,754	14,173,904	21,819,816	20,172,489	12,582,569
Discontinued operations	-	-	-	-	-
Profit for the year	16,817,754	14,173,904	21,819,815	20,172,489	12,582,569
Profit attributable to parents of the Company	16,817,754	14,173,904	21,819,815	20,172,489	12,582,569
<b>Per share data</b>					
Earnings per share (Naira)	4.10	3.46	5.32	4.92	3.06
Net assets per share (Naira)	46.91	44.34	42.60	38.99	35.68

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

<b>Date</b>	<b>Authorised (N)</b>		<b>Issued &amp; Fully Paid-up (N=)</b>		<b>Consideration</b>
	<b>Increase</b>	<b>Cumulative</b>	<b>Increase</b>	<b>Cumulative</b>	
26/09/78	0	15,000,000	0	15,000,000	
26/08/80	10,000,000	25,000,000	10,000,000	15,000,000	
21/11/80	0	25,000,000	0	25,000,000	Scrip 2:3
12/11/84	7,500,000	32,500,000	7,500,000	25,000,000	
16/01/85	0	32,500,000	0	32,500,000	Scrip 3:10
09/11/93	65,000,000	97,500,000	65,000,000	32,500,000	
18/02/94	0	97,500,000	0	97,500,000	Scrip 2:1
03/10/96	152,500,000	250,000,000	152,500,000	97,500,000	
01/11/96	0	250,000,000	0	130,000,000	Scrip 1:3
23/11/96	0	250,000,000	0	195,000,000	Scrip 1:2
16/09/99	100,000,000	350,000,000	100,000,000	195,000,000	
04/01/00	0	350,000,000	0	273,000,000	Cash
10/09/02	150,000,000	500,000,000	150,000,000	273,000,000	
27/02/03	0	500,000,000	0	364,000,000	Scrip 1:3
04/02/05	0	1,000,000,000	0	582,400,000	Rights issue 3 for 5
07/09/06	0	1,000,000,000	0	776,533,334	Scrip 1:3
10/09/08	0	1,000,000,000	0	854,186,668	Scrip 1:10
21/10/10	0	1,000,000,000	0	939,605,334	Scrip 1:10
22/06/11	1,000,000,000	2,000,000,000	1,000,000,000	939,605,334	
15/02/12	0	2,000,000,000	0	1,167,388,000	Right Issue 8 for 33
31/03/13	0	2,000,000,000	0	1,192,842,200	Share Exchange upon BAGCO and Niger Mills Merger
31/03/14	0	2,000,000,000	0	1,192,842,200	
31/03/15	0	2,000,000,000	0	1,312,126,690	Scrip 1:10
13/07/15	500,000,000	2,500,000,000	500,000,000	1,312,126,690	
29/03/18		2,500,000,000		2,050,197,803	Right Issue
22/12/22	0	2,050,197,803	0	2,050,197,803	Share Cancellation



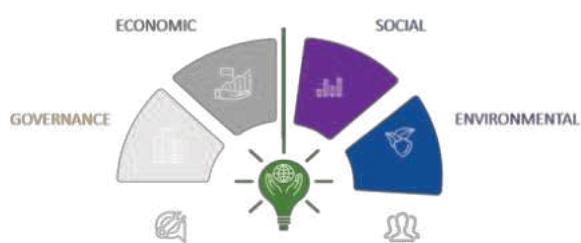
2024

# SUSTAINABILITY & CSR REPORT

## SUSTAINABILITY AT FMN

FMN is committed to creating sustainable and responsible value for all its stakeholders. Our approach to embedding sustainability across the business is driven through FMN's "Tropos" - a 4 Pillar Framework comprising Governance, Economic, Environmental and Social pillars. These four pillars set out the areas where our knowledge and resources are enabling us to make a positive change and give structure for consolidation of all our sustainably efforts.

We identify with the United Nations Sustainable Development Goals (UN SDGs) and continue to drive efforts towards achieving some of the strategic targets of the goals.



## CSR REPORT

FMN is committed to implementing social investment initiatives in a sustainable manner, employing a consistent approach that allows for measurable outcomes and alignment with its business priorities. The well-being and developmental needs of our communities holds utmost significance in achieving the enduring success of our organization. Consequently, we actively explore avenues to enhance community welfare and contribute value to the regions where we conduct our operations.

Our 3 Strategic Pillars for Social (Community) Investments are as follows.

1. Education (including skills development and R&D)
2. Health, Safety and Welfare of surrounding communities (including Food & Nutrition)
3. Infrastructural Development

## EDUCATION (INCLUDING SKILLS DEVELOPMENT AND R&D)

We are committed to investing in activities that aid in increasing access to quality education, promote research and empower people through skills development. The following are some of the programs/initiatives executed during the period.



