Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements

for the period ended March 31, 2021

Dangote Sugar Refinery Plc
Consolidated and Separate Financial Statements for the Period Ended March 31, 2021

Index

The reports and statements set out below comprise the consolidated and separate financial statements presented to the shareholders:

Contents	**Page**

General Information

Country of incorporation and domicile	Nigeria
Nature of business and principal activities	Refining of raw sugar into edible sugar and selling of refined sugar
Chairman	Alh. Aliko Dangote (GCON)
Group Managing Director/CEO	Mr. Ravindra Singhvi
Director	Mr. Olakunle Alake
Director	Alh. Sani Dangote
Director	Mr. Uzoma Nwankwo
Director	Ms. Bennedikter Molokwu
Director	Dr. Koyinsola Ajayi
Director	Alh. Abdu Dantata
Director	Ms. Maryam Bashir
Registered office	GDNL Administrative Building Terminal E, Shed 20 NPA Apapa Wharf Complex Apapa Lagos
Holding company	Dangote Industries Limited, incorporated in Nigeria
Ultimate holding company	Greenview International Corp. Cayman Island
Auditors	PricewaterhouseCoopers Chartered Accountants Landmark Towers Plot 5B, Water Corporation Road Victoria Island Lagos
Bankers	Access Bank Plc Ecobank Plc Fidelity Bank Plc First Bank of Nigeria Limited First City Monument Bank Plc FSDH Merchant Bank Guaranty Trust Bank Plc Jaiz Bank Plc Stanbic IBTC Bank Plc Standard Chartered Bank Nigeria Limited Sterling Bank Plc Union Bank of Nigeria Plc Unity Bank Plc United Bank for Africa Plc Zenith Bank Plc
Company Secretary/Legal Adviser	Mrs. Temitope Hassan 3rd Floor, GDNL Administrative Building Terminal E, Shed 20 NPA Apapa Wharf Complex Apapa Lagos
Registrars	Veritas Registrars Limited Plot 89A Ajose Adeogun Street Victoria Island Lagos

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

	Note(s)	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Continuing operations							
Revenue	5	67,393,632	214,297,747	47,643,021	67,393,632	206,360,657	45,775,531
Cost of sales	6	(49,349,220)	(160,551,299)	(34,922,219)	(49,349,220)	(153,153,524)	(33,341,823)
Gross profit		**18,044,412**	**53,746,448**	**12,720,802**	**18,044,412**	**53,207,133**	**12,433,708**
Other income	11	99,681	906,929	32,428	99,681	815,299	21,441
Selling and distribution expenses	7	(124,105)	(676,938)	(186,552)	(124,105)	(667,056)	(180,507)
Administrative expenses	7	(2,135,689)	(9,010,569)	(1,819,348)	(2,000,679)	(7,517,642)	(1,280,354)
Impairment of investment in Niger Sugar	21.1	-	(99,000)	-		(99,000)	-
Impairment (losses)/gains on financial assets	23.3	-	(430,857)		-	581,855	
Operating profit	14	**15,884,299**	**44,436,013**	**10,747,330**	**16,019,309**	**46,320,589**	**10,994,288**
Finance cost	10	(3,412,465)	(1,915,548)	(1,352,978)	(3,287,482)	(1,525,382)	(1,314,538)
Finance costs - net		**(3,412,465)**	(1,915,548)	**(1,352,978)**	**(3,287,482)**	(1,525,382)	**(1,314,538)**
Investment income	8	126,823	684,786	124,050	126,823	684,453	124,050
Fair value adjustment	9	(650,102)	2,417,067	(8,711)	(650,102)	559,287	-
Profit before tax		**11,948,555**	**45,622,319**	**9,509,691**	**12,208,548**	**46,038,948**	**9,803,800**
Taxation	12.1	(3,646,960)	(15,847,076)	(3,137,217)	(3,646,960)	(14,668,289)	(3,137,217)
Profit for the year		**8,301,595**	**29,775,243**	**6,372,474**	**8,561,588**	**31,370,659**	**6,666,583**
Profit attributable to:							
Owners of the parent		8,304,195	29,764,578	6,387,179	8,561,588	31,370,659	6,666,583
Non-controlling interest		(2,600)	10,665	(14,705)	-	-	-
		8,301,595	29,775,243	6,372,474	8,561,588	31,370,659	6,666,583
Total comprehensive income for the period		8,301,595	29,775,243	6,372,474	8,561,588	31,370,659	6,666,583
Total comprehensive income attributable							
Owners of the parent		8,304,195	29,764,578	6,387,179	8,561,588	31,370,659	6,666,583
Non-controlling interest		(2,600)	10,665	(14,705)	-	-	-
		8,301,595	29,775,243	6,372,474	8,561,588	31,370,659	6,666,583
Earnings per share							
Basic and diluted earnings per share (Naira)	15	0.68	2.45	0.53	0.70	2.58	0.56

The accompanying notes on pages 6 to 49 form an integral part of the consolidated and separate financial statements.

Consolidated and separate statements of financial position as at March 31, 2021

	Note	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Assets							
Non-current assets							
Property, plant and equipment	16	104,737,419	101,733,526	83,555,790	78,004,574	76,698,057	31,804,628
Intangible assets	17	-	-	-	-	-	-
Other assets	19	-	-	-	-	-	-
Investment in subsidiaries	21	-	-	-	297,000	297,000	3,610,923
Deposit for shares	21b	-	-	-	45,194,085	41,574,737	-
Deferred tax assets	13	-	-	10,440,450	-	-	-
Total non-current assets		104,737,419	101,733,526	93,996,241	123,495,659	118,569,794	35,415,551
Current assets							
Inventories	22	55,639,835	63,000,300	58,682,305	38,491,221	51,568,627	48,269,657
Biological assets	18	3,678,493	4,462,449	1,832,324	3,678,493	4,462,449	-
Trade and other receivables	23	57,529,941	61,787,319	36,477,655	42,456,592	38,098,871	112,687,092
Other assets	19	848,922	46,689	629,185	847,464	44,617	624,376
Asset held for sale	20	868,642	868,642	868,642	868,642	868,642	868,642
Cash and cash equivalents	24	68,637,257	44,860,441	40,048,497	68,407,882	44,394,521	38,384,287
Total current assets		187,203,090	175,025,840	138,538,608	154,750,294	139,437,727	200,834,054
Total assets		291,940,509	276,759,366	232,534,849	278,245,953	258,007,521	236,249,605
Equity							
Attributable to owners of Parent company							
Share capital	25	6,073,439	6,073,439	6,000,000	6,073,439	6,073,439	6,000,000
Share premium	25	6,320,524	6,320,524	6,320,524	6,320,524	6,320,524	6,320,524
Retained earnings	26	120,632,608	112,328,413	102,645,757	121,470,527	112,908,939	112,429,005
		133,026,571	124,722,376	114,966,281	133,864,490	125,302,902	124,749,529
Non-controlling interest	27	(13,269)	(10,669)	(457,343)	-	-	-
		133,013,302	124,711,707	114,508,938	133,864,490	125,302,902	124,749,529
Liabilities							
Non-Current Liabilities							
Deferred tax liabilities	13	9,580,350	8,903,802	5,019,915	9,580,350	8,903,802	5,019,915
Lease liability	31.1	1,337,081	1,383,100	1,740,269	1,337,081	1,337,081	1,674,015
Borrowings	28	984,487	984,487	1,244,442	984,487	984,487	-
		11,901,918	11,271,389	8,004,626	11,901,918	11,225,370	6,693,930
Current Liabilities							
Current tax liabilities	12.3	4,525,251	1,554,840	14,223,246	4,525,252	1,554,841	14,191,146
Lease liability	31.1	1,130,044	1,050,534	612,190	1,050,243	1,043,658	606,622
Borrowings	28	147,706	194,651	45,212	147,706	194,651	-
Trade and other payables	30	138,214,255	134,245,071	92,963,322	123,748,320	114,954,934	88,259,007
Employee benefits	29	962,851	969,591	972,045	962,851	969,591	791,681
Other liabilities	31	2,045,182	2,761,583	1,205,270	2,045,173	2,761,574	957,695
Total current liabilities		147,025,289	140,776,270	110,021,285	132,479,545	121,479,249	104,806,151
Total liabilities		158,927,207	152,047,659	118,025,911	144,381,463	132,704,619	111,500,081
Total equity and liabilities		291,940,509	276,759,366	232,534,849	278,245,953	258,007,521	236,249,605

The consolidated and separate financial statements on pages 2 to 49, were approved by the board on April 28, 2021 and were signed on its behalf by:

Alh. Aliko Dangote, GCON
Chairman
FRC/2013/IODN/00000001766

Mr. Ravindra Singh Singhvi
Group Managing Director/CEO
FRC/2021/003/000000/22565

Mrs. Adebola Falade
Chief Finance Officer
FRC/2016/ICAN/00000015167

The accompanying notes on pages 6 to 49 form an integral part of the consolidated and separate financial statements.

Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2021

Consolidated and separate statements of changes in equity

Company	Note	Share Capital	Share Premium	Retained Earnings	Total
		N'000	N'000	N'000	N'000
Balance as at 1 January 2020		**6,000,000**	**6,320,524**	**105,762,418**	**118,082,942**
Profit for the period		-	-	6,666,583	6,666,583
Total comprehensive income for the period		**-**	**-**	6,666,583	**6,666,583**
Transaction with owners:					
Dividend paid		-	-	-	-
Balance as at 31 March 2020		**6,000,000**	**6,320,524**	**112,429,001**	**124,749,525**
Balance as at 1 April 2020		**6,000,000**	**6,320,524**	**112,429,001**	**124,749,525**
- changes in share capital*	25	73,439	-	(73,439)	-
- net difference arising from merger	43			(10,950,699)	(10,950,699)
Profit for the period		-	-	24,704,076	24,704,076
Total comprehensive income for the period		**-**	**-**	**24,704,076**	**24,704,076**
Transaction with owners:					
Dividend paid		-	-	(13,200,000)	(13,200,000)
Balance as at 31 December 2020		**6,073,439**	**6,320,524**	**112,908,939**	**125,302,902**
Profit for the period		-	-	8,561,588	8,561,588
Total comprehensive income for the period		**-**	**-**	**8,561,588**	**8,561,588**
Transaction with owners:					
Dividend paid		-	-	-	-
Balance as at 31 March 2021		**6,073,439**	**6,320,524**	**121,470,527**	**133,864,490**

Group	Note	Share Capital	Share Premium	Retained Earnings	Attributable to owners of parent company	Non-controlling interest	Total
		N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January 2020		**6,000,000**	**6,320,524**	**96,258,578**	**108,579,102**	**(442,638)**	**108,136,464**
Profit for the period		-	-	6,387,179	6,387,179	(14,705)	6,372,474
Total comprehensive income for the period		**-**	**-**	**6,387,179**	**6,387,179**	**(14,705)**	**6,372,474**
Transaction with owners:							
Dividend paid		-	-	-	-	-	-
Balance as at 31 March 2020		**6,000,000**	**6,320,524**	**102,645,757**	**114,966,281**	**(457,343)**	**114,508,938**
Balance as at 1 April 2020		**6,000,000**	**6,320,524**	**102,645,757**	**114,966,281**	**(457,343)**	**114,508,938**
Profit for the period		-	-	23,377,398	23,377,398	25,371	23,402,769
Total comprehensive income for the period		**-**	**-**	**23,377,398**	**-**	**25,371**	**23,402,769**
Transaction with owners:							
Share issued		73,439		(73,439)	-		-
Disposal of SSCL's non controlling interest	27	-	-	(421,304)	(421,304)	421,304	-
Dividend paid		-	-	(13,200,000)	(13,200,000)	-	(13,200,000)
Balance as at 31 December 2020		**6,073,439**	**6,320,524**	**112,328,413**	**101,344,977**	**(10,669)**	**124,711,707**
Profit for the period		**-**	**-**	8,304,195	8,304,195	(2,600)	8,301,595
Total comprehensive income for the period		**-**	**-**	**8,304,195**	**8,304,195**	**(2,600)**	**8,301,595**
Transaction with owners:							
Share issued		-		-	-		-
Disposal of SSCL's non controlling interest	27	-	-	-	-	-	-
Dividend paid		-	-	-	-	-	-
Balance as at 31 March 2021		**6,073,439**	**6,320,524**	**120,632,608**	**109,649,172**	**(13,269)**	**133,013,302**

The accompanying notes on pages 6 to 49 form an integral part of the consolidated and separate financial statements.

Consolidated and separate statements of cash flows

	Note(s)	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Cash flows for operating activities							
Profit before taxation		**11,948,555**	**45,622,319**	**9,509,690**	**12,208,548**	**46,038,948**	**9,803,801**
Adjustments for non-cash income and expenses:							
Depreciation of property, plant and equipment	16	1,788,856	7,699,160	1,900,920	1,657,114	5,198,055	1,252,798
Impairment of financial assets	23.3	-	430,857	-	-	(581,855)	-
Impairment of Investment in Niger	21.1	-	-	-	-	99,000	-
Government grant	21b	-	(81,286)	-	-	(26,881)	-
Provision for gratuity	29	-	121,183	-	-	121,183	-
(Profit)/loss on sale of assets	11	691,711	(7,218)		691,711	(7,218)	-
Fixed asset impaired and written off	16	-	456,694		-	403,537	-
Interest income	8	(126,823)	(684,786)	(124,050)	(126,823)	(684,453)	(124,050)
Interest expense	10	-	340,050		-	208,962	-
Exchange loss	31.1	-	421,704	-	-	421,704	-
for the period ended March 31, 2021	9	-	(2,417,067)	8,711	-	(559,287)	-
Changes in working capital							
(Increase)/decrease in Inventory		7,360,465	(24,136,571)	(19,818,576)	13,077,406	(12,919,985)	(18,075,630)
Net (additon)/usage of biological assets		783,956	23,610	227,958	783,956	153,106	-
(Increase)/decrease in trade and other receivables		4,257,378	(29,711,821)	(4,037,352)	(7,977,069)	(35,580,451)	(7,011,848)
(Increase)/decrease in other assets		(802,233)	29,079	(553,418)	(802,847)	26,258	(553,501)
Increase/(decrease) in other liabilities		(716,401)	1,200,236	(356,077)	(716,401)	1,168,537	(600,166)
Increase/(decrease) in trade payables		3,969,184	72,375,527	31,078,541	8,793,386	51,552,554	30,293,427
				(8,385)			(7,016)
Cash generated from operations		**29,154,647**	**71,681,670**	**17,827,963**	**27,588,980**	**55,031,715**	**14,977,815**
Tax paid	12.3	-	(11,084,420)	(30,491)	-	(11,084,420)	-
Gratuity paid	29	(6,740)	(132,022)	-	(6,740)	(128,900)	(30,491)
Net cash generated from operating activities		**29,147,907**	**60,465,228**	**17,797,472**	**27,582,240**	**43,818,395**	**14,947,325**
Cash flows from investing activities							
Purchase of property, plant and equipment	16	(5,484,460)	(26,860,082)	(2,459,281)	(3,655,341)	(9,924,506)	(350,488)
Proceeds on disposal of property,plant and equipment		-	7,258	-	-	7,258	-
Interest received	8	126,823	684,786	124,050	126,823	684,453	124,050
Net cash used in investing activities		**(5,357,637)**	**(26,168,037)**	**(2,335,230)**	**(3,528,517)**	**(9,232,794)**	**(226,438)**
Cash flows from financing activities							
Dividends paid	26	-	(13,200,000)	-	-	(13,200,000)	-
Interest paid	28	-	(94,388)	-	-	(37,578)	-
Lease Liabilities paid	31.1	33,491	(506,516)	30,300	6,583	(488,234)	-
Repayment of borrowings	28	(46,945)	(247,374)	(55,572)	(46,945)	(128,671)	-
Net cash used in financing activities		**(13,454)**	**(14,048,278)**	**(25,272)**	**(40,362)**	**(13,854,483)**	**-**
Net increase in cash and cash equivalents		23,776,816	20,248,913	15,436,969	24,013,361	20,731,117	14,720,884
Cash and cash equivalents at beginning of year		44,860,441	24,611,528	24,611,528	44,394,521	23,663,403	23,663,403
Cash and cash equivalents at end of the period	24	**68,637,257**	**44,860,441**	**40,048,497**	**68,407,882**	**44,394,521**	**38,384,287**

The accompanying notes on pages 6 to 49 form an integral part of the consolidated and separate financial statements.

