
NORTHERN NIGERIA FLOUR MILLS PLC.

RC - 9409



15, Mai Malari Road, Bompai Industrial Estate, Kano - Nigeria.

P. O. Box: 6640, Kano. Tel: +234 (0)8172888323.

Web: www.fmnplc.com Email: gp.kano@nnfmplc.com

NORTHERN NIGERIA FLOUR MILLS PLC Q1 UNAUDITED RESULTS FOR THE PERIOD ENDED June 30, 2021

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SECURITIES TRADING POLICY


In compliance with the Securities & Exchange Commission (SEC) Rule relating to the Security Trading Framework of the Nigerian Capital Market, The Company has developed Security Trading Policy to monitor security trading within the purview of the Framework which is before the Board for approval. The Framework as established by NNFM does not permit insider trading where interested persons are not allowed to trade (buy or sell) in the shares of Northern Nigeria Flour Mills Plc within a blanket and until the Company's unaudited First Quarter Financial Statements have been released by the Nigerian Stock Exchange to the public. In the event of any such trade (buy/sell), this is required to be promptly communicated to the Company Secretary for appropriate disclosure to the Nigerian Stock Exchange as required by the Rules of the Stock Exchange.

DIRECTORS: Alhaji (Dr.) Aminu A. Dantata, CON, Mr. John G. Coumantaros (USA),
Alhaji Rabiu M. Gwarzo, OON., Alhaji Sani Umar, Mr. Paul Gbededo, Alhaji Y.O. A. Saliu,
Mr. Richard Hedges (British), Alhaji Mahmud Ahmed, Dr. Jibrilla Mohammed, Sadiq A. Usman.

NORTHERN NIGERIA FLOUR MILLS PLC - KANO

Q1 UNAUDITED RESULTS FOR THE PERIOD ENDED 30TH JUNE 2021 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | | Three Months Ended 30-06-21 N'000 | Three Months Ended 30-06-20 N'000 |
|-----------------------------------|---|--|--|
| Volumes (MT) | | 11,611 | 9,425 |
| Revenue | | 3,563,480 | 1,905,414 |
| Cost of sales | 1 | <u>(3,252,702)</u> | <u>(1,727,842)</u> |
| Gross profit/(Loss) | | 310,778 | 177,572 |
| Other Operating Income | 2 | 36,445 | 41,866 |
| Selling and distribution expenses | 3 | (28,591) | (18,461) |
| Administrative expenses | 4 | <u>(170,745)</u> | <u>(82,713)</u> |
| Operating profit/(Loss) | | 147,887 | 118,264 |
| Investment income | | 1,094 | 5,438 |
| Finance cost | 5 | <u>(66,125)</u> | <u>(55,201)</u> |
| | | 82,856 | 68,501 |
| Profit/(Loss) before tax | | <u>82,856</u> | <u>68,501</u> |
| Tax expense | | <u>-</u> | <u>-</u> |
| Profit/(Loss) after tax | | <u>82,856</u> | <u>68,501</u> |
| Profit/(Loss) attributable to: | | | |
| Owners of the Company | | <u>82,856</u> | <u>68,501</u> |
| Earnings per Share - Basic (Kobo) | | <u>46</u> | <u>38</u> |


MR PAUL MIYONMIDE GBEDEDO
 Ag. Managing Director
 FRC/2013/IODN/00000003828


EMMANUEL N ODIGIE
 Chief Financial Officer
 FRC/2013/ICAN/00000004286

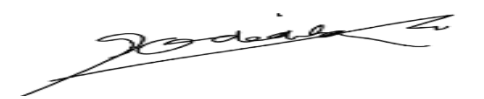
July 28th, 2021

Explanatory Notes:

Management has been able to maintain the profit making strides of the Company in the first quarter of the year with increased turnover and revenues. This trend is expected to continue within the rest of the year.