- Skill Acquisition program for youths from our host communities, was done by Niger Mills division in collaboration with University of Calabar Entrepreneurship Development Centre.



- Scholarships were given to Tertiary and Secondary Schools beneficiaries from our Host Communities in Calabar.
- A block of 4 classrooms with staffroom, toilets and furniture was constructed at the Anglican Primary & Secondary school, Kusogi community – one of our Host communities at Sunti, Niger State. The only functional school over a 30km radius was constructed by GSC-Sunti, Niger State.



- Renovation project was done in the Multipurpose Hall at Rumfa College, Kano by NNFM.



- **GEORGE S. COUMANTAROS DISTINGUISHED PROFESSIONAL CHAIR IN THE DEPARTMENT OF FOOD TECHNOLOGY, UNIVERSITY OF IBADAN**
- – On the 22nd of February, 2024 the George S. Coumantaros baking challenge took place in the newly constructed Baking Laboratory named after the Emeritus Chairman of FMN. This is one of the many projects funded by the annual grant given by FMN.

## HEALTH, SAFETY AND WELFARE OF SURROUNDING COMMUNITIES (INCLUDING FOOD & NUTRITION)

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

- FMN Health, Safety & Environment embarked on a transformative journey towards fostering a culture of safety and sustainability. We diligently worked to instill a sense of ownership and responsibility for health, safety, and environmental practices among employees through Behavioral Based Safety (BBS) training. Technological advancements and integrated innovative solutions were embraced to enhance workplace safety protocols and minimize environmental impact. During FY23/24, several notable HSE milestones were achieved including the following.
  - Zero on-site fatality
  - Invested ₦1.01B in fire infrastructure and protection upgrades across various sites.
  - Initiated solid waste segregation and sorting strategies at the source, resulting in ₦112.2 million for FY23/24, a 59.3% increase from ₦66.5 million in FY22/23.
  - Installed 98% of water flow meters to enhance water management practices across FMN.
  - We maintained zero validated regulatory contraventions and fines across all sites and achieved a 46% reduction in solid waste sent to landfills, compared to 32% in FY22/23.
  - Celebrating milestones and accomplishments, FMN HSE recognized the collective efforts of its workforce in advancing the organization's commitment to health, safety, and environmental excellence. The Northern Nigeria Flour Mills Plc Kano, surpassed 1900 days, and still counting without a lost time injury (LTI) and Honeywell, Tincan also achieved 3,818,880 manhours in 2023/2024 FY without a lost time injury.

FMN welfare projects executed in our communities are as follows.



Charity visits to Tower of Refuge & Strength Outreach by PEOPL, Ibadan.



Charity visits to Winnies Castle Home by PEOPL, Ibadan.



A Primary health care centre with furniture was constructed at Kanzhi village, one of our host communities at GSC-Sunti, Niger State.



As a show of commitment to the transformation of conventional farming into a holistic and sustainable approach that not only produces food but also regenerates the natural environment, addresses global challenges and provides an alternative livelihood income stream to local farmers, 13 new farmers were accepted into the out-grower scheme on a 30.5ha block of land at Sunti, Niger State.

## INFRASTRUCTURAL DEVELOPMENT

In our unwavering commitment to sustainable development, we remain committed to enhancing lives and infrastructure, consistently prioritizing initiatives aimed at enhancing lives and infrastructure within the communities we serve.



Installation of 7 solar powered streetlights was done in our host Communities (Obutong, Essien Town, Ikot Abasi Obori) through Niger Mills Division, Calabar.

Infrastructural project-Installed speed breaker and road sign along Alomaja Idi-ayunre road by PEOPL Ibadan.



Solar Powered borehole improvement at Jogun village, Idi Ayunre, Ibadan by PEOPL.



- Joint dredging of the communal drainage/canal at OPIC estate Agbara was done to ensure free flow of rainwater thereby mitigating the impact of flooding in the area by Golden Pasta Agbara Division.
- A 2.6km road was constructed for Dakogi community, Niger State. The road has greatly improved the economic activity of the community. Dakogi now has a functional market and is now able to transport farm produce more conveniently.
- The link culvert between Dakogi and Ibba communities which had been washed off during the last rains, was repaired.

## COMPANY EVENTS, AWARDS & RECOGNITION



2023 FMN Quality Week celebrated across all Business Units to improve awareness on quality.



**2023 FMN HSE Week was marked across all Sites  
- I am a Safety Champion Campaign.**



**FMN Women Network's Annual Conference 2023- TechHER: Bridging the Tech Barriers Building the Future**  
Hosted over 100 delegates, Network's Sponsors and the FMN Leadership to an engaging hybrid conference with industry seasoned panelist.