Notes to the Consolidated and Separate Financial Statements

1 General information

Dangote Sugar Refinery Plc (the Company) was incorporated as a Public Limited Liability company on 4 January 2005, commenced operation on 1 January 2006 and became quoted on the Nigerian Stock Exchange in March 2007. Its current shareholding is 68% by Dangote Industries Limited and 32% by the Nigerian public.

The ultimate controlling party is Greenview International Corporation, Cayman Island

The registered address of the Company is located at GDNL Administrative Building, Terminal E, Shed 20 NPA Apapa Wharf Complex, Apapa, Lagos

The consolidated financial statements of the Group for the Period ended 31 March 2021 comprise the Company and its subsidiaries - Savannah Sugar Company Limited, Niger Sugar Company Limited, Taraba Sugar Company Limited, Adamawa Sugar Company Limited and Nasarawa Sugar Company Limited.

With effect from 1st September 2020, Dangote Sugar Refinery consummated a scheme of merger with its former subsidiary Savannah Sugar Company Limited. Savannah Sugar Company Limited has so far been dissolved.

In addition, on 26 August 2020, an extraordinary meeting was held by the board of directors to liquidate the affaris of Dangote Niger Sugar Limited. The company has been liquidated effective 26 August 2020.

1.1 The principal activity

The principal activity of the Group is the refining of raw sugar into edible sugar and the selling of refined sugar. The Group's products are sold through distributors across the country.

Going Concern status

The Group has consistently been making profits. The Directors believe that there is no intention or threat from any party to curtail significantly its line of business in the foreseeable future. Thus, these financial statements are prepared on a going concern basis.

1.3 Operating environment

Emerging markets such as Nigeria are subject to different risks than more developed markets, including economic, political and social, and legal legislative risks. As has happened in the past, actual or perceived financial problems or an increase in the perceived risks associated with investing in emerging economies could adversely affect the investment climate in Nigeria and the country's economy in general. The global financial system continues to exhibit signs of deep stress and many economies around the world are experiencing lesser or no growth than in prior years. These conditions could slow or disrupt Nigeria's economy, adversely affecting the Group's access to capital and cost of capital for the Group and more generally, its business, result of operation, financial condition and prospects.

1.4 Financial period

These financial statements cover the financial period from 1 January 2021 to 31 March 2021 with comparatives for the year ended 31 December 2020 and period ended 31March 2020.

2 Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of compliance

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRIC) of IASB (together "IFRS") that are effective at 31 December 2018 and requirements of the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council (FRC) Act 2011 of Nigeria.

2.2 Basis of preparation

The consolidated and separate financial statements have been prepared on the historical cost basis except for biological assets which is measured at fair value less cost to sell. Historical cost is generally based on the fair value of the consideration given in exchange for assets. All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand Naira unless otherwise stated.The principal accounting policies are set out below:

2.3 Consolidation of subsidiaries

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group‘s accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The results of subsidiaries acquired or disposed of during the year are included in the Group statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal as appropriate.

In the Company‘s separate financial statements, investments in subsidiaries are carried at cost less any impairment that has been recognised in profit or loss.

2.4 Revenue recognition

a) Accounting policy

Revenue is measured at the fair value of the consideration received or receivable for goods or services, in the ordinary course of the Group's activities and it is stated net of value added tax (VAT), rebates and returns. A valid contract is recognised as revenue after;

- The contract is approved by the parties.
- Rights and obligations are recognised.
- Collectability is probable.
- The contract has commercial substance.
- The payment terms and consideration are identifiable.

The probability that a customer would make payment is ascertained based on the evaluation done on the customer as stated in the credit management policy at the inception of the contract. The Group is the principal in all of its revenue arrangement since it is the primary obligor in all of the revenue arrangements, has inventory risk and determines the pricing for the goods and services.

Sale of goods

Revenue is recognised when the control of the goods and service are transferred to the customer. This occurs when the goods are delivered to the customer and customer’s acceptance is received or when goods are picked up by the

Revenue from sale of sugar and molasses is recognised based on the price specified in the contract, net of the estimated rebates and returns. Rebates are estimated at the inception of the contract except where the time lag between the recognition of revenue and granting rebates is within one month. Returns on goods are estimated at the inception of the contract except where the timing between when the revenue is recognised and when the returns occur is considered immaterial. In these instances, the returns are accounted for when they occur.

The delivery service provided by the Group is a sales fulfilment activity and the income earned is recognised at the point in time when the goods are delivered to the customer.

Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and when the customer has accepted the products in accordance with the sales contract, or the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been

Contract liability is recognised for consideration received for which the performance obligation has not been met.

Notes to the Consolidated and Separate Financial Statements

Revenue recognition (continued)

Disaggregation of revenue from contract with customers

The Group recognises revenue from the transfer of goods at a point in time in the following product lines. The Group derives revenue from the sale of sugar, molasses and freight services.

	Freight services	Sale of sugar	Sale of molasses	Total
	N'000	N'000	N'000	N'000
Revenue from contract with customers	264,072	66,886,379	243,181	67,393,633

2.5 Interest income Recognition

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company 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's to that assets's net carrying amount on initial recognition.

2.6 Pensions and Other post-employment benefits

The Group operates a defined contribution based retirement benefit scheme for its staff, in accordance with the amended Pension Reform Act of 2014 with employee contributing 8% and the employer contributing 10% each of the employee’s relevant emoluments. Payments to defined contribution retirement benefit plans are recognised as an expense in statement of profit or loss when employees have rendered the service entitling them to the contributions.

2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted.

Current income tax is the expected amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA) using statutory tax rates of 30% at the reporting sheet date. Education tax is calculated at 2% of the assessable profits in accordance with the Tertiary Education Tax Act.

2.7 Taxation (continued)

Current and deferred tax are recognised in profit and 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 recognised in other comprehensive income or directly in equity respectively. Where current tax and deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Upon disposal of an associate that results in the Company losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with IAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Company account for all amounts previously recognised in other income in relation to that associate on the assets or liabilities. Therefore , if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets and liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustments) when it loses significant influence over the associate.

When the company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's financial statements only to the extent of interest in the associates that are not related to the Company.

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control those policies.

Deferred tax

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net current and deferred tax are recognised in profit and 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 recognised in other comprehensive income or directly in equity respectively. Where current tax and deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.8 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of comprehensive income.

ii. Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

The estimated useful lives for the current and comparative periods are as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Plant and machinery	Straight line	15 -50 years
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	4 years
Tools and equipment	Straight line	4 years
Computer equipment	Straight line	3 years
Aircraft	Straight line	25 years
Bearer plants	Straight line	5 years

Land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

2.8 Property, plant and equipment (continued)

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

2.9 Intangible assets

Intangible assets acquired separately

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

Derecognition of intangible assets

An intangible asset is derecognized 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 derecognized.

Impairment of tangible and intangible 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).

Where 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. Where 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.

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 profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that 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 profit or loss.

2.10 Employee benefits

A liability is recognised when an employee has rendered services for benefits to be paid in the future, and an expense when the entity consumes the economic benefit arising from the service provided by the employee.

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Long-term employee benefits (Defined contribution plan)

Employees are members of defined contribution plans. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

The group makes provision for retirement benefits in accordance with the Pension Reform Act 2014. The employees contribute 8% of

2.10 Employee benefits (continued)

Long-term employee benefits (Defined benefit plan)

For defined benefit plans, the Group's contributions were based on the recommendations of independent actuaries and the liability measured using the projected unit credit method, up to the date of cessation of the scheme on 30 September, 2013.

Under the plan, the employees were entitled to retirement benefits which vary according to length of service. Actuarial gains and losses were recognised in the income statement. These gains or losses were recognised over the expected average remaining working lives of the employees participating in the plans.

Past-service costs were recognised as an expense on a straight-line basis over the average period until the benefits became vested. If the benefits vested immediately following the introduction of, or changes to, a defined benefit plan, the past-service cost was recognised immediately.

2.11 Government grants

Government grants are recognised when there is reasonable assurance that:
i) the group will comply with the conditions attaching to them; and
ii) the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate. Grants related to income are presented as a credit in the profit or loss (separately).

2.12 Leases

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

– the contract involves the use of an identified asset – this may be specified explicitly or implicitly. If the supplier has a substantive substitution right, then the asset is not identified;
– the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
– the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

The Group primarily leases land and building (used as office space, outlets, warehouse and residential use). The lease terms are typically for fixed periods ranging from 2 years to 25 years but may have extension options. On renewal of a lease, the terms may be renegotiated.

Contracts may contain both lease and non-lease components. The Group has elected to separate lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension and termination options. The lease agreements do not impose any covenants, however, leased assets may not be used as security for borrowing purposes.

Leases in which the Group is a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Leases in which the Group is a Lessor

(i) Operating lease
When assets are subject to an operating lease, the assets continue to be recognised as property and equipment based on the nature of the asset. Lease income is recognised on a straight line basis over the lease term.

Lease incentives are recognised as a reduction of rental income on a straight-line basis over the lease term.

(ii) Finance lease
When assets are held subject to a finance lease, the related asset is derecognised and the present value of the lease payments (discounted at the interest rate implicit in the lease) is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials, packaging materials, engineering spares and consumable stock is determined on a weighted average basis. Cost of finished goods is determined on the basis of standard costs adjusted for variances. Standard costs are periodically reviewed to approximate actual costs.

Goods in transit are valued at the invoice price. Cost of inventory includes purchase cost, conversion cost (materials, abour and overhead) and other costs incurred to bring inventory to its present location and condition. Finished goods, which include direct labour and factory overheads, are valued at standard cost adjusted at year-end on an actual cost basis.

Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on an average cost basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation (when the time value of money is material).

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. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

Financial instruments

a) Financial instruments accounting policy

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 Financial Instruments disclosures.

i) Classification and measurement

Financial assets

It is the Company's policy to initially recognise financial assets at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit or loss.

Classification and subsequent measurement is dependent on the Company's business model for managing the asset and the cashflow characteristics of the asset. On this basis, the Company may classify its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income.

The business models applied to assess the classification of the financial assets held by the company are;

• Hold to collect: Financial assets in this category are held by the Company solely to collect contractual cash flows and these cash flows represents solely payments of principal and interest. Assets held under this business model are measured at amortised cost

• Fair value through other comprehensive income: Financial assets in this category are held to collect contractual cash flows and sell where there are advantageous opportunities. The cash flows represents solely payment of principal and interest. These financial assets are measured at fair value through other comprehensive income.

• Fair value through profit or loss: This category is the residual category for financial assets that do not meet the criteria described above. Financial assets in this category are managed in order to realise the asset's fair value.

The financial assets of Dangote Sugar are held to collect contractual cashflows that are solely payments of principal (for non-interest bearing financial assets) or solely payments of principal and interest ((for interest bearing financial assets)

2.15 Financial instruments (continued)

The Company's financial assets include trade and other receivables, cash and cash equivalents. They are included in current assets, except for maturities greater than 12 months after the reporting date. Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in finance income/cost.

Financial liabilities
Financial liabilities of the Company are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and interest bearing loans and borrowings.

Impairment of financial assets

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets measured at amortised cost or at fair value through other comprehensive income (FVOCI). The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The simplified approach is applied for trade receivables while the general approach is applied to staff loans, amounts due from related parties that are not trade related, balances with banks.

The simplified approach requires lifetime expected credit losses to be recognised on initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Company's historical default rates observed over the expected life of the receivable and adjusted for forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each ageing bucket and for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable, and assessing the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. The EAD is the total amount outstanding at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as the gross domestic product (GDP) in Nigeria, inflation and exchange rate, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss.

Significant increase in credit risk and default definition
The Company assesses the credit risk of its financial assets based on the information obtained during periodic review of publicly available information, industry trends and payment records. Based on the analysis of the information provided, the Company identifies the assets that require close monitoring.

Furthermore, financial assets that have been identified to be more than 30 days past due on contractual payments are assessed to have experienced significant increase in credit risk. These assets are grouped as part of Stage 2 financial assets where the three-stage approach is applied.

In line with the Company's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least 90 days after the contractual payment period. Subsequent to default, the Company carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Company determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially or in full.

2.15 Financial instruments (continued)

Derecognition
Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised in profit or loss.

Financial liabilities

The Company derecognises a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

Offsetting of financial assets and financial liabilities
Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.16 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 Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held, if any. 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 the effects of all dilutive potential ordinary shares.

2.17 Functional and presentation currency

Items included in the consolidated and separate financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The consolidated and separate financial statements are presented in Naira which is the Company's functional and presentation currency.

Foreign currency transactions and translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss and other comprehensive income.