Q1 UNAUDITED RESULTS FOR THE PERIOD ENDED 30TH JUNE 2021
STATEMENT OF FINANCIAL POSITION
30TH JUNE 2021

| | | 30-Jun-21 | 30-Jun-20 | 31-Mar-21 |
|---------------------------------------|---------|-------------------|------------------|------------------|
| | Note | N'000 | N'000 | N'000 |
| Non-current assets | | | | |
| Property, plant and equipment | | 3,589,104 | 3,683,632 | 3,572,311 |
| Deffered tax assets | | 5,815 | - | - |
| Prepayments/Investments in associates | | 7,882 | - | 6,158 |
| Total non-current assets | | 3,602,801 | 3,683,632 | 3,578,469 |
| Current assets | | | | |
| Inventories | 6 | 3,289,331 | 1,385,351 | 3,206,326 |
| Trade receivables | 7a | 74,139 | 51,543 | 9,610 |
| Other receivables | 7c | 9,939 | 60,754 | - |
| Prepayments | 7b | 37,460 | 51,446 | 41,396 |
| Due from related companies | 7c | 54,712 | 823,867 | 7,882 |
| Cash and deposits | | 3,772,185 | 2,676,676 | 521,587 |
| Total current assets | | 7,237,767 | 5,049,637 | 3,786,801 |
| Total assets | | 10,840,568 | 8,733,269 | 7,365,270 |
| Equity | | | | |
| Share capital | | 89,100 | 89,100 | 89,100 |
| Share premium account | | 89,521 | 89,521 | 89,521 |
| Fixed Assets Revaluation Reserve | | 1,566,005 | 1,566,005 | 1,566,005 |
| Retained earnings | | 1,126,001 | 1,092,870 | 1,043,145 |
| Total equity | | 2,870,627 | 2,837,496 | 2,787,771 |
| Non-current liabilities | | | | |
| Borrowings | 8 | 467,580 | 663,611 | 384,989 |
| Retirement benefit obligation | 10 | 190,260 | 127,546 | 180,687 |
| Long service award | 11 | 42,524 | 33,163 | 40,052 |
| Deferred Revenue | 15 | 51,896 | 75,270 | 33,173 |
| Deferred tax (asset)/Liability | 9 | 71,553 | 54,249 | 104,825 |
| Total non-current liabilities | | 823,813 | 953,839 | 743,726 |
| Current liabilities | | | | |
| Borrowings | 8 | 681,713 | 378,503 | 1,626,613 |
| Trade payables | 12 | 416,713 | 1,152,133 | 1,768,304 |
| Other payables | 13 & 15 | 4,703,470 | 2,653,241 | 68,975 |
| Current tax payable | 13 | 21,625 | 188,876 | 31,759 |
| Customer deposits | 14 | 1,322,607 | 569,181 | 338,122 |
| Total current liabilities | | 7,146,128 | 4,941,934 | 3,833,773 |
| Total liabilities | | 7,969,941 | 5,895,773 | 4,577,499 |
| Total equity and liabilities | | 10,840,568 | 8,733,269 | 7,365,270 |



MR PAUL MIYONMIDE GBEDEDO
Ag. Managing Director
FRC/2013/IODN/00000003828



EMMANUEL N ODIGIE
Chief Financial Officer
FRC/2013/ICAN/00000004286

Northern Nigeria Flour Mills Plc
Statement of Cash Flows
Q1 Unaudited Statement of Cash Flows June 2021

| | 30-06-2021 N'000 | 31-Mar-21 N '000 |
|--|-----------------------------------|-----------------------------------|
| Cash flows from operating activities | | |
| (Loss)/profit before taxation | 82,856 | 134,346 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 52,683 | 207,708 |
| Profit on sale of assets | - | - |
| Finance costs | 66,127 | 184,317 |
| Provision for retirement benefit | 9,573 | 24,922 |
| (Credit)/provision for long service award | 2,472 | 7,882 |
| Write-off of property, plant and equipment | - | - |
| Gain on foreign exchange transactions | - | - |
| Minimum tax | - | 21,669 |
| Changes in working capital: | | |
| Inventories | 83,005 | (1,645,744) |
| Trade and other receivables | (121,298) | 804,506 |
| Prepayments | 3,936 | (16,210) |
| Investment | - | 8,094 |
| Trade and other payables | 3,014,315 | (113,627) |
| Deferred income | 18,723 | (60,322) |
| Customer deposits | 984,485 | 187,861 |
| Dividend payable | - | - |
| | 4,196,877 | (254,598) |
| Tax paid | (10,134) | (40,823) |
| Value added tax paid | (4,529) | - |
| Retirement benefit paid | - | (3,500) |
| Long service award benefit paid | - | - |
| Net cash used in operating activities | 4,182,214 | (298,921) |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (3,180) | (46,260) |
| Sale of property, plant and equipment | - | - |
| Liquidation of Investment | - | 15,027 |
| Net cash used in investing activities | (3,180) | (31,233) |
| Cash flows from financing activities | | |
| Proceeds from borrowings | - | - |
| Repayment of borrowings | (862,309) | (1,329,615) |
| Interest Paid on borrowings | (65,081) | (97,856) |
| Monitoring and guarantee fees | (1,046) | (5,541) |
| Dividend paid | - | (26,727) |
| Net cash generated from financing activities | (928,436) | (1,459,739) |
| Net cash inflow for the year | 3,250,598 | (1,789,893) |
| Cash and cash equivalents at the beginning of the year | 521,587 | 2,311,480 |
| Total cash and cash equivalents at end of year | 3,772,185 | 521,587 |