**Girls Pacing Onward Initiative International Day of the Girl Child**

Enlightened over 200 girls at the State Senior Grammar School (Special Needs) Surulere on ICT, Careers and Leadership Skills



❖ **Awards from the International Finance Corporation (IFC) a member of the World Bank Group- January 2024**

- Flour Mills of Nigeria PLC Gender Diversity in Supply Chains Award

**Special recognition from IFC**

- Flour Mills of Nigeria PLC Recognition for Championing Childcare
- Flour Mills of Nigeria PLC Recognition for Women's Empowerment and Leadership

❖ **Women in Marketing & Communications Conference Awards (WMCA) for the "Award of the most outstanding brand-centric women community of the year- Food Sector"- Nov. 2023**

❖ **Lagos State Government Education District: Merit Award received for "Outstanding contribution to the Development of Education in Lagos State Education District IV – Dec. 2023**

For five consecutive years, FMN has won awards at the prestigious Sustainability Enterprise & Responsibility Awards (SERAS). In 2023, the company won in two categories – Best Company in Stakeholder Engagement and Supply Chain respectively.



Fortification Excellence Award - Eagle Flour and Golden Penny Confectionery Flour brands ranked in the Top 5 Tier for attaining food fortification excellence in Nigeria by Millers for Nutrition - March 2024



Award to FMN as the most outstanding FMCG corporate brand of the decade by World Quality Alliance – November 2023



Award to FMN for pioneering large-scale food fortification in Nigeria by TechnoServe – October 2023



### Golden Sugar Company Received the Prestigious Supplier LOCT Scope 1 & 2 Badges, 2023

Golden Sugar earned the prestigious Supplier LOCT GHG Scope 1 and 2 Footprint badges, recognizing FMN significant efforts in advancing Scope 1 and 2 reductions on a global scale. This achievement highlights FMN's commitment to reducing greenhouse gas emissions and demonstrates her alignment with global industry standards, instilling confidence in her customers, suppliers, and other stakeholders about our climate progress.



### 2023 FMN PRIZE FOR INNOVATION COMPETITION



2023 EMPLOYEE'S AWARD EVENT



2023 GOLDEN FERTILIZER DEALER'S AWARD CEREMONY

## 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, Igando (Bagco Building) Surulere  
P. O. Box 3554, Surulere, 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	
	HONEYWELL 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](http://atlasregistrars.com) email: [atlasregistrars@yahoo.com](mailto:atlasregistrars@yahoo.com), [registrars@atlasregistrars.com](mailto:registrars@atlasregistrars.com)

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# ATLAS REGISTRARS LIMITED

## SHAREHOLDERS' DATA UPDATE



- Flour Mills of Nigeria Plc**
- Northern Nigeria Flour Mills Plc**
- HoneyWell Flour Mills Plc**

Dear Shareholders,

(1) To enable us serve you better through prompt payment of dividends, electronic distribution of notices and Annual Reports and Accounts, Update and execution of your mandates and instructions, we request that you kindly avail us with the underlisted information to enable us update your records:

- Surname
- Other Names
- Current address
- E-mail Address
- GSM Number
- Bank Verification Number (BVN)
- Bank Name
- Bank Account Number

(2) Securities and Exchange Commission (SEC) has directed Capital Market Registrars as follows

- To stop the issuance of dividend warrants to investors.
- That all dividends be credited into shareholders designated bank account directly

By this directive, we advise that if you have not mandated your dividends to your designated bank account, please do so immediately.

### **KINDLY UTILIZE ANY OF THE CHANNELS BELOW:**

- Visit our website to download DATA UPDATE and/or E-MANDATE ACTIVATION FORM  
[www.atlasregistrars.com](http://www.atlasregistrars.com)
- Scan completed copies and send to our e-mail addresses below:  
[registrars@atlasregistrars.com](mailto:registrars@atlasregistrars.com); [atlasregistrars@yahoo.com](mailto:atlasregistrars@yahoo.com)
- E-Mandate Activation Form could also be downloaded from your bank,  
**OR**
- Kindly pick-up any of the forms for your update at our office located at:  
**ATLAS REGISTRARS LIMITED**  
**BAGCO BUILDING,**  
**34, ERIC MOORE ROAD, IGANMU, LAGOS**

**Atlas Registrars Ltd.  
34, Eric Moore Road Igamu,  
(BAGCO Building), P. O.  
Box 341 Apapa Lagos  
State Nigeria**

## Proxy Form

FLOUR MILLS OF NIGERIA PLC  
**64<sup>TH</sup> ANNUAL GENERAL MEETING TO BE HELD BY 12 NOON  
 ON THURSDAY 14TH NOVEMBER, 2024**  
**AT THE BALMORAL CONVENTION CENTRE, FEDERAL  
 PALACE HOTEL, AHMADU BELLO WAY, VICTORIA ISLAND,  
 LAGOS.**

I/We\* Phillip Anthony Eto.....  
 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 14<sup>th</sup> November, 2024 and at any adjournment thereof.