Non-monetary assets and liabilities in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the transaction date and are not restated.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates prevailing at the dates the fair value was determined and are not restated.

2.18 Borrowing costs

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.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.19 Segment information

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);

- where operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance;

- for which discrete information is available. 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 Managing Director of Dangote Sugar Refinery Plc

2.20 Biological assets

A biological asset is defined as a living animal or plant while biological transformation comprises the processes of growth, degeneration, production and procreation that cause qualitative or quantitative changes in biological asset.

Recognition of assets

The Group recognises biological assets or agricultural produce when, and only when, all of the following conditions are met:

- the Group controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the Group; and
- the fair value or cost of the asset can be measured reliably.

Biological asset consists of growing cane which are yet to be harvested as at year end, and these are measured at fair value less cost to sell.

The basis of fair value determination of growing canes have been included in Note 18.

2.21 Business combination under common control

Business combinations under common control occur when combining entities/businesses are ultimately controlled by the same party(ies) both before and after the business combination, and that control is not transitory.

The Group applies the “predecessor method” of accounting for business combinations under common control because such transactions are outside the scope of the reporting standard on Business Combinations (IFRS 3). The assets and the liabilities of the acquiree are recorded at the predecessor carrying values from the financial statements of the highest entity that has common control for which financial statements are prepared. Therefore, no goodwill is recorded in the consolidated financial statements of the acquirer.

Any difference arising between the acquirer’s cost of investment and the acquiree’s net assets is recorded directly in equity. Any non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities. Comparative amounts are not restated but the transaction is accounted for prospectively, i.e., from the effective date of the transaction (transfer of control). Any expenses incurred as a result of the combination are written off immediately in the statement of profit or loss and other comprehensive income

3 Critical judgements and sources of estimation uncertainty

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

i) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 32.

Sensitivity of estimates used in IFRS 9 ECL

Estimation uncertainty in measuring impairment loss

In establishing sensitivity to ECL estimates for trade receivables and related parties receivables, two variables (GDP growth rate and Inflation rate) were considered. The Company's receivables portfolio reflects greater responsiveness to both variables considered.

The table below shows information on the sensitivity of the carrying amounts of the Company's financial assets to the methods, assumptions and estimates used in calculating impairment losses on those financial assets at the end of the reporting period. These methods, assumptions and estimates have a significant risk of causing material adjustments to the carrying amounts of the

Trade receivables

a. Expected cash flow recoverable:

			GDP growth rate	
		-10%	Held constant	10%
		N'000	**N'000**	**N'000**
Inflation Rate	-10%	781	485	242
	Held constant	296	-	(242)
	10%	(188)	(485)	(727)

Related parties receivables

Significant unobservable inputs

Probability of default (PD)	Effect on profit before tax 2020	Effect on other components of profit before tax 2020
	N'000	**N'000**
Increase/decrease in probability of default		
10%	(227)	-
-10%	229	-

Loss Given Default (LGD)	Effect on profit before tax 2020	Effect on other components of profit before tax 2020
	N'000	**N'000**
Increase/decrease in loss given default		
10%	(234)	-
-10%	234	-

3 Significant judgements and sources of estimation uncertainty (continued)

Staff Loans

Significant unobservable inputs

Probability of default (PD)	Effect on profit before tax 2020	Effect on other components of profit before tax 2020
	N'000	**N'000**
Increase/decrease in probability of default		
10%	(1,250)	-
-10%	1,372	-

Loss Given Default (LGD)	Effect on profit before tax 2020	Effect on other components of profit before tax 2020
	N'000	**N'000**
Increase/decrease in loss given default		
10%	-	-
-10%	2,270	-

Forward looking indicators

Forecast Default Rate	Effect on profit before tax 2020	Effect on other components of profit before tax 2020
	N'000	**N'000**
Increase/decrease in forecast default rate		
10%	(152)	-
-10%	152	-

ii) Fair values of biological assets

The directors have developed a model using the multi-period excess earnings method (MPEEM) under the income approach for the valuation of sugar cane. In order to generate a stream of cash flows to be used in this model, the directors calculate tonnage using information on hectares of farmland planted, the age of growing cane per hectare and the yield rate per hectare.

The cane price is then applied on the tonnage and discounted to arrive at the fair value of the sugar cane. The cane price is based on the industry out-grower price.

The directors exercise significant judgement in determining the yield rate per hectare, the discount rate, cost of sales, selling and distribution expenses, administrative expenses and contributory assets charges.

4 New Standards and Interpretations

i) Standards and interpretations effective and adopted in the current year

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

a) Definition of Material – amendments to IAS 1 and IAS 8;
b) Definition of a Business – amendments to IFRS 3;
c) Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7; and
d) Revised Conceptual Framework for Financial Reporting.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

ii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

5 Revenue

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Revenue from the sale of sugar - 50kg	65,662,994	206,444,363	46,046,023	65,662,994	198,824,291	44,246,784
Revenue from the sale of sugar - Retail	1,223,385	5,786,447	1,119,930	1,223,385	5,786,447	1,119,930
Revenue from the sale of molasses	243,181	826,749	151,391	243,181	509,730	83,140
Freight income	264,072	1,240,188	325,676	264,072	1,240,188	325,676
	67,393,632	**214,297,747**	**47,643,021**	**67,393,632**	**206,360,657**	**45,775,531**

5.1 Segment information

Segment information is presented in respect of the group's reportable segments. For management purpose, the Group is organised into business units by geographical areas in which the group operates and the locations that comprise such regions represent operating segments.

The Group has 4 reportable segments based on location of the principal operations as follows: Northern Nigeria, Western Nigeria, Eastern Nigeria and Lagos.

Segmental revenue and results

Revenue from external customers by region of operations is listed below.

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Nigeria:						
Lagos	28,965,913	104,983,951	23,213,975	28,965,913	104,983,951	23,213,975
North	26,412,074	79,110,458	17,407,460	26,412,074	71,173,367	15,539,970
West	5,398,250	20,365,318	4,920,689	5,398,250	20,365,318	4,920,689
East	6,617,395	9,838,020	2,100,897	6,617,395	9,838,020	2,100,897
	67,393,632	**214,297,747**	**47,643,020**	**67,393,632**	**206,360,656**	**45,775,530**

	Segment Revenue		Segment Cost of Sales		Segment Gross Profit	
Group	**31/3/2021 N'000**	**31/3/2020 N'000**	**31/3/2021 N'000**	**31/3/2020 N'000**	**31/3/2021 N'000**	**31/3/2020 N'000**
Nigeria:						
Lagos	28,965,913	23,213,975	(21,210,391)	(16,908,514)	7,755,522	6,305,461
North	26,412,074	17,407,460	(19,340,332)	(12,899,346)	7,071,742	4,508,114
West	5,398,250	4,920,689	(3,952,887)	(3,584,114)	1,445,363	1,336,575
East	6,617,395	2,100,897	(4,845,610)	(1,530,244)	1,771,785	570,653
	67,393,632	**47,643,021**	**(49,349,220)**	**(34,922,219)**	**18,044,412**	**12,720,802**

	Segment Revenue		Segment Cost of Sales		Segment Gross Profit	
Company	**31/3/2021 N'000**	**31/3/2020 N'000**	**31/3/2021 N'000**	**31/3/2020 N'000**	**31/3/2021 N'000**	**31/3/2020 N'000**
Nigeria:						
Lagos	28,965,913	23,213,975	(21,210,391)	(16,908,514)	7,755,522	6,305,461
North	26,412,074	15,539,970	(19,340,332)	(11,318,949)	7,071,742	4,221,021
West	5,398,250	4,920,689	(3,952,887)	(3,584,114)	1,445,363	1,336,575
East	6,617,395	2,100,897	(4,845,610)	(1,530,244)	1,771,785	570,653
	67,393,632	**45,775,531**	**(49,349,220)**	**(33,341,823)**	**18,044,412**	**12,433,708**

5.1 Segment information (Continued)

5.1.1 Segment assets and liabilities

The amount provided to the chief operating decision maker with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the of the segment and the physical location of the asset.

Investments in shares held by the Group and deferred tax assets are not considered to be segment assets and are not allocated to segments.

Capital expenditure reflects additionals to non-current assets, other than financial instruments, deferred tax assets, post employment benefit assets and rights arising under insurance contracts.

The amounts provided to the chief operating decision maker with respect to the total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The Group's interest-bearing liabilities are not considered to be segment liabilities but rather are managed by the Group's treasury function.

The table below provides information on the segment assets and liabilities as well as a reconciliation to total assets and liabilities as per the balance as at 31 March 2021;

	Total Segment Assets			Total Segment liabilities		
	31/3/2021 N'000	31/12/2020 N'000	31/3/2020 N'000	31/3/2021 N'000	31/12/2020 N'000	31/3/2020 N'000
Group						
Nigeria:						
Lagos	226,470,087	212,561,967	158,279,523	80,971,040	76,041,063	46,187,869
North	65,470,422	65,470,422	63,814,876	68,375,817	68,375,817	66,818,127
Sub-total	**291,940,509**	**278,032,389**	**222,094,398**	**149,346,857**	**144,416,880**	**113,005,996**
Unallocated deferred tax	-	-	10,440,450	9,580,350	8,903,802	5,019,915
Total	**291,940,509**	**278,032,389**	**232,534,848**	**158,927,207**	**153,320,682**	**118,025,911**

	Total Segment Assets			Total Segment liabilities		
	31/3/2021 N'000	31/12/2020 N'000	31/3/2020 N'000	31/3/2021 N'000	31/12/2020 N'000	31/3/2020 N'000
Company						
Nigeria:						
Lagos	204,150,260	185,184,851	236,249,605	60,419,089	50,015,268	111,500,081
North	74,095,693	74,095,693	-	83,962,374	83,962,374	-
Sub-total	**278,245,953**	**259,280,544**	**236,249,605**	**144,381,463**	**133,977,642**	**111,500,081**
Unallocated deferred tax	-	-	-		-	
Total	**278,245,953**	**259,280,544**	**236,249,605**	**144,381,463**	**133,977,642**	**111,500,081**

Included in the Lagos segment is asset held for sale of N868.6 million (2020: N868.6 million).

Information about major customers

There are two customers who buy industrial non- fortified sugar that represents more than 10% of total sales during the period. The customers are Nigerian Bottling Company Limited and Seven Up Bottling Company Limited operating from Lagos.

Large Corporate/Industrial Users

These are leading blue chip companies in Nigeria, and they include manufacturers of confectioneries and soft drinks. This group typically accounts for 35% of the Group's sales. They buy Non-Fortified sugar exclusively.

5.1 Segment information (Continued)

Distributors

The Group sells unfortified sugar mainly to pharmaceutical, food and beverage manufacturers, while Vitamin A-fortified sugar is sold to distributors who sell to small wholesalers, confectioners and other smaller value-adding enterprises who provide the distribution network to the Nigerian retail market. The Group sells a small amount of sugar directly to retail customers. Retail packaging comes in various sizes of 250g, 500g, and 1kg under the brand name “Dangote Sugar”. Sales to distributors account for 65% of the Group's revenue.

The Group provides a delivery service to customers by transporting refined sugar to other destinations. Freight income represents revenue earned in this respect during the year. The associated cost of providing this service is included in Cost of sales.

6 Cost of sales	**GROUP 31/3/2021 N'000**	**GROUP 31/12/2020 N'000**	**GROUP 31/3/2020 N'000**	**COMPANY 31/3/2021 N'000**	**COMPANY 31/12/2020 N'000**	**COMPANY 31/3/2020 N'000**
Raw material	39,917,927	122,901,500	26,557,023	39,917,927	120,561,577	25,899,663
Direct labour cost	1,119,441	5,135,066	1,048,747	1,119,441	3,919,197	828,941
Direct overheads	4,930,169	19,356,255	4,266,283	4,930,169	17,995,188	4,218,648
Depreciation (note 16)	841,587	5,163,623	1,324,437	841,587	2,994,530	775,109
Freight expenses	2,540,096	7,994,855	1,725,729	2,540,096	7,683,032	1,619,461
	49,349,220 0	**160,551,299**	**34,922,219**	**49,349,220**	**153,153,524**	**33,341,823**

Included in freight expenses is the depeciation charge on the company's fleet of trucks . The amount so included is as stated below:

Depreciation charge on trucks	701,936	2,040,353.16	1,363,664	701,936	1,886,252.62	1,363,664
7 Administrative expenses						
Management fees	223,178	962,324	238,923	223,178	962,324	238,923
Assessment rates and municipal charges	5,895	22,661	5,370	5,895	18,235	4,259
Auditors Fees and remuneration	24,751	68,026	18,750	23,219	54,221	12,500
Cleaning and fumigation	23,121	74,946	19,493	23,121	74,888	19,462
Legal, consulting and professional fees	79,539	393,500	62,347	79,539	372,300	47,320
Consumables	2,142	3,608	584	2,142	723	173
Depreciation (note 16)	245,332	495,183	125,686	113,590	317,273	69,841
Impairment (note 16)	-	471,115		-	417,958	
Loss on sale of assets	51,554	-	-	51,554	-	-
Donations and scholarship	3,063	910,640	21,412	3,063	845,821	504
Employee costs (note 36)	847,704	3,186,538	746,678	847,704	2,451,171	488,609
Entertainment	0.00	164,708	38,841	-	164,034	38,804
Insurance	79,604	276,817	64,446	79,604	190,717	34,404
Bank charges	34,070	192,291	41,389	32,334	164,155	37,243
Rental expenses	-	5,650	-	-	5,650	-
Magazines, books, print and and periodicals	5,815	31,554	11,735	5,815	24,956	8,432
Utilities	36,805	150,137	30,718	36,805	56,914	1,530
Petrol and oil	14,213	34,512	6,877	14,213	18,994	590
Repairs and maintenance	32,574	146,686	38,416	32,574	140,669	15,353
Secretarial fees	22,836	175,835	24,424	22,836	175,835	24,424
Security expense	78,282	242,954	69,129	78,282	159,706	29,560
Staff welfare	59,560	193,401	58,840	59,560	166,892	47,253
Subscriptions	3,747	21,435	5,077	3,747	19,550	3,872
Telephone and fax	50,586	185,307	50,469	50,586	146,029	32,624
Training	10,393	41,341	3,970	10,393	38,567	3,141
Travel-local	185,225	526,975	107,686	185,225	501,807	96,348
Travel-overseas	15,699	32,425	28,091	15,699	28,251	25,184
	2,135,689	**9,010,569**	**1,819,348**	**2,000,679**	**7,517,642**	**1,280,354**
Selling and Distribution expenses						
Selling and marketing expenses	124,105	676,938	186,552	124,105	667,056	180,507
	124,105 0	**676,938**	**186,552**	**124,105**	**667,056**	**180,507**

Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2021

Notes to the Consolidated and Separate Financial Statements

		GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
8	**Investment income**						
	Interest income on bank deposits	126,823	684,786	124,050	126,823	684,453	124,050
		126,823	**684,786**	**124,050**	**126,823**	**684,453**	**124,050**

Interest is earned on bank deposits at an average rate of 2.4 % p.a. on short term (30days) bank deposits.

		GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
9	**Change in fair value of biological assets**						
	Fair value gain/(loss) on biological assets (Note 18)	(650,102)	2417067	(8,711)	(650,102)	559,287	-
		(650,102)	**2,417,067**	**(8,711)**	**(650,102)**	**559,287**	**-**
10	**Net finance expense**						
	Exchange loss arising on IFRS 16	-	-	-	-	-	-
	Exchange loss in the ordinary course of business	2,297,217	1,575,498	1,314,538	2,174,488	1,316,420	1,314,538
	Interest on lease payments (IFRS 16)	1,079,060	164,376	-	1,076,805	157,297	-
	Interest on bank loan	36,188	175,674	38,440	36,188	51,665	-
		3,412,465	**1,915,548**	**1,352,978**	**3,287,482**	**1,525,382**	**1,314,538**
11	**Other income**						
	Insurance claim income	3,242	9,419	-	3,242	8,432	-
	Sale of scrap	26,234	396,884	5,732	26,234	360,646	1,440
	Grant income	-	81,286	-	-	26,881	-
	Rental income	16,875	67,500	23,570	16,875	67,500	16,875
	Provision no longer required	-	344,271		-	344,271	-
	Profit/(loss)on sale of asset	51,599	7,218	-	51,599	7,218	
	Miscellaneous income	1,730	351	3,126	1,730	351	3,126
		99,681	**906,929**	**32,428**	**99,681**	**815,299**	**21,441**
12	**Taxation**						
12.1	**Major components of the tax expense**						
	Current Tax						
	Income tax based on profit for the year	2,666,548	515,812	2,941,140	2,666,548	515,812	2,941,140
	Education tax expense	303,863	1,006,928	196,076	303,863	975,396	196,076
		2,970,411	**1,522,740**	**3,137,217**	**2,970,411**	**1,491,208**	**3,137,217**
	Deferred tax						
	Deferred tax expense/(credit)	676,549	14,324,336	-	676,549	13,177,081	-
		3,646,960	**15,847,076**	**3,137,217**	**3,646,960**	**14,668,289**	**3,137,217**

The tax rates used in the above comparative figures are the corporate tax rate of 30% payable by corporate entities in Nigeria. Education tax rate is also payable at 2% of assessable profit.

12.2 Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Accounting profit before tax	11,948,555	45,622,319	9,509,691	12,208,548	46,038,947	9,803,800
Income tax expense calculated at 30%	2,666,548	13,811,685	2,852,907	2,666,548	13,811,684	2,852,907
Education tax expense calculated at 2%	303,863	975,396	196,076	303,863	975,396	196,076
Impact from acquisition	-	1,178,786		-		-
Effect of investment allowance not recognised in accounting	-	-	(63,604)	-		(63,604)
Fair value gain on biological assets and agricultural products	-	-	97,588	-	-	97,588
Effect of income that is exempt from taxation	-	(889,498)		-	(889,498)	
Effect of expenses that are not deductible in determining taxable profit	-	261,280		-	261,280	
Effect of concessions (research and development and other allowances)	-	(23,800)		-	(23,800)	
Effect of tax adjustments (minimum tax)	676,549	515,813		676,549	515,813	
Difference in tax rate	-	17,414		-	17,414	
DT not required	-	-	54,249	-	-	54,249
Income tax expense recognised in profit or loss	**3,646,960**	**15,847,076**	**3,137,217**	**3,646,960**	**14,668,289**	**3,137,217**

12.3 Current tax liabilities

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
At January 1	1,554,840	11,116,521	11,116,521	1,554,841	11,084,421	11,084,421
Acquired during the year	-	-		-	63,633	
Charge for the year	2,970,411	1,522,740	3,137,216	2,970,411	1,491,208	3,137,216
Payment made during the year	-	(11,084,421)	(30,491)	-	(11,084,421)	(30,491)
Balance end of the period	**4,525,251**	**1,554,840**	**14,223,246**	**4,525,252**	**1,554,841**	**14,191,146**

13 Deferred tax balances

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2020: 30%). The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction and the law allows net settlement.

Deferred tax assets are recognised only to the extent that is probable that future taxable profit will be available against which the temporary differences can be utilised.

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Deferred tax assets						
Deferred tax assets are attributable to the following:						
Property plant and equipment @ 30%	-	-	2,123,113	-	-	-
Provisions	-	-	781,102	-	-	-
Unrelieved losses @ 30%	-	-	7,536,235	-	-	-
	-	**-**	**10,440,450**	**-**	**-**	**-**
Deferred tax liabilities						
Deferred tax liabilities are attributable to the following:						
Property plant and equipment @ 30%	(10,145,115)	(9,665,999)	(5,893,476)	(10,145,115)	(9,665,999)	(5,893,270)
Property plant and equipment @ 10%	(121,878)	(121,878)	(121,878)	(121,878)	(121,878)	(121,878)
Exchange difference @ 32%	-	-	-	-	-	(205)
Provisions	686,643	884,076	995,439	686,643	884,076	995,438
	(9,580,350)	**(8,903,802)**	**(5,019,915)**	**(9,580,350)**	**(8,903,802)**	**(5,019,915)**

13 Deferred tax balances (Continued)

Deferred income tax charged in profit or loss ("P/L) are attributable to the following items:

13.1 Deferred tax reconciliation

	Opening balance N'000	Acquired N'000	Credit to P/L N'000	Closing balance N'000
Group as at 31 March 2021				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	(9,665,999)	-	(479,116)	(10,145,115)
Property, plant and equipment @ 10%	(121,878)	-	-	(121,878)
Loss	-	-	-	-
Provisions	884,076	-	(197,433)	686,643
	(8,903,802)	**-**	**(676,549)**	**(9,580,351)**
Company as at 31 March 2021				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	(9,665,999)	-	(479,116)	(10,145,115)
Property, plant and equipment @ 10%	(121,878)	-	-	(121,878)
Loss	-	-	-	-
Provisions	884,076	-	(197,433)	686,643
	(8,903,802)	**-**	**(676,549)**	**(9,580,351)**

14 Operating profit

Profit for the year is arrived at after charging/(crediting):

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Depreciation of property, plant and equipment (note 16)	1,657,114	7,699,160	1,900,920	1,657,114	5,198,055	1,252,798
(Profit)/loss on sale of property, plant and equipment (note 11)	(51,599)	(7,218)	-	(51,599)	(7,218)	-
Defined contribution plans (note 36)	68,907	254,532	16,713	96,082	302,270	15,579
Auditors remuneration	24,751	68,026	18,750	23,219	54,221	12,500

15 Earnings per share

Basic and diluted earnings per share

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

The weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Profit for the year	8,304,195	29,764,578	6,387,179	8,561,588	31,370,658	6,666,583
Earnings used in the calculation of basic earnings per share from continuing operations	**8,304,195**	**29,764,578**	**6,387,179**	**8,561,588**	**31,370,658**	**6,666,583**
Weighted average number of ordinary shares for the purpose of basic earnings per share	**12,146,878**	**12,146,878**	**12,000,000**	**12,146,878**	**12,146,878**	**12,000,000**
Basic and diluted earnings per share from continuing operations (Naira)	0.68	2.45	0.53	0.70	2.58	0.56

Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended March 31, 2021

Notes to the Consolidated and Separate Financial Statements

16. Property, Plant and Equipment

Group	Bearer Plant	Land	Building	Plant & Machinery	Furniture & Fittings	Motor Vehicles	Computer Equipment	Aircraft	Tools & Equipment	Capital Work In Progress	Total
COST:	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
											-
Balance, 1/1/2020	**5,606,590**	**5,663,744**	**20,071,720**	**31,972,272**	**383,096**	**22,671,460**	**267,604**	**899,828**	**7,631,637**	**26,777,211**	**121,945,161**
Additions during the year	2,034,627	-	344,372	5,269,017	21,310	3,079,899	26,378	-	1,485,966	14,630,423	26,891,992
Reclassifications	-	-	3,229	665,370	894	-	-	-	(263,977)	(405,516)	-
Impaired	-	-	-	-	-	-	-	-	(62,576)	(408,538)	(471,115)
Disposal	-	-	-	-	-	(47,482)	-	-	-	-	(47,482)
Balance, 31/12/2020	**7,641,217**	**5,663,744**	**20,419,321**	**37,906,658**	**405,300**	**25,703,878**	**293,982**	**899,828**	**8,791,048**	**40,593,579**	**148,318,558**
Addition-BIP		-	3,165	-	-	352,405	-		-	1,473,547	1,829,118
Additions during the year	-	-	13,636	119,176	774	697,574	14,332	-	32,178	2,777,671	3,655,341
Disposal	-	-	-	(390,365)	-	(226,081)	(5)	-	(75,260)	-	(691,711)
Balance, 31/3/2021	**7,641,217**	**5,663,744**	**20,436,123**	**37,635,469**	**406,074**	**26,527,776**	**308,309**	**899,828**	**8,747,966**	**44,844,798**	**153,111,306**
Balance, 1/1/2020	**2,756,922**	**32,220.00**	**3,386,885**	**15,053,558**	**276,962**	**11,607,590**	**217,351**	**218,917**	**5,397,326**	**-**	**38,947,734**
Charge for the year	1,976,814	34,025	868,252	2,161,567	20,137	1,366,403	30,618	35,993	1,205,349	-	7,699,160
Impaired	-	-	-	54	-	6,837	1,470	-	(22,783)	-	(14,421)
Disposal	-	-	-	-	-	(47,443)	-	-	-	-	(47,443)
Balance, 31/12/2020	**4,733,737**	**66,245**	**4,255,137**	**17,215,180**	**297,100**	**12,933,388**	**249,439**	**254,910**	**6,579,892**	**-**	**46,585,030**
Charge-BIP			14,850	38,692	13	68,582	641		8,963		131,742
Charge for the year	476,841	-	233,470	181,488	6,653	520,200	7,151	8,998	222,313	-	1,657,114
Balance, 31/3/2021	**5,210,578**	66,245	**4,503,457**	**17,435,360**	**303,766**	**13,522,170**	**257,231**	**263,909**	**6,811,168**	**-**	**48,373,886**
NET BOOK VALUE:											
Balance, 31/12/2020	**2,907,481**	**5,597,499**	**16,164,184**	**20,691,478**	**108,200**	**12,770,490**	**44,542**	**644,918**	**2,211,156**	**40,593,579**	**101,733,528**
Balance, 31/3/2021	**2,430,639**	**5,597,499**	**15,932,666**	**20,200,109**	**102,308**	**13,005,605**	**51,078**	**635,919**	**1,936,798**	**44,844,798**	**104,737,419**

16. Property, Plant and Equipment

Company	Bearer Plant	Land	Building	Plant & Machinery	Furniture & Fittings	Motor Vehicles	Computer Equipment	Aircraft	Tools & Equipment	Capital Work In Progress	Total
COST:	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Balance, 1/1/2020		**683,242**	**10,880,537**	**23,707,736**	**178,033**	**13,419,915**	**215,015**	**899,828**	**4,111,198**	**5,436,897**	**59,532,401**
Additions during the year	874,564	-	66,364	139,985	17,848	2,747,174	22,830	-	233,321	5,831,754	9,933,841
Reclassifications	-	-	3,229	665,370	894	-	-	-	(263,977)	(405,516)	-
Impaired	-	-	-	-	-	-	-	-	(9,419)	(408,538)	(417,957)
Disposal		-	-	-	-	(47,482)	-	-	-	-	(47,482)
Addition through merger, at cost (notes 16b and 43)	6,766,653	4,375,749	6,089,793	11,235,244	208,733	8,372,698	47,867	-	2,918,835	13,853,811	53,869,384
Balance, 31/12/2020	**7,641,217**	**5,058,991**	**17,039,923**	**35,748,335**	**405,508**	**24,492,305**	**285,711**	**899,828**	**6,989,958**	**24,308,408**	**122,870,187**
Additions during the year	-	-	13,636	119,176	774	697,574	14,332	-	32,178	2,777,671	3,655,341
Disposal				(390,365)		(226,081)	(5)		(75,260)		(691,711)
Balance, 31/3/2021	**7,641,217**	**5,058,991**	**17,053,560**	**35,477,146**	**406,282**	**24,963,798**	**300,038**	**899,828**	**6,946,877**	**27,086,079**	**125,833,818**
DEPRECIATION:											
Balance, 1/1/2020	**-**	**32,220**	**2,202,847**	**12,968,030**	**118,580**	**9,020,104**	**174,376**	**218,917**	**2,090,393**	**-**	**26,825,467**
Charge for the year	465,686.28	34,025	786,402	1,667,576	31,669	1,223,658	26,247	35,993	926,799	-	5,198,055
Impaired	-	-	-	54	-	6,837	1,470	-	(22,783)	-	(14,421)
Disposal	-	-	-	-	-	(47,443)	-	-	-	-	(47,443)
Addition through merger(notes 16b and 43)	4,268,050	-	1,019,384	3,941,241	169,729	3,516,809	43,945	-	1,251,314	-	14,210,471
Balance, 31/12/2020	**4,733,737**	**66,245**	**4,008,633**	**18,576,900**	**319,978**	**13,719,965**	**246,038**	**254,910**	**4,245,722**	**-**	**46,172,130**
Charge for the year	476,841	-	233,470	181,488	6,653	520,200	7,151	8,998	222,313	-	1,657,114
Balance, 31/3/2021	5,210,578	66,245	**4,242,102**	**18,758,388**	**326,631**	**14,240,166**	**253,189**	**263,909**	**4,468,035**	**-**	**47,829,243**
NET BOOK VALUE:											
Balance, 31/12/2020	**2,907,481**	**4,992,749**	**13,031,291**	**17,171,434**	**85,530**	**10,772,340**	**39,673**	**644,918**	**2,744,236**	**24,308,408**	**76,698,057**
Balance, 31/3/2021	**2,430,640**	**4,992,747**	**12,811,457**	**16,718,758**	**79,651**	**10,723,633**	**46,850**	**635,920**	**2,478,842**	**27,086,079**	**78,004,574**

		GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
17	**Intangible assets**						
	Computer software :						
	Cost						
	At 1 January	379,590	379,590	379,590	379,590	379,590	289,390
	At 31 December	**379,590**	**379,590**	**379,590**	**379,590**	**379,590**	**289,390**
	Amortisation						
	At 1 January	379,590	379590	379,266	289,390	289,390	289,066
	Acquired during theyear	-	-	-	90,200	90,200	-
	Charge for the year	-	-	324	-	-	324
	At 31 December	**379,590**	**379,590**	**379,590**	**289,390**	**289,390**	**289,390**
	Carrying amount at the end of the year	**-**	**-**	**-**	**-**	**-**	**-**
18	**Biological assets**						
	Carrying value at the beginning of the year	4,462,449	2,068,992	2,068,992	4,462,449	-	-
	Acquired during the year (note 43)	-	-	-	-	4,056,268	-
	Net (usage)/addtion	(133,853)	(23,610)	(227,957)	(133,853)	(153,106)	-
	Fair value adjustments	(650,102)	2,417,067	(8,711)	(650,102)	559,287	-
	Carrying amount at the end of the year	**3,678,493**	**4,462,449**	**1,832,324**	**3,678,493**	**4,462,449**	**-**
	Current	3,678,493	4,462,449	1,832,324	3,678,493	4,462,449	-
		3,678,493	**4,462,449**	**1,832,324**	**3,678,493**	**4,462,449**	**-**

Description of biological assets and activities

Biological assets comprise of growing cane. The growing cane represents biological assets which are expected to be harvested as agricultural produce, intended for production of sugar. The biological assets have been measured at fair value less cost to sell. As at 31 March 2021, the group has a total of 7,098.8 hectares of growing canes.