NORTHERN NIGERIA FLOUR MILLS PLC - KANO

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30TH JUNE 2021**

NORTHERN NIGERIA FLOUR MILLS PLC

| | Equity attributable to equity holders of the Company | | | | | Total Equity |
|---|--|---------------|---------------------|--------------------------|-------------------|--------------|
| | Share Capital | Share premium | Revaluation reserve | Non controlling interest | Retained Earnings | |
| | N'000 | N'000 | N'000 | N'000 | N'000 | |
| Balance at 1 April 2020 | 89,100 | 89,521 | 1,566,005 | - | 1,024,369 | 2,768,995 |
| Transfer from total comprehensive income for the period | | | | | 68,501 | 68,501 |
| Dividend payment | | | | | | - |
| Balance at 30th June 2020 | 89,100 | 89,521 | 1,566,005 | - | 1,092,870 | 2,837,496 |
| Balance at 1 April 2021 | 89,100 | 89,521 | 1,566,005 | - | 1,043,145 | 2,787,771 |
| Transfer from total comprehensive income for the period | | | | | 82,856 | 82,856 |
| Balance at 30 June 2021 | 89,100 | 89,521 | 1,566,005 | - | 1,126,001 | 2,870,627 |

NORTHERN NIGERIA FLOUR MILLS PLC - KANO

Q1 UNAUDITED RESULTS FOR THE PERIOD ENDED 30TH JUNE 2021

PROPERTY PLANT AND EQUIPMENT

| | Freehold Land & Buildings N '000 | Plant & Machinery N '000 | Furniture & Equip N '000 | Motor Vehicles N '000 | CWIP N '000 | Total N '000 |
|---------------------|--|-----------------------------|-----------------------------|--------------------------|----------------|------------------|
| Cost or valuation | | | | | | |
| 1 April 2021 | 1,877,446 | 3,140,278 | 106,363 | 306,373 | 94,356 | 5,524,816 |
| Reclassification | | | | | | - |
| Additions | | | | | 69,477 | 69,477 |
| Transfers | | 22,550 | 2,447 | 25,693 | (50,690) | - |
| Adjustments | | | | | | |
| Disposals | | | | | | |
| 30 JUNE 2021 | 1,877,446 | 3,162,828 | 108,810 | 332,066 | 113,143 | 5,594,293 |
| Depreciation | | | | | | |
| 1 April 2021 | 43,662 | 1,523,631 | 88,921 | 296,291 | - | 1,952,505 |
| Charge | 641 | 49,447 | 1,287 | 1,308 | | 52,683 |
| Transfer | | | | | | - |
| Disposals | | | | | | - |
| 30 JUNE 2021 | 44,303 | 1,573,078 | 90,208 | 297,599 | - | 2,005,188 |
| NBV | | | | | | |
| 30 JUNE 2021 | 1,833,143 | 1,589,750 | 18,602 | 34,467 | 113,143 | 3,589,104 |
| 1 April 2021 | 1,833,784 | 1,616,647 | 17,442 | 10,082 | 94,356 | 3,572,311 |