Dated this.....day of.....2024

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.

RESOLUTIONS	FOR	AGAINST	ABSTAIN
<b>Ordinary business</b>			
1. To declare a dividend	x		
2.(i) To re-elect the following Directors: - Mr. John G. Coumantaros - Prof. Jerry Gana CON - Mr. Alfonso Garate - Alh..Rabiu M. Gwarzo - Ms. Yewande T. Sadiku	x		
3. Disclose the remuneration of Managers of Flour Mills of Nigeria Plc.			
4. To authorize the Directors to fix Auditors' remuneration.	x		
5. To elect members of the Audit committee.	x		
<b>Special Business</b>			
6. To renew the resolution on the general mandate of shareholders to the company to enter into recurrent transactions with related parties.	x		
7. To approve the remuneration of Directors	x		
8. To consider and if approved, authorize the Directors to raise additional capital for the Company to the tune of N200,000,000,000.00 (Two Hundred Billion)	x		

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.

Please indicate with "x" in the appropriate box how you wish your vote to be cast on the resolutions set out above

Unless otherwise instructed, the Proxy will vote or abstain from voting at his / her discretion.

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

ADMISSION CARD  
**FLOUR MILLS OF NIGERIA PLC**  
**64<sup>TH</sup> ANNUAL GENERAL MEETING TO BE HELD BY 12 NOON**  
**ON THURSDAY 14<sup>TH</sup> NOVEMBER, 2024**  
**AT THE BALMORAL CONVENTION CENTRE, FEDERAL PALACE HOTEL, AHMADU BELLO WAY, 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\*.



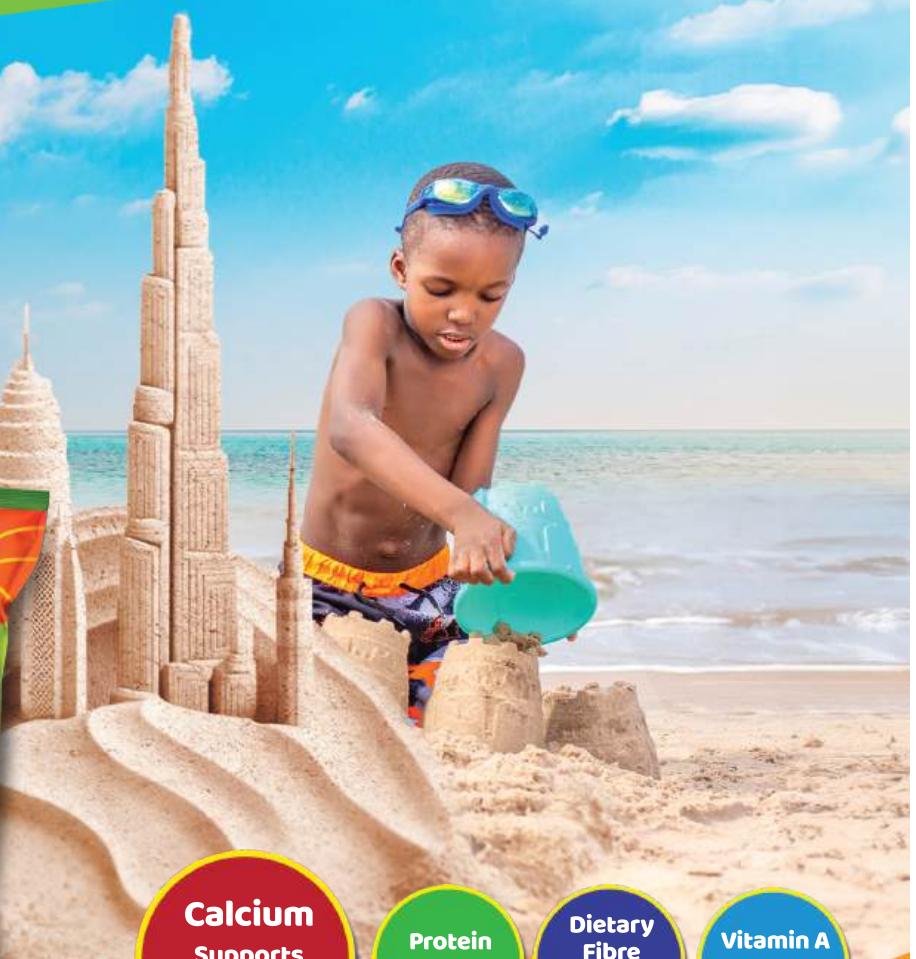


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          +234 (705) 689-2000  
**Address:** 1Golden Penny Place, Wharf Road, Apapa,  
          Lagos State, Nigeria.