Basis for measurement of fair value

The Group adopted the multi-period excess earnings method (MPEEM) under the income approach to estimating the fair value of the Biological Assets. The MPEEM estimates the fair value of an asset based on the cash flows attributable to the asset after deducting the cash flows attributable to other assets (contributory assets). This approach is commonly used for sugarcane considering that land, plant and machinery and the bearer plant are accounted as PPE in line with IAS 16 and considered as contributory assets for the purpose of MPEEM valuation.

The fair value of biological assets are determined based on unobservable inputs, using the best information available in the circumstances and therefore falls within the level 3 fair value category. Growing cane were valued using the income approach.

Key assumptions and inputs	**31/3/2021**	**31/12/2020**	**31/3/2020**	**31/3/2021**	**31/12/2020**	**31/3/2020**
Industry out-grower price. (N per ton)	10,842	10,842	8,610	10,842	10,842	-
Average yield per hectare (tonnes)	82.37	86.2	46	82.37	86.2	-
Discount rate (%)	11.66%	11.66%	12%	11.66%	11.66%	-

Changes in fair value of the biological asset are recognised in the statement of profit and loss.

Sensitivity to changes in key assumptions and inputs

Reasonably possible changes at the reporting date to one of the key assumptions, holding other assumptions constant, would have affected the biological assets valuation by the amount shown below.

		31/3/2021 N'000
Discount rate	12.66%	(8,067)
	10.66%	8,192
Industry out-grower price	N11,842	453,373
	N9,842	(453,246)

The Company currently does not have biological assets with restricted titles.

Financial risk management strategies for biological assets

The group is exposed to risks arising from environmental and climatic changes, commodity prices and financing risks. The group has strong environmental policies and procedures in place to comply with environmental and other laws.

The group is exposed to risks arising from fluctuations in the price and sales volume of sugar. The group closely monitors the market demand for sugar and makes relevant adjustments to price and production volumes.

		GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
19	**Other assets**						
	Prepaid rent	-	-	44,578	-	-	40,768
	Prepaid insurance	19,999	17,919	7,721	19,999	17,305	7,721
	Prepaid housing allowances	708,598	19,122	542,704	708,598	19,122	542,704
	Prepaid medicals	93,312	-	-	93,312	-	-
	Others	27,013	9,648	34,182.83	25,555	8,190	33,182.83
		848,922	**46,689**	**629,185**	**847,464**	**44,617**	**624,375**
	Current	848,922	46,689	629,185	847,464	44,617	624,376
	Non-current portion	-	-	-	-	-	-
		848,922	**46,689**	**629,185**	**847,464**	**44,617**	**624,376**
20	**Asset held for sale**	868,642	868,642	868,642	868,642	868,642	868,642

This represents land held for sale.

21 Investment in subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

Company

Name of Company	Held by	% interest	Carrying amount March 2021 N'000	March 2019 N'000
Savannah Sugar Company Limited	Dangote Sugar Refinery Plc	93	-	3,214,923
Dangote Taraba Sugar Ltd	Dangote Sugar Refinery Plc	99	99,000	99,000
Dangote Adamawa Sugar Ltd	Dangote Sugar Refinery Plc	99	99,000	99,000
Dangote Niger Sugar Limited	Dangote Sugar Refinery Plc	99	-	99,000
Nassarawa Sugar Company Limited	Dangote Sugar Refinery Plc	99	99,000	99,000
			297,000	3,610,923

21.1 Impairment of investment in subsidiary

	31/12/2020 N'000
Write-off of investment in Dangote Niger Sugar Limited	(99,000)

The completion of the scheme of merger between Dangote Sugar Refinery Plc (DSR) and Savannah Sugar Company Limited (SSCL) resulted in the cancellation of entire issued share capital of SSCL and the company dissolved without being wound up. In consideration, 146,878,241 ordinary shares of N0.50 each in the share capital of DSR were issued to the shareholders of SSCL except for DSR (the "Scheme Shareholders") for the 162,756,968 ordinary shares held in SSCL by the Scheme Shareholders. Effective September 1, 2020, all assets, liabilities and business undertakings, including real property and intellectual property rights of SSCL have been transferred to DSR and the financial result for "the Company" represents that of the merged entity.

DSR also owns 99% shareholding in Dangote Taraba Sugar Ltd, Dangote Adamawa Sugar Ltd and Nassarawa Sugar Company Limited. Dangote Niger Sugar Limited, one of its subsidiaries filed for liquidation during the year. Therefore, the investment in the company has been deemed impaired as there were no assets against which to realise the investment.

There are no significant restrictions on the use of the subsidiary assets.

Dangote Sugar Refinery Plc provides financial support toTDangote Taraba Sugar Ltd, Dangote Adamawa Sugar Ltd and Nassarawa Sugar Company Limited in terms of payment of salaries and wages, purchase of assets and settlement of liabilities.

21b Deposit for shares

The Board of Directors of Dangote Sugar Refinery Plc (DSR) resolved that the total funding of its Backward Integrated Project entities (Dangote Taraba Sugar Ltd, Dangote Adamawa Sugar Ltd and Nassarawa Sugar Company Limited) shall be converted to deposit for shares or equity contribution in the books of both DSR and the respective entities and same shall thereafter be converted to equity in future.

Total funding to date	**N'000**
Deposit for shares in Nasarawa, Adamawa and Taraba	45,194,085
	45,194,085

22 Inventories

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Raw materials	8,779,639	6,932,228	19,905,430	8,779,639	6,932,228	19,890,626
Raw material in transit	9,193	20,974,812	17,756,971	9,193	20,974,812	17,756,971
Work-in-process	580,615	640,548	348,095	580,615	640,548	299,884
Finished goods	5,711,575	4,621,124	3,036,578	5,711,575	4,621,124	231,622
Finished goods in transit	584,977	887,824	1,048,924	584,977	887,824	900,858
Production supplies	38,842,987	26,880,685	13,519,623	21,701,111	15,451,639	7,274,982
Chemicals and consumables	1,171,539	2,068,167	2,751,691	1,164,801	2,065,540	1,679,635
Packaging materials	303,386	338,988	314,993	303,386	338,988	235,080
	55,983,911	**63,344,376**	**58,682,305**	**38,835,297**	**51,912,703**	**48,269,657**
Allowance for obsolete inventory	(344,076)	(344,076)	-	(344,076)	(344,076)	-
	55,639,835	**63,000,300**	**58,682,305**	**38,491,221**	**51,568,627**	**48,269,657**
Movement in provision for obsolete inventory						
As at 1 January	-	-	-	-	-	-
Charge for the period		(344,076)	-	-	(344,076)	-
As at 31 March	**-**	**(344,076)**	**-**	**-**	**(344,076)**	**-**
Amount of inventory charged as expense in the period:	-	(344,076)	-	-	(344,076)	-

No inventory was pledged as security for any liability.

23 Trade and other receivables

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Trade receivables	9,531,990	**6,936,006**	5,793,912	9,531,990	**6,936,006**	5,754,196
Allowance for doubtful debts and impairments	(260,729)	(260,729)	(718,117)	(260,729)	(260,729)	(718,117)
	9,271,261	**6,675,277**	**5,075,795**	**9,271,261**	**6,675,277**	**5,036,080**
Staff loans and advances	160,961	**124,836**	167,507	121,438	**108,422**	103,432
Other financial assets	16,691,179	14,229,547	7,797,719	16,691,179	14,229,547	7,797,719
Advance payment to contractors	19,613,335	30,100,784	14,308,842	5,250,230	6,453,907	4,677,454
Insurance claim receivable	373,388	373,388	361,998	373,388	373,388	361,998
Allowance for impaired Insurance claim	(236,239)	(236,239)	-	(236,239)	(236,239)	-
Negotiable Duty Credit Certificates (Note 23.1)	707,085	805,683	805,683	707,085	805,683	805,683
Other receivables	3,077,557	1,256,586	3,915,786	2,431,994	1,256,586	2,088,433
Allowance for impaired other receivables	(228,829)	(228,829)	(55,592)	(228,829)	(228,829)	(55,592)
Allowance for impaired staff loans (Note 23.2)	(23,950)	(23,950)	(23,950)	(23,950)	(23,950)	(23,950)
Amount due from related parties (Note 35)	9,052,345	9,638,388	4,681,135	9,027,186	9,613,230	93,465,817
Allowance for impaired -related parties Trade(Note 23.2)	(373,541)	(373,541)	(179,863)	(373,541)	(373,541)	(179,863)
Allowance for impaired -related parties Non-Trade(N0te 23.2)	(554,610)	(554,610)	(377,406)	(554,610)	(554,610)	(1,390,118)
	57,529,941	**61,787,319**	**36,477,655**	**42,456,592**	**38,098,871**	**112,687,092**

Other financial asset is in respect of the deposit for open Letters of Credit with the banks.

Trade receivables disclosed above include amounts (see note 32 for aged analysis) that are past due more than 30 days as at the reporting date for which the company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

23.1 Negotiable duty credit certificate

The Company has received certificates for N805.7 million termed as Negotiable Duty Credit Certificate (NDCC). The NDCC is an instrument of the government for settling of the EEG receivables. The NDCC is used for the payment of Import and Excise duties in lieu of cash. For more than one year, the Company and other industry players have not been able to use the certificates in settlement of customs duties.

Though, a significant component of the NDDC/EEG receivable have been outstanding for more than one year, no impairment charge has been recognised by the Company in the current year because they are regarded as sovereign debt since it is owed by the government. Moreover, the government has not communicated or indicated unwillingness to honour the obligations. On the contrary, the government has announced a resumption of the scheme in 2017. Thus, the outstanding balances are classified as current assets accordingly.

23.2 Allowance for impairment of financial assets

	Impairment losses					
Company	**Other Receivables**	**Trade**	**Related party Trade-related**	**Related party Non-trade related**	**Staff loans**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Balance as at 1/1/2020	-	718,117	179,863	1,390,118	23,950	2,312,048
Increase/(decrease) in allowance for credit losses for the year	236,239	(176,265)	193,678	(835,508)	-	(581,855)
Balance as at 31/12/2020	236,239	541,852	373,541	554,610	23,950	1,730,193
Net impact on retained earnings in current year	236,239	(176,265)	193,678	(835,508)	-	(581,855)
Balance as at 1/1/2021	236,239	541,852	373,541	554,610	23,950	1,730,193
Increase/(decrease) in allowance for credit losses for the year					-	-
Balance as at 31/3/2021	236,239	541,852	373,541	554,610	23,950	1,730,193
Net impact on retained earnings in current year	-	-	-	-	-	-

Group	Impairment losses					
	Other Receivables	Trade	Related party Trade-related	Related party Non-trade related	Staff loans	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1/1/2020	-	718,117	179,864	377,406	23,950	1,299,337
Increase/(decrease) in allowance for credit losses for the period	236,239	(176,265)	193,678	177,204	-	430,857
Balance as at 31/12/2020	236,239	541,852	373,542	554,610	23,950	1,730,194
Net impact on retained earnings in current period	236,239	(176,265)	193,678	177,204	-	430,857
Balance as at 1/1/2021	236,239	541,852	373,542	554,610	23,950	1,730,194
Increase/(decrease) in allowance for credit losses for the period	-	-	-	-	-	-
Balance as at 31/3/2021	236,239	541,852	373,542	554,610	23,950	1,730,194
Net impact on retained earnings in current period	-	-	-	-	-	-

23.3 Provision for impairment (gain)/loss on financial assets

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Balance at the beginning of the year	1,449,071	1,299,337	1,299,337	1,449,070	2,312,048	2,312,048
Impairment (gain)/loss recognised in profit or loss	-	430,857	-	-	(581,855)	-
	1,449,071	1,730,194	1,299,337	1,449,070	1,730,193	2,312,048
Receivables written off as uncollectible	-	(281,123)	-	-	(281,123)	-
Balance at the end of the March	1,449,071	1,449,071	1,299,337	1,449,070	1,449,070	2,312,048

24 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Cash in hand	4,082	3,599	4,607	2,150	2,150	2,500
Bank balances	24,254,175	21,319,842	22,222,890	24,026,732	20,855,371	20,560,787
Short term deposits	43,116,000	21,366,000	15,900,000	43,116,000	21,366,000	15,900,000
Nigerian Treasury bill	1,263,000	2,171,000	1,921,000	1,263,000	2,171,000	1,921,000
	68,637,257	**44,860,441**	**40,048,497**	**68,407,882**	**44,394,521**	**38,384,287**

25 Share capital and Premium

The balance in the share capital account was as follows:

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Authorised:						
Balance at January 1, 2020 (12,000,000,000 Ordinary shares of N0.50 each)	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Addition of 3,000,000,000 Ordinary shares of N0.5 each during during the year	1,500,000	1,500,000	-	1,500,000	1,500,000	-
Balance at December 31	**7,500,000**	**7,500,000**	**6,000,000**	**7,500,000**	**7,500,000**	**6,000,000**

Following the successful completion of the scheme of arrangement, the authorised share capital of the Company was increased from N6,000,000,000 (Six Billion Naira) to N7,500,000,000 (Seven Billion, Five Hundred Million Naira) by the creation of 3,000,000,000 (Three Billion) new ordinary shares of 50 kobo each.