NORTHERN NIGERIA FLOUR MILLS PLC - KANO

NOTES TO Q1 UNAUDITED RESULTS FOR THE PERIOD ENDED 30TH JUNE 2021

| NOTES: | | 30-Jun-21 | 30-Jun-20 |
|---------------|--|------------------|------------------|
| 1 | COST OF SALES | N'000 | N'000 |
| | Material costs | 2,996,607 | 1,543,275 |
| | Depreciation | 51,563 | 51,759 |
| | Direct staff costs | 31,828 | 44,722 |
| | Other expenses | 3,391 | 2,417 |
| | Rent & rates | - | 1,786 |
| | Insurance | - | 264 |
| | Petrol, gas & oil | 147,356 | 73,764 |
| | Repairs and maintenance | 21,957 | 9,855 |
| | | 3,252,702 | 1,727,842 |
| 2 | OTHER GAINS & LOSSES | N'000 | N'000 |
| | Management fees | - | - |
| | Rent income | 650.00 | 325 |
| | Insurance claims/Provision no longer required | 3,331.33 | - |
| | Income on government grant | 15,698.33 | 37,766 |
| | Intragroup (Subsidy income, expenses, Technical fee, service provided) | - | - |
| | Sundry income | 16,765.47 | 3,775 |
| | Profit / Loss on disposal of assets | - | - |
| | Exchange gain/loss | - | - |
| | Wheat handling charges | - | - |
| | | 36,445 | 41,866 |
| 3 | SELLING & DISTRIBUTION EXPENSES | N'000 | N'000 |
| | Employee cost | 7,118 | 6,320 |
| | Advertisement | 7 | 40 |
| | Selling expenses | 21,467 | 12,101 |
| | | 28,591 | 18,461 |
| 4 | ADMINISTRATIVE EXPENSES | N'000 | N'000 |
| | Advertising | - | - |
| | Auditors remuneration | 3,928 | 3,995 |
| | Bad debts | 48,629 | - |
| | Bank charges | 280 | 623 |
| | Cleaning | - | 55 |
| | Consulting and professional fees | - | 1,334 |
| | Depreciation, amortisation & impairments | 1,120 | 681 |
| | Donations | 50 | - |
| | Employee costs | 60,680 | 36,236 |
| | Entertainment | 229 | 56 |
| | Fines and penalties | - | 30 |
| | IT expenses | 1,335 | 3,778 |
| | Insurance | 2,418 | 2,097 |
| | Magazines, books & periodicals | 186 | 28 |
| | Medical expenses | 275 | 256 |
| | Motor vehicle expenses | 11 | 3 |
| | Third party -deductible | 2,497 | (1,132) |
| | Petrol & oil | 703 | 1,464 |
| | Placement fees | - | - |
| | Postage | 218 | 11 |
| | Printing & stationery | - | 169 |
| | Repairs & maintenance | 2,826 | 2,071 |
| | Research & development costs | - | - |
| | Secretarial expenses | 5,086 | 4,060 |
| | Security | - | - |
| | Software expenses | - | 3,549 |
| | Subscriptions | - | - |
| | Telephone & fax | - | - |
| | Travel -local | 2,222 | 364 |
| | Travel -overseas | 3 | - |
| | Other expenses | 8,189 | 1,450 |
| | Group overhead allocation | 29,861 | 21,535 |
| | Total administration expenses | 170,745 | 82,713 |
| 5 | FINANCE COSTS | N'000 | N'000 |
| | Interest on Long Term Loans (BOI) | 36,781 | 50,290 |
| | Interest on CACS Loan | - | 4,911 |
| | Interest on IG Loans | 29,344 | - |
| | | 66,125 | 55,201 |