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Allotted, called up issued and fully paid:						
Balance at January 1	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Issue of 146,878,239 Ordinary shares of N0.5 each during the year (Note 43))	73,439	73,439	-	73,439	73,439	-
Balance at December 31	**6,073,439**	**6,073,439**	**6,000,000**	**6,073,439**	**6,073,439**	**6,000,000**
for						
Share premium						
12,000,000,000 ordinary shares of N0.5 each issued at N0.5267	6,320,524	6,320,524	6,320,524	6,320,524	6,320,524	6,320,524

Share premium represents the excess of the shareholders' value over the nominal share capital at the point of the commencement of operations in January 2006.

26 Retained earnings

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Balance at January 1	112,328,413	96,258,578	96,258,578	112,908,939	105,762,418	105,762,420
Profit for the year	8,304,195	29,764,578	6,387,179	8,561,588	31,370,658	6,666,585
Disposal of SSCL's non controlling interest as at December 31, 2019		(436,574)	-			-
Disposal of SSCL's non controlling interest (January 1 to August 31)	-	15,270.49	-	-	-	-
Net difference arising on merger (Note 43)	-	-	-		(10,950,699)	-
Changes in share capital (Note 25)	-	(73,439.12)	-		(73,439.12)	-
Dividend pain during the year	-	(13,200,000)			(13,200,000)	-
Balance at December 31	**120,632,608**	**112,328,413**	**102,645,757**	**121,470,527**	**112,908,939**	**112,429,005**

Dividend recognised as distribution to owners is at N1.10 per every ordinary share held.

27 Non-controlling interest

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Balance brought forward	(10,669)	(442,638)	(442,638)	-	-	-
Share of Profit/(loss) for the year	(2,600)	10,665	(14,706)	-	-	-
Disposal of SSCL's non controlling interest as at December 31, 2019	-	436,574	-	-	-	-
Disposal of SSCL's non controlling interest (January 1 to August 31)	-	(15,270)	-	-	-	-
Total	**(13,269)**	**(10,669)**	**(457,343)**	**-**	**-**	**-**

		GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
28	**Borrowings**						
	Held at amortised cost						
	Bank loan	1,132,193	1,179,138	1,289,654	1,132,193	1,179,138	-
		1,132,193	**1,179,138**	**1,289,654**	**1,132,193**	**1,179,138**	**-**
	Non-current liabilities	984,487	**984,487**	1,244,442	984,487	**984,487**	-
	Current liabilities	147,706	194,651	45,212	147,706	194,651	-
		1,132,193	**1,179,138**	**1,289,654**	**1,132,193**	**1,179,138**	**-**
	Movement of borrowings						
	Balance brought forward	1,179,138	1,345,226	1,345,226	1,179,138	-	-
	Acquired	-	-	-	-	1,270,592	-
	Accrued interest	36,188	175,674		36,188	74,795	-
	Interest payment	(36,188)	(94,388)	(55,572)	(36,188)	(37,578)	-
	Principal repayment	(46,945)	(247,374)		(46,945)	(128,671)	-
		1,132,193	**1,179,138**	**1,289,654**	**1,132,193**	**1,179,138**	**-**

In 2016, the Group received a 10-year loan of N2 Billion from Zenith Bank Plc, with two years moratorium on principal, at an interest of 9% per annum payable quarterly. It is secured on fixed and floating assets of Savannah Sugar Limited.

29 Employee benefits

Defined benefit plan

The Group operated a defined benefit plan for all qualifying employees up till 30 September 2013. Under the plan, the employees were entitled to retirement benefits which vary according to length of service. At the date of discontinuation, qualified staff as at this date are to be paid their retirement benefit at the point of exit hence the recognition as a current liability as it is payable on demand. The amounts stated in the financial statement as at 2013 are based on actuarial valuation carried out in 2013. For the purpose of comparison the present value of the defined benefit obligation, and the related current service cost and past service cost stated in the books up till 30 September 2013 was measured using the Project Unit Credit Method.

The most recent Actuarial Valuation was carried out in 2013 using the staff payroll of 30 September 2013.

Movement in gratuity	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Balance as at 1 January	969,591	980,430	980,430	969,591	798,696	798,696
Additional provision	-	121,183		-	121,183	
Gratuity acquired from Savannah Sugar Ltd	-	-	-	-	178,612	-
Benefits paid from plan	(6,741)	(132,022)	(8,385)	(6,741)	(128,900)	(7,016)
	962,851	**969,591**	**972,045**	**962,851**	**969,591**	**791,681**

Below is the details of gratuity acquired from Savannah Sugar Ltd:	**31/12/2020 N'000**
Balance brought forward from January 1, 2020	181,734
Payments made up to August 31st, 2020	(3,122)
Amount acquired as at September 1, 2020	**178,612**

As at the date of the valuation, no fund has been set up from which payments can be disbursed. Dangote Sugar Refinery expects to settle its obligations out of its existing reserves. The contribution into the gratuity scheme was discontinued in 2013.

Defined contribution plan

The Group operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plans are held separately from those of the Group in funds under the control of trustees.

The employees contribute 8% of their gross salary (basic, housing and transport) while the Group contributes 10% on behalf of the employees to the same plan.

		GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
30	**Trade and other payables**						
	Trade payables	103,390,947	87,790,049	48,940,166	90,721,834	87,243,701	48,195,086
	Dividend Payable	1,467,906	1,467,906	1,977,248	1,467,906	1,467,906	1,977,248
	Accruals and sundry creditors	16,045,492	18,043,678	14,024,347	14,956,303	11,021,576	12,991,978
	Other credit balances	11,021,621	19,133,945	20,465,798	10,317,320	7,426,522	19,216,312
	Due to related parties (Note 35)	6,288,289	7,809,493	7,555,764	6,284,958	7,795,229	5,878,382
		138,214,255	**134,245,071**	**92,963,322**	**123,748,320**	**114,954,934**	**88,259,007**

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
31 Other Liabilities						
Advance payment for goods	2,045,182	2,761,583	1,205,270	2,045,173	2,761,574	957,695
31.1 Lease Liability	2,467,125	2,433,633	2,352,458	2,387,323	2,380,738	2,280,637

Lease liabilities

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Opening balance as at 1 January 2020	2,322,160	2,322,160	2,650,469	2,280,637	2,280,637	2,641,339
Additions	31,910	31,910	109,039	9,335	9,335	80,622
Interest expense	164,376	164,376	214,317	157,297	157,297	209,108
Exchange Difference	421,704	421,704	54,627 #	421,704	421,704	54,627
Payments made during the period	(506,516)	(506,516)	(706,292)	(488,234)	(488,234)	(705,059)
Closing balance as at 31 December 2020	**2,433,634**	**2,433,634**	**2,322,160 #**	**2,380,739**	**2,380,739**	**2,280,637**
Current	1,130,044	1,050,534	612,190	1,050,242.80	1,043,658	606,622
Non-current	1,337,081	1,383,100	1,740,269	1,337,081	1,337,081	1,674,015
	2,467,125	**2,433,634**	**2,352,458**	**2,387,323**	**2,380,739**	**2,280,637**

31.2 Amounts recognised in the statement of profit or loss

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Depreciation charge on right of use assets						
Land	34,025	34,025	32,220	34,025	34,025	**32,220**
Buildings	605,342	605,342	597,006	582,919	582,919	**580,697**
	639,367	**639,367**	**629,226 #**	**616,944**	**616,944**	**612,917**
Interest expense (included in finance cost)	164,376	164,376	214,316	157,297	157,297	209,108
Foreign exchange difference	421,704	421,704	54,627	421,704	421,704	54,627
Expense related to short term leases (included in administrative expenses)	25,868	25,868	103,144	25,868	25,868	101,686

31.3 Liquidity risk (maturity analysis of lease liabilities)

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Lease liability - Undiscounted cashflows						
0-3 months	381,705	381,705	96,350	381,705	381,705	90,839
3-12 months	711,265	711,265	673,898	711,265	711,265	673,065
1-2 years	711,265	711,265	694,430	711,265	711,265	649,319
Above 2 years	1,804,234	1,804,234	1,808,657	1,804,234	1,804,234	1,808,657

31.4 Leases where the Group is a lessor.

The Group has leased two of its buildings and a staff quarter to a related party and employees respectively. These are classified as operating leases.

Lease rental recognised in profit or loss as rental income in which the Group acts as a lessor is as shown below:

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Other income						
Rental income on operating lease (Note 11)	16,875	67,500	23,570	16,875	67,500	16,875

32 Risk management

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group is made up of equity comprising issued capital, share premium and retained earnings. The Group is not subject to any externally imposed capital requirements.

The Group’s risk management committee reviews the capital structure of the Group on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group is not geared as at 31 December 2020 (see below).

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position as at 30 June 2020) less cash and cash equivalents. Total capital is calculated as ‘equity' as shown in the as at 30 June 2020 plus net debt.

The gearing ratio at 2020 and 2019 respectively were as follows:

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Total borrowings						
Borrowings (Note 28)	1,132,193	1179137.836	1,289,654	1,132,193	1179137.836	-
Less: Cash and cash equivalent (Note 24)	68,637,257	44860441	40,048,497	68,407,882	44394520.77	38,384,287
Net Cash	67,505,064	43,681,303	38,758,844 #	67,275,689	43,215,383	38,384,287
Total Equity	133,013,302	124,711,707	114,508,938 #	133,864,490	125,302,902	124,749,529
Gearing ratio	1%	1%	1% #	1%	1%	0%

Financial risk management

The Group’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the board. Group treasury identifies, evaluates and hedges financial risks in close 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, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk management

The Company monitors its risk to a shortage of funds by maintaining a balance between continuity of funding and by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. To manage liquidity risk, our allocation of Letters of Credit on raw sugar and spares/chemicals are spread over dedicated banks. Therefore, the establishment of these Letters of Credit which are commitments by the banks provide security to our funds placed on deposit accounts. In other words our funds placed are substantially tied to our obligations on raw sugar and spares.

32 Risk management (continued)

Group

At 31 December 2020	Less than one year N'000	More than one year N'000	Total N'000
Borrowings	147,706	984,487	1,132,193
Lease liability	1,130,044	1,337,081	2,467,125
Trade and other payables	125,724,728	-	125,724,728
	127,002,478	**2,321,568**	**129,324,046**
At 31 December 2019			
Borrowings	45,212	1,244,442	1,289,654
Lease liability	612,190	1,740,269	2,352,459
Trade and other payables	70,520,277	-	70,520,277
	71,177,679	**2,984,711**	**74,162,390**

Company

At 31 December 2020	Less than one year N'000	More than one year N'000	Total N'000
Borrowings	147,706	984,487.00	1,132,193.00
Lease liability	1,050,243	1,337,081	2,387,324.00
Trade and other payables	111,963,095	-	111,963,095
	113,161,044	**2,321,568**	**115,482,612**
At 31 December 2019			
Borrowings	-	-	-
Lease liability	606,622	1,674,015	2,280,637
Trade and other payables	67,065,447	-	67,065,447
	67,672,069	**1,674,015**	**69,346,084**

Financial liabilities that can be repaid at any time have been assigned to the earliest possible time period. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Group is exposed to credit risk from its investing activities (primarily for trade receivables) and from its financing activities, including deposits with banks and other financial institutions. The Group has a credit management committee that is responsible for carrying out preliminary credit checks, review and approval of bank guarantees to credit customers. A credit controller also monitors trade receivable balances and resolves credit related matters.

Before accepting any new customer to buy on credit, the customer must have purchased goods on cash basis for a minimum period of six months in order to test the financial capability of the customer. Based on good credit rating by the credit committee of the Company, the customer may be allowed to migrate to credit purchases after the presentation of an acceptable bank guarantee which must be valid for one year.

Concentration of risk

32% of the trade receivables are due from a single customer whose credit history is good. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are otherwise diverse including both corporate entities and lots of individual end users. The requirement for impairment is analysed at each reporting date on an individual basis for corporate and individual customers.

32 Risk management (continued)

Deposits with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with its corporate treasury policy that spells out counterparty limits, lists of financial institutions that the Group deals with and the maximum tenure of fixed term funds. Surplus funds are spread amongst these institutions and funds must be within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Corporate Treasurer periodically and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through the potential counterparty's failure.

Maximum exposure to credit risks

The carrying value of the Group's financial assets represents its maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

Financial instrument	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Trade receivables	9,271,261	6,675,277	5,075,795	9,271,261	6,675,277	5,036,080
Other receivables	3,359,126	1,502,030	4,365,749	2,674,041	1,485,617	2,474,320
Deposit for open Letters of Credit with the banks	16,691,179	14,229,547	7,797,719	16,691,179	14,229,547	7,797,719
Amount due from related party	8,124,193	8,710,236	4,123,866	8,099,035	8,685,079	91,895,836
Cash and cash equivalents	68,637,257	44,860,441	40,048,497	68,407,882	44,394,521	38,384,287
	106,083,016	**75,977,531**	**61,411,626**	**105,143,398**	**75,470,041**	**145,588,242**

Excluded from the other receivables balance shown above are the VAT, advance to vendors, Withholding tax receivable and NDCC receivables, these are not financial instruments.

Impairment of financial assets

Under IFRS 9, the Company is required to revise its previous impairment methodology under IAS 39 and adopt the new expected credit loss model for financial assets (See Note 2.13 for accounting policies on financial instruments). The company's financial assets that are subject to IFRS 9's new expected credit loss model are:

- Trade receivables
- Amount due from related parties
- Staff loans and;
- Cash and cash equivalent.

a) Trade receivables

The Company applies the IFRS 9 simplified approach in measuring the expected credit losses (ECL) which calculates a lifetime expected loss allowance (ECL) for all trade receivables. Trade receivables represent the amount receivable from third-party customers for the sale of goods. The expected credit loss rate for this receivable is determined using a provision matrix approach.

The provision matrix approach is based on the historical credit loss experience observed according to the behaviour of customers over the expected life of the receivable and adjusted for forward-looking estimates of relevant macroeconomic variables. The macroeconomic variables considered include inflation, gross domestic product (GDP) and exchange rate.