NORTHERN NIGERIA FLOUR MILLS PLC - KANO

NOTES TO Q1 UNAUDITED RESULTS FOR THE PERIOD ENDED 30TH JUNE 2021

| NOTES: | 30-Jun-21 | 30-Jun-20 |
|--|-------------------------|-------------------------|
| 6 INVENTORIES | N'000 | N'000 |
| Raw materials | 2,757,393 | 1,076,887 |
| Packaging materials (consumable) | 117,791 | 80,029 |
| Work in Progress | - | - |
| Finished goods | 324,189 | 182,742 |
| Consumables | 6,574 | 3,128 |
| Spare parts (consumable) | 35,457 | 25,190 |
| Sundry stocks(consumable) | 47,863 | 29,376 |
| Provision for obsolete stock | 63 | - |
| | <u>3,289,331</u> | <u>1,397,352</u> |
| Goods - in - transit (consumable) | - | (12,000) |
| | <u>3,289,331</u> | <u>1,385,352</u> |
| 7a TRADE AND OTHER RECEIVABLES | N'000 | N'000 |
| TRADE RECEIVABLES | | |
| Trade Debtors | 423,164 | 220,897 |
| Provision for bad debts | (349,025) | (169,354) |
| | <u>74,139</u> | <u>51,543</u> |
| 7b Prepayments | N'000 | N'000 |
| Prepayments | 37,460 | 51,446 |
| | <u>37,460</u> | <u>51,446</u> |
| 7c OTHER RECEIVABLES | N'000 | N'000 |
| Staff debtors | 3,925 | 4,738 |
| Provision for doubtful Staff loan | (4,231) | (4,231) |
| Insurance claims | - | - |
| Withholding tax receivable | 218 | 14,560 |
| Other debtors | 10,031 | 14,687 |
| Investment - (Unclaimed Dividend) | - | 31,003 |
| Intercompany receivables | 54,712 | 823,867 |
| Unclaimed Dividend Written Back | - | - |
| | <u>64,655</u> | <u>884,624</u> |
| 8a LONG TERM BORROWINGS | N'000 | N'000 |
| Interest bearing intra group loan | 460,994 | - |
| Long term loan (BOI) | 467,580 | 663,611 |
| | <u>928,574</u> | <u>663,611</u> |
| 8b SHORT TERM LOANS | N'000 | N'000 |
| Short Term Finance - BOI Loans | 681,713 | 378,503 |
| | <u>681,713</u> | <u>378,503</u> |
| 9 DEFERRED TAX | N'000 | N'000 |
| At 1st April | 54,249 | 112,047 |
| Transfers during the period | 28,793 | 1,890 |
| Charge for the period/year | (11,489) | (168,186) |
| At the end of the period | <u>71,553</u> | <u>54,249</u> |
| 10 RETIREMENT BENEFIT OBLIGATION | N'000 | N'000 |
| At 1st April | 180,687 | 121,864 |
| Service cost | 4,020 | 2,138 |
| Interest cost | 5,553 | 3,544 |
| Actuarial gains and losses | - | - |
| Intercompany transfers | - | - |
| Benefits paid | - | - |
| At the end of the period | <u>190,260</u> | <u>127,546</u> |
| 11 LONG SERVICE AWARD | N'000 | N'000 |
| At 1 April | 40,052 | 31,602 |
| Service cost | 1285 | 713 |
| Interest cost | 1187 | 848 |
| Benefits paid | - | - |
| Actuarial (gains)/loss -change in assumption | - | - |
| Actuarial (gains)/loss -experience | - | - |
| | <u>42,524</u> | <u>33,163</u> |
| 12 CREDITORS AND ACCRUALS | N'000 | N'000 |
| Trade Creditors - Local | 416,713 | 1,149,198 |
| Trade Creditors - O/Seas L/C Deposit | - | 2,935 |
| | <u>416,713</u> | <u>1,152,133</u> |
| 13 OTHERS: | N'000 | N'000 |
| Provisions & Accruals | (6,586) | 39,394 |
| Intercompany payables | 4,374,808 | 2,464,682 |
| Value added Tax | 13,896 | 121,063 |
| Withholding tax | - | 2,199 |
| Sundry Payable Accounts | 265,076 | 129,135 |
| Current Tax Payable | 7,729 | 65,614 |
| | <u>4,654,923</u> | <u>2,822,087</u> |
| 14 Customer deposits | N'000 | N'000 |
| Advance Payments by Customers | 1,322,607 | 569,181 |
| | <u>1,322,607</u> | <u>569,181</u> |
| 15 DEFERRED REVENUE (Balance sheet) | N'000 | N'000 |
| Short term -Government Grant | 5,150 | 20,030 |
| Long term - Government Grant | 51,896 | 75,270 |

The deferred revenue arises as a result of the benefit received from below-market rate government assisted loans (BOI) loans. The revenue is recognized in profit or loss over the useful life of the assets financed with the loan.