The expected loss rates as at 31 December 2020 are as follows:

Age of trade receivables	**0-30 days N'000**	**31-60 days N'000**	**61-90 days N'000**	**91-365 days N'000**	**Over 365 days N'000**	**Total N'000**
Gross carrying amount	6,183,130	389,162	15,960	-	-	6,588,252
Default rate	4%	6%	8%	11%	100%	
Lifetime ECL	(235,995)	(23,416)	(1,318)	-	-	(260,729)
Total	**5,947,135**	**365,746**	**14,642**	**-**	**-**	**6,327,523**

The expected loss rates as at 31 December 2019 are as follows:

Age of trade receivables	**0-30 days N'000**	**31-60 days N'000**	**61-90 days N'000**	**91-365 days N'000**	**Over 365 days N'000**	**Total N'000**
Gross carrying amount	10,049,253	1,445,574	53,587	79,278	210,035	11,837,727
Default rate	3%	10%	19%	33%	100%	
Lifetime ECL	(326,104)	(145,587)	(9,953)	(26,438)	(210,035)	(718,117)
Total	**9,723,149**	**1,299,987**	**43,634**	**52,840**		**11,119,610**

32 Risk management (continued)

Revenue is measured at the fair value of the consideration received or receivable for goods or services, in the ordinary course of the Company's activities and it is stated net of value added tax (VAT), rebates and returns. A valid contract is recognised as revenue after;

- The contract is approved by the parties.
- Collectability is probable.

b) Amounts due from related parties

Amounts due from related parties arises from both sales made to sister companies and expenses incurred on behalf of related parties that are expected to be reimbursed.

Amounts due from related parties that are related to trade have no significant financing component, therefore, the provision matrix approach has been applied in determining the expected credit loss on these receivables.

The general approach has been adopted for recognizing expected credit loss on amounts due from related parties that arise as a result of expense incurred on behalf of related parties that are expected to be reimbursed as they do not meet the criteria for applying the simplified approach.

i) Amounts due from related parties (trade related)

The provision matrix approach is based on the historical credit loss experience observed according to the behavior of customers over the expected life of the receivable and adjusted for forward-looking estimates of relevant macroeconomic variables. The macroeconomic variables considered include inflation, gross domestic product (GDP) and exchange rate.

The expected loss rates as at 31 December 2020 are as follows:

Age of receivables	0-30 days	31-60 days	61-90 days	91-365 days	Over 365 days	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount	4,129	21,385	26,845	434,435	322,183	808,977
Default rate	3%	10%	19%	33%	100%	
Lifetime ECL	(134)	(2,154)	(4,986)	(144,880)	(322,183)	(474,337)
Total	**3,995**	**19,231**	**21,859**	**289,555**	**-**	**334,640**

The expected loss rates as at 31 December 2019 are as follows:

Age of receivables	0-30 days	31-60 days	61-90 days	91-365 days	Over 365 days	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount	10,471	525	300	246,691	97,145	355,133
Default rate	3%	10%	19%	33%	100%	
Lifetime ECL	(340)	(53)	(56)	(82,269)	(97,145)	(179,863)
Total	**10,131**	**472**	**244**	**164,422**	**-**	**175,270**

ii) Amounts due from related parties (non-trade related)

This requires a three-stage approach in recognising the expected loss allowance for amounts due from related parties. The ECL recognised for the period is a probability-weighted estimate of credit losses discounted at the effective interest rate of the financial asset. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

December 31 2020

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	N'000	N'000	N'000	N'000
Gross EAD*	54,773,086	-	-	54,773,086
Loss allowance as at 31 December 2020	(2,562,123)	-	-	(2,361,995)
Net EAD	**52,210,963**	**-**	**-**	**52,411,091**

Notes to the Consolidated and Separate Financial Statements

32 Risk management (continued)

December 31 2019

	Stage 1 12-month ECL N'000	Stage 2 Lifetime ECL N'000	Stage 3 Lifetime ECL N'000	Total N'000
Gross EAD*	30,518,482	-	-	30,518,482
Loss allowance as at 31 December 2020	(1,390,118)	-	-	(1,390,118)
Net EAD	**29,128,364**	**-**	**-**	**29,128,364**

The parameters used to determine impairment for amounts due from related parties that are not related to trade are shown below. For all receivables presented in the table, the respective 12-month Probability of Default (PD) equate the Lifetime PD for stage 2 as the maximum contractual period over which the Company is exposed to credit risk arising from the receivables is less than 12 months.

	Amounts due from related parties (non-trade related)
Probability of Default (PD)	The rating of each related party receivable is used to determine the PD. All facilities except Dangote Cement have been assigned a B- rating with an associated year 1 PD of 0.64%. Dangote Cements rating of AA+ rating was mapped to Fitch's rating of B with an associated year 1 PD of 0.43%.
Loss Given Default (LGD)	The LGD was applied on unsecured exposures. The LGD was determined using the Moody's average corporate senior bond recovery rate of 37%.
Exposure at Default (EAD)	EAD is an estimation of the extent to which a financial entity may be exposed to a counterparty in the event of a default and at the time of the counterparty's default. The EAD at every point in time is the balance from the previous month accumulated with interest and deducted for contractual repayments.
Forward Looking Information	In incorporating forward looking information, various macroeconomic variables such as GDP, Exchange rate, inflation rate, have been considered to determine how default rates should move over time. No significant relationship was identified.
Probability weightings	The Z score was used to calculate the probability of having a best, downturn and optimistic scenarios by comparing Nigeria GDP historical experience from 2006 - 2016. 89% weight was assigned to best case, 2% for optimistic and 9% for downturn.

The Company considers both quantitative and qualitative indicators (staging criteria) in classifying its related party receivables into the relevant stages for impairment calculation.

Impairment of related party receivables are recognised in three stages based on certain criteria such as:

1. Days past due
2. Credit rating at origination
3. Current credit rating

ü Stage 1: This stage includes receivables at origination and receivables that do not have indications of a significant increase in credit risk.

ü Stage 2: This stage includes receivables that have been assessed to have a significant increase in credit risk using the above mentioned criteria and other qualitative indicators such as the increase in political risk concerns or other micro-economic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance.

ü Stage 3: This stage includes financial assets that have been assessed as being in default (e.g. receivables that are more than 90 days past due) or that have a clear indication that the imposition of financial or legal penalties and/or sanctions will make the full recovery of indebtedness highly improbable.

32 Risk management (continued)

c) Staff loans

The company provides interest free loans to its employees. The Company applies the IFRS 9 general model for measuring expected credit losses (ECL). This requires a three-stage approach in recognising the expected loss allowance for staff loans.

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

The ECL was calculated based on actual credit loss experience from 2014, which is the date the Company initially became a party to the contract. The following analysis provides further detail about the calculation of ECLs related to these assets. The Company considers the model and the assumptions used in calculating these ECLs as key sources of estimation uncertainty. See notes 4 and 23.2 for further details.

December 31 2020	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	
	N'000	**N'000**	**N'000**	**N'000**
Gross EAD*	-	63,476	2,150	65,626
Loss allowance as at 1 January 2020	-	(21,800)	(2,150)	(23,950)
Net EAD	**-**	**41,676**	**-**	**41,676**

December 31 2019	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	
	N'000	**N'000**	**N'000**	**N'000**
Gross EAD*	-	63,476	2,150	65,626
Loss allowance as at 1 January 2019	-	(21,800)	(2,150)	(23,950)
Net EAD	**-**	**41,676**	**-**	**41,676**

The parameters used to determine impairment for employee loan and advances are shown below.

	Staff Loans
Probability of Default (PD)	The rating of each staff is used to determine the PD. All facilities except for expired facilities have been assigned a C rating with an associated year 1 PD of 3.35%. Expired staff loans has been assigned a rating of D with an associated year 1 PD of 100%.
Loss Given Default (LGD)	The LGD was applied on unsecured exposures. The LGD was determined as 100% for all staff loans.
Exposure at Default (EAD)	EAD is an estimation of the extent to which a financial entity may be exposed to a counterparty in the event of a default and at the time of the counterparty's default. The EAD at every point in time is the balance from the previous month accumulated with interest and deducted for contractual repayments.
Forward Looking Information	In incorporating forward looking information, the staff attrition rate was used as a proxy for the default rate. The attrition rate was forecasted by growing the attrition rate for the last historical point with the average growth rate for the historical period.
Probability weightings	The Z score was used to calculate the probability of having a best, downturn and optimistic scenarios by comparing Nigeria GDP historical experience from 2006 - 2016. 89% weight was assigned to best case, 2% for optimistic and 9% for downturn.

Notes to the Consolidated and Separate Financial Statements

32 Risk management (continued)

d) Cash and cash equivalents

The Company also assessed the cash and cash equivalents to determine their expected credit losses. Based on this assessment, they identified the expected losses on cash as at 1 January 2019 and 31 December 2019 to be insignificant, as the loss rate is deemed immaterial. Cash are assessed to be in stage 1.

e) Deposit for Open Letters of Credit with the banks

The Company also assessed its deposits for open letters of credit with banks to determine their expected credit losses. Based on this assessment, they identified the expected losses on this financial asset as at 1 January 2020 and 31 December 2020 to be insignificant, as the loss rate is deemed immaterial. Deposit for open Letters of Credit with the banks are assessed to be in stage 1.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to fluctuations in interest rates on its borrowings. The Group pays fixed/floating rate interest on its borrowings. The company actively monitors interest rate exposures on its investment portfolio and borrowings so as to minimise the effect of interest rate fluctuations on the income statement. The risk on borrowings is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings. All loans, cash and cash equivalent are fixed interest based and therefore the company does not have any exposure to the risk of changes in market rates.

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for related party loan at the prevailing market interest rate of 13.5% at the end of the reporting period. A 250 basis point increase or decrease 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. A 250 basis points reflects a N50 million impact on finance cost. A positive number below indicates an increase in profit or equity for a 250 basis points change in the finance cost. A negative number below indicates a decrease in profit or equity for a 250 basis points change in the finance cost.

32 Risk management (continued)

Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates is limited to foreign currency purchases of operating materials (e.g. finished equipment and other inventory items) and trade receivables that are denominated in foreign currencies. Foreign exchange exposure is monitored by the Group's treasury unit.

The Naira carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	31/12/2020			31/12/2019		
Company	**Euro (€) N'000**	**GBP (£) N'000**	**USD ($) N'000**	**Euro (€) N'000**	**GBP (£) N'000**	**USD ($) N'000**
Cash and cash equivalents	-	-	1,851,871	-	-	46,864
Trade payables	(17,348,396)	(7,060,842)	(87,922,013)	-	-	(31,048,544)
Amount due from/(to) related parties	(161,988)	1,147,775	164,910	(93,323)	976,513	366,384
Net exposure	**(17,510,384)**	**(5,913,067)**	**(85,905,232)**	**(93,323)**	**976,513**	**(30,635,296)**
Group						
Cash and cash equivalents	-	-	2,065,211	-	-	46,864
Trade payables	(17,348,396)	(7,060,842)	(87,922,013)	-	-	(31,048,544)
Amount due from/(to) related parties	(161,988)	1,147,775	164,910	(93,323)	976,513	366,384
Net exposure	**(17,510,384)**	**(5,913,067)**	**(85,691,892)**	**(93,323)**	**976,513**	**(30,635,296)**

The Group reviews its foreign currency exposure, including commitments on an ongoing basis. The Company expects its foreign exchange contracts to hedge foreign exchange exposure.

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	31/12/2020 N	**31/12/2019 N**	**31/12/2020 N**	**31/12/2019 N**
Euro (€)	461.09	392.88	546.42	375.75
GBP (£)	465.62	444.00	491.24	440.00
USD ($)	369.42	347.75	400.33	338.50

Sensitivity analysis on foreign currency

A fifteen percent (15%) strengthening of the Naira, against the Euro, Dollar and GBP at 31 December would have increased/(decreased) income statement and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period and has no impact on equity. The analysis assumes that all other variables, in particular interest rates, remain constant.

	(Decrease)/increase in income statement			
	GROUP 31/12/2020 N'000	**GROUP 31/12/2019 N'000**	**COMPANY 31/12/2020 N'000**	**COMPANY 31/12/2019 N'000**
Euro (€)	(2,626,558)	(7,775)	(2,626,558)	(7,775)
GBP (£)	(886,960)	106,968	(886,960)	106,968
USD ($)	(12,885,785)	(4,407,739)	(12,885,785)	(4,407,739)

A fifteen percent (15%) weakening of the Naira against the above currencies would have had the equal but opposite effect on the above currencies to the magnitude of the amounts shown above, on the basis that all other variables remain constant.

33 Financial assets by category

The accounting policies for financial instruments have been applied to the line items below

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Assets						
Trade and other receivables	37,445,759	32,390,113	21,363,129	36,735,516	32,348,543	107,203,955
Cash and cash equivalents	68,637,257	44,860,441	40,048,497	68,407,882	44,394,521	38,384,287
	106,083,016	**77,250,554**	**61,411,626**	**105,143,398**	**76,743,064**	**145,588,242**

34 Financial liabilities by category

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Liabilities						
Borrowings	1,132,193	1,179,138	1,289,654	1,132,193	1,179,138	-
Lease liabilities	2,467,125	2,433,634	2,352,458	2,387,323	2,380,739	2,280,637
Trade and other payables	138,214,255	135,518,094	54,497,731	123,748,320	116,227,957	88,259,007
	141,813,573	**139,130,866**	**58,139,843**	**127,267,836**	**119,787,834**	**90,539,644**

35 Related party information

35.1 Related parties and Nature of relationship and transactions

Related parties	Nature of relationship and transactions
Dansa Foods Limited	An entity controlled by key management personnel of the Company that has trading relationship with the Company.
NASCON Allied Industries PLC	Fellow subsidiary from which the Company purchases raw salt as input in the production process
Bluestar services Limited	Fellow subsidiary Company that provides clearing and stevedoring services
Bluestar Clearing Limited	Fellow subsidiary Company that provides clearing and stevedoring services
Savannah Sugar Company Limited	Subsidiary- Backward integrated project
Taraba Sugar Company Limited	Subsidiary- Backward integrated project
Adamawa SugarCompany Limited	Subsidiary- Backward integrated project
Nassarawa Sugar Company Limited	Subsidiary- Backward integrated project
Niger Sugar project Limited	Subsidiary- Backward integrated project
Dangote Global Services Limited (UK)	Fellow subsidiary- Payment for foreign procurements
Dangote Oil and Gas Company Limited	Fellow subsidiary - Supply of AGO and LPFO
Dangote Industries Limited	Parent company that provides management support and receives 7.5% of total reimbursables as management fees
Dancom Technologies Limited	Fellow subsidiary - Supply of IT services
MHF Properties Limited	Fellow subsidiary - Property rentals.
Greenview Development Company Limited	Fellow subsidiary - Property rentals.
Kura Holdings Limited	Fellow subsidiary - Travel services
Aliko Dangote Foundation	Under common control- Incures expenses on each other's behalf
Dangote Sinotrucks west Africa Limited	Fellow subsidiary- Supply of fleet trucks
Dangote Cement Plc	Fellow subsidiary - exchange of diesel and LPFO
Dangote Agrosacks Nigeria Limited	Fellow subsidiary- Supplies empty for bagging of finished sugar

35 Related party information (continued)

iv) Amount owed by related parties	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Dangote Taraba Sugar Limited	-	-	-	-	-	1,855,091
Dangote Adamawa Sugar Limited	-	-	-	-	-	6,499,681
Nassarawa Sugar Company Limited	-	-	-	-	-	17,101,747
Savannah Sugar Company Limited	-	-	-	0	-	63,351,008
Dangote Global Services Limited (UK)	1,368,971	1,281,822	934,298	1,368,971	1,281,822	934,298
NASCON Allied Industries PLC	271,432	282,475	179,358	271,432	282,475	179,358
Dangote Sinotruck west Africa Limited	17,800	17,800	17,800	-	-	-
Greenview Development Nigeria Limited	2,225,815	2,516,022	1,556,168	2,225,815	2,516,022	1,556,168
Dangote Fertilizer Limited	1,107,193	1,107,193	1,119,485	1,107,193	1,107,193	1,119,485
Dancom Technologies Limited	25,291	25,291	20,623	25,291	25,291	18,860
AG Dangote Construction Limited	959,130	959,130	850,121	959,130	959,130	850,121
Bluestar Shipping line Limited	-	-	3,282	-	-	-
Dangote Rice	700		-	700		-
Aliko Dangote Foundation	125,467	505,767		125,467	505,767	
Dangote Industries Limited	2,950,546	2,942,888	-	2,943,188	2,935,530	-
Gross amount due from related parties (Note 23)	**9,052,345**	**9,638,388**	**4,681,135**	**9,027,186**	**9,613,230**	**93,465,817**
Allowance for impaired -related parties Trade(Note 23.2)	(373,541)	(373,541)	(179,863)	(373,541)	(373,541)	(179,863)
Allowance for impaired -related parties Non-Trade(N0te 23.2)	(377,406)	(377,406)	(377,406)	(554,610)	(554,610)	(1,390,118)
Net amount due from related parties	8,301,398	8,887,441	4,123,866	8,099,035	8,685,079	91,895,836

v) Amount owed to related parties	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Dangote Cement PLC	4,851,818	6,034,833	3,358,846	4,851,294	6,023,501	1,720,545
Greenview Development Nigeria Limited	-	-	693	-	-	-
Dangote Niger Sugar Limited	-	-	-	-	-	46,843
Dangote Agrosacks Limited	153,661	132,894	146,923	153,661	132,894	147,571
Dangote Oil and Gas Company Limited	11,258	11,258	322,646	11,258	11,258	322,646
Kura Holdings Limited	25,718	21,555	28,838	25,718	21,555	28,838
Bluestar Shipping line Limited	58,946	421,941	280,320	58,946	421,941	280,320
MHF Properties Limited	-	-	550	-	-	550
Dancom Technologies Limited	2,807	2,705	2,750	-	-	-
Dangote Nigeria Limited Clearing	693	693	14,569	693	693	14,569
Aliko Dangote Foundation	-	-	9,811	-	-	9,811
Dangote Sinotruck west Africa Limited	1,069,048	1,069,275	2,279,887	1,069,048	1,069,048	2,279,887
Dangote Industries Limited	114,339	114,339	1,109,932	114,339	114,339	1,026,804
	6,288,289	7,809,493	7,555,764	6,284,958	7,795,229	5,878,382

35 Related party information (continued)

35.3 Sales of goods to related parties were made at the Company's usual market price without any discount to reflect the quantity of goods sold to related parties. Purchases were made at market price and there was no discount on all purchases.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

Dangote Industries Limited (DIL) in recognition of the requirement of transfer pricing regulations that all transactions between connected taxable persons shall be carried out in a manner that is consistent with arm's length principle has come up with basis of computing its management fees and royalty taking into cognizance certain principles.
Royalty payment shall be made in addition to management fees payable from 1 January 2015 at the rate of 0.5% of the total revenue.

35.4 Loans to and from related parties

There are no related party loans as at 31 March 2021.

35.5 Key Management Personnel

List of Directors of Dangote Sugar Refinery Plc

1	Alh. Aliko Dangote (GCON)	Chairman
2	Mr. Ravindra Singhvi	Board Member (Group Managing Director/CEO)
3	Alh. Sani Dangote	Board Member (Director)
4	Mr. Olakunle Alake	Board Member (Director)
5	Mr. Uzoma Nwankwo	Board Member (Director)
6	Ms. Bennedikter Molokwu	Board Member (Director)
7	Dr. Konyinsola Ajayi (SAN)	Board Member (Director)
8	Alh. Abdu Dantata	Board Member (Director)
9	Ms. Maryam Bashir	Board Member (Director)
	Mrs. Temitope Hassan	Company Secretary/Legal Adviser

List of key management staff

1	Mr. Ravindra Singhvi	Group Managing Director/CEO
2	Mrs. Adebola Falade	Chief Finance officer
3	Mrs. Temitope Hassan	Company Secretary/Legal Adviser
4	Engr. Thiru Rajasekar	General Manager, Refinery
5	Mr.Babafemi Gbadewole	Chief Internal Auditor
6	Mr. Adesola Ogunaike	Head, Supply Chain
7	Mr. Saddiq Bello	General Manager, Sales and marketing
8	Mr. Hassan Salisu	General Manager, Human Resources and Admin.
9	Mr. Fatay Olamilekan Jimoh	Head, Risk Management

35 Related parties (Cont'd)

35.6 Compensation to directors and other key management

	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Short-term employee benefits	-	490,506	-	-	490,506	-
	-	**490,506**	**-**	**-**	**490,506**	**-**

36 Employee costs

The following items are included within employee benefits expenses:

Direct employee costs	GROUP 31/3/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/3/2020 N'000	COMPANY 31/3/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/3/2020 N'000
Basic	636,349	2,367,298	359,999	636,349	1,927,903	293,598
Bonus	-	94,266	-	-	94,266	-
Medical claims	-	15	28,523	-	15	16,672
Leave allowance	56,855	176,089	179,341	56,855	147,460	178,102
Short term benefits	357,592	1,722,194	416,177	357,593	1,339,343	296,339
Other short term costs	6,918	547,992	56,727	6,918	211,148	36,251
Pension	61,727	226,950	7,980	61,727	198,801	7,980
Termination benefits	-	262	-	-	262	-
	1,119,441	**5,135,066**	**1,048,747**	**1,119,441**	**3,919,197**	**828,941**

Indirect employee costs	31/3/2021 N'000	31/12/2020 N'000	31/3/2020 N'000	31/3/2021 N'000	31/12/2020 N'000	31/3/2020 N'000
Basic	228,451	831,307	107,843	228,451	700,247	106,681
Bonus	-	62,518	-	-	62,518	-
Medical claims and allowance	2,496	9,974	37,334	2,496	3,291	18,869
NSITF and ITF levies	18,531	89,173	28,395	18,531	56,370	26,473
Short term benefits	423,039	1,292,978	161,767	438,683	892,559	107,979
Other short term costs	167,168	871,715	395,235	124,350	631,426	221,008
Pension	7,180	27,582	8,733	34,355	103,469	7,599
Termination benefits	838	1,291	7,370	838	1,291	-
	847,704	**3,186,538**	**746,678**	**847,704**	**2,451,171**	**488,609**

Total employee costs						
Direct employee cost	1,119,441	5,135,066	1,048,747	1,119,441	3,919,197	828,941
Indirect employee cost	847,704	3,186,538	746,678	847,704	2,451,171	488,609
	1,967,145	**8,321,604**	**1,795,425**	**1,967,145**	**6,370,368**	**1,317,550**

Average number of persons employed during the year was:

	31/3/2021 Number	31/12/2020 Number	31/3/2020 Number	31/3/2021 Number	31/12/2020 Number	31/3/2020 Number
Management	122	121	141	108	110	121
Senior Staff	555	547	528	532	533	357
Junior Staff	2,181	2,212	2029	2,179	2,212	1123
	2,858	**2,880**	**2,698**	**2,819**	**2,855**	**1,601**

37 Directors' emoluments	**31/3/2021 N'000**	**31/12/2020 N'000**	**31/3/2020 N'000**	**31/3/2021 N'000**	**31/12/2020 N'000**	**31/3/2020 N'000**
Fees	-	33,000	-	-	33,000	-
Salaries	-	134,633	-	-	134,633	-
Others	-	129,342	-	-	129,342	-
	-	**296,975**	**-**	**- #**	**296,975**	**-**
Emoluments of the highest paid Director	-	134,633	-	-	134,633	-

The number of Directors excluding the chairman with gross emoluments within the bands stated below were:

N'000	**31/3/2021 Number**	**31/12/2020 Number**	**31/3/2020 Number**	**31/3/2021 Number**	**31/12/2020 Number**	**31/3/2020 Number**
0 - 19,000	8	8	7	8	8	7
32,000 and above	1	1	1	1	1	1
	9	**9**	**8**	**9 #**	**9**	**8**

38 Events after the reporting period

There were no events after the reporting period that could have had material effect on the financial statements of the Company as at 30 December 2020 that have not been taken into account in these financial statements.

39 Capital Commitment

As at 31 March 2021, there were no capital commitments in respect of the Lagos factory expansion (2020: Nil)

40 Contingent assets and Contingent liabilities

There were no contingent assets and liabilities as at 31 March (2020: Nil)

41 Free Float Computation

Company Name:	Dangote Sugar Refinery Plc
Board Listed:	Main Board
Year End:	December
Reporting Period:	Period Ended 31 March 2021
Share Price at end of reporting period:	N17.00 (2020: N9.00)

Shareholding structure/Free Float Status

	31-Mar-21		31-Mar-20	
Description	**Unit**	**Percentage**	**Unit**	**Percentage**
Issued Share Capital	12,146,878,241	100%	12,000,000,000	100%
Substantial Shareholdings (5% and above):				
Dangote Industries limited	8,122,446,281	66.87%	8,122,446,281	67.69%
Dangote Aliko	653,095,014	5.38%	653,095,014	5.44%
Total Substantial Shareholdings	**8,775,541,295**	**72.25%**	**8,775,541,295**	**73.13%**
Directors' Shareholdings (direct and indirect), excluding directors with substantial interest:				
Alhaji Sani Dangote	Nil		Nil	
Mr. Olakunle Alake (Direct)	7,194,000	0.06%	7,194,000	0.06%
Ms Benedicta Molokwu (Direct)	1,483,400	0.01%	1,483,400	0.01%
Alhaji Abdu Dantata (Direct)	1,044,400	0.01%	1,044,400	0.01%
Mr. Uzoma Nwankwo (Direct)	384,692	0.00%	384,692	0.00%
Dr. Konyinsola Ajayi (SAN)	-	-	-	-
Ms. Maryam Bashir	-	-	-	-
Mr. Ravindra Singhvi	-	-		
Total Directors' Shareholdings	**10,106,492**	**0.08%**	**10,106,492**	**0.08%**
Free Float in Units and Percentage	**3,361,230,454**	**27.67%**	**3,214,352,233**	**26.79%**
Free Float in Value (N)	**57,140,917,718**		**28,929,169,917**	

Declaration:

(A) Dangote Sugar Refinery Plc with a free float percentage of 27.67% as at 31 March 2021, is compliant with The Exchnage's free float requirements for companies listed on the Main Board.

(B) Dangote Sugar Refinery Plc with a free float value of N28,929,169,917 as at 31 March 2020, is compliant with The Exchange's free float requirements for companies listed on the Main Board.Board.

42 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of The Exchange 2015 (Issuers' Rule), Dangote Sugar Refinery Plc maintains a Security Trading Policy (Policy) which guides Directors, Audit Committee members, employees and all individuals categorized as insiders in relation to their dealings in the Company's shares. The Policy undergoes periodic review by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the Policy during the period.

43 Business combination under common control

On 1 September 2020, the assets, liabilities and business operations of Savannah Sugar Company Limited (subsidiary) were merged with those of Dangote Sugar Refinery Plc ("the Company") through a scheme of ordinary shares arrangement. The merger is categorised as business combination under common control as both entities are ultimately controlled by the same party, hence this falls outside the scope of IFRS 3 'Business Combination'. The Company has applied the predecessor method in accounting for the merger.

No goodwill was recognised, instead, the predecessor carrying value of the net liabilities transferred were combined with the net assets of the Company. A total of 146,878,239 ordinary shares at 50k each in Dangote Sugar Refinery Plc were issued to the non-controlling shareholders of Savannah Sugar Company Limited. The cost of these issued shares was recognised in equity.

The Company incurred a total sum of N251,809,524.93 on merger related costs, consisting mainly of filing fees and professional services fees. These amounts have been reflected in the respective expense accounts in the statement of profit or loss and other comprehensive income.

The predecessor carrying values of the assets and liabilities of Savannah Sugar Company Limited on 1 September 2020 are as shown below:

	Savannah Sugar Company Limited 1 September 2020 N'000
Non current assets	
Property, plant and equipment	39,658,912
Deferred tax assets	9,293,194
	48,952,106
Current assets	
Inventories	8,454,616
Biological assets	4,056,268
Trade and other receivables	2,772,742
Cash and cash equivalents	487,472
	15,771,098
Total assets	**64,723,204**
Non current liabilities	
Long term borrowings	1,270,592
	1,270,592
Current liabilities	
Current income tax liabilities	63,633
Trade and other payables	5,420,763
Employee benefit liability	178,612
Other Liabilities	35,176
	5,698,184
Total liabilities	6,968,775
Net liabilities transferred (at book values)	57,754,428
Less:	
Cost of investment	(2,256,100)
Pre-acquisition profit	(958,823)
Receivable from Savannah Sugar Company Limited	(65,490,204)
Net difference arising on merger	(10,950,699)