Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements

for the period ended September 30, 2021

Dangote Sugar Refinery Plc
Consolidated and Separate Financial Statements for the Period Ended September 30, 2021

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

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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. Konyinsola 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 Coronation Merchant Bank Ecobank Plc First Bank of Nigeria Limited First City Monument Bank Plc Fidelity Bank Plc FSDH Merchant Bank Globus Bank Ltd Guaranty Trust Bank Plc Greenwich Merchant Bank Jaiz Bank Plc Rand Merchant Bank Sterling Bank Plc Stanbic IBTC Bank Plc Standard Chartered Bank Nigeria Limited United Bank for Africa Plc Union Bank of Nigeria Plc Unity Bank 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

		GROUP					COMPANY				
	Note(s)	3 Months Ended 30/9/2021 N'000	9 Months Ended 30/9/2021 N'000	Year Ended 31/12/2020 N'000	3 Months Ended 30/9/2020 N'000	9 Months Ended 30/9/2020 N'000	3 Months Ended 30/9/2021 N'000	9 Months Ended 30/9/2021 N'000	Year Ended 31/12/2020 N'000	3 Months Ended 30/9/2020 N'000	9 Months Ended 30/9/2020 N'000
Continuing operations											
Revenue	5	63,547,806	195,499,884	214,297,747	57,280,221	160,513,992	63,547,806	195,499,884	206,360,656	57,105,652	152,576,901
Cost of sales	6	(55,392,069)	(158,752,712)	(160,551,299)	(43,958,027)	(126,368,408)	(55,392,069)	(158,752,712)	(153,153,524)	(43,265,229)	(118,231,107)
Gross profit		**8,155,737**	**36,747,172**	**53,746,448**	**13,322,194**	**34,145,584**	**8,155,737**	**36,747,172**	**53,207,132**	**13,840,423**	**34,345,794**
Other income	11	50,338	179,244	906,929	55,200	464,877	50,338	179,244	815,299	42,985	427,652
Selling and distribution expenses	7	(249,519)	(538,278)	(676,938)	(162,473)	(496,460)	(249,519)	(538,278)	(667,056)	(160,574)	(486,578)
Administrative expenses	7	(2,818,975)	(7,769,256)	(9,010,569)	(2,734,504)	(6,235,450)	(2,657,526)	(7,314,042)	(7,517,642)	(2,397,012)	(4,793,579)
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	**5,137,581**	**28,618,882**	**44,436,013**	**10,480,417**	**27,878,551**	**5,299,030**	**29,074,096**	**46,320,588**	**11,325,822**	**29,493,289**
Finance cost	10	(1,500,959)	(6,299,596)	(1,915,548)	(470,723)	(1,948,492)	(1,500,478)	(6,128,591)	(1,525,382)	(446,062)	(1,848,250)
Finance costs - net		**(1,500,959)**	**(6,299,596)**	(1,915,548)	**(470,723)**	**(1,948,492)**	**(1,500,478)**	**(6,128,591)**	(1,525,382)	**(446,062)**	**(1,848,250)**
Investment income	8	343,151	847,610	684,786	234,983	543,275	343,152	847,610	684,453	234,983	543,275
Fair value adjustment	9	372,849	(58,847)	2,417,067	1,788,752	2,604,313	372,849	(58,847)	559,287	636,756	636,756
Profit before tax		**4,352,622**	**23,108,049**	**45,622,319**	**12,033,429**	**29,077,647**	**4,514,553**	**23,734,268**	**46,038,948**	**11,751,499**	**28,825,070**
Taxation	12.1	(1,444,657)	(7,594,966)	(15,847,076)	3,015,476	(2,448,067)	(1,444,657)	(7,594,966)	(14,668,289)	3,015,476	(2,448,068)
Profit for the year		**2,907,965**	**15,513,083**	**29,775,243**	**15,048,905**	**26,629,580**	**3,069,896**	**16,139,302**	**31,370,659**	**14,766,975**	**26,377,002**
Profit attributable to:											
Owners of the parent		2,909,584	15,519,345	29,764,578	15,022,456	26,604,598	3,069,896	16,139,302	31,370,659	14,766,975	26,377,002
Non-controlling interest		(1,619)	(6,262)	10,665	26,449	24,982	-	-	-	-	-
		2,907,965	**15,513,083**	**29,775,243**	**15,048,905**	**26,629,580**	**3,069,896**	**16,139,302**	**31,370,659**	**14,766,975**	**26,377,002**
Total comprehensive income for the period		**2,907,965**	**15,513,083**	**29,775,243**	**15,048,905**	**26,629,580**	**3,069,896**	**16,139,302**	**31,370,659**	**14,766,975**	**26,377,002**
Total comprehensive income attributable											
Owners of the parent		2,909,584	15,519,345	29,764,578	15,022,456	26,616,951	3,069,896	16,139,302	31,370,659	14,766,975	26,377,002
Non-controlling interest		(1,619)	(6,262)	10,665	26,449	12,629	-	-	-	-	-
		2,907,965	**15,513,083**	**29,775,243**	**15,048,905**	**26,629,580**	**3,069,896**	**16,139,302**	**31,370,659**	**14,766,975**	**26,377,002**
Earnings per share											
Basic and diluted earnings per share (Naira)	15	**0.24**	**1.28**	**2.45**	**1.24**	**2.22**	**0.25**	**1.33**	**2.58**	**1.22**	**2.20**

The accompanying notes on pages 6 to 41 form an integral part of the consolidated and separate financial statements.

Dangote Sugar Refinery Plc
Consolidated and Separate Financial Statements for the Period Ended September 30, 2021

Consolidated and separate statements of financial position as at September 30, 2021

	Note	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Assets							
Non-current assets							
Property, plant and equipment	16	136,520,654	101,733,526	93,953,689	78,897,323	76,698,057	70,298,557
Intangible assets	17	-	-	-	-	-	-
Other assets	19	-	-	-	-	-	-
Investment in subsidiaries	21	-	-	-	297,000	297,000	297,000
Deposit for shares	21b	-	-	-	52,371,891	41,574,737	-
Deferred tax assets	13	-	-	10,440,450	-	-	5,420,536
Total non-current assets		**136,520,654**	**101,733,526**	**104,394,139**	**131,566,214**	**118,569,794**	**76,016,093**
Current assets							
Inventories	22	63,894,891	63,000,300	39,851,323	60,828,312	51,568,627	39,816,245
Biological assets	18	4,932,475	4,462,449	4,947,646	4,932,475	4,462,449	4,947,646
Trade and other receivables	23	54,770,065	63,060,342	52,595,742	50,920,427	39,371,894	69,035,792
Other assets	19	814,207	46,689	239,959	812,310	44,617	235,816
Asset held for sale	20	868,642	868,642	868,642	868,642	868,642	868,642
Cash and cash equivalents	24	61,683,331	44,369,441	67,513,005	60,846,747	44,394,521	66,355,983
Total current assets		**186,963,611**	**176,298,863**	**166,016,317**	**179,208,913**	**140,710,750**	**181,260,124**
Total assets		**323,484,265**	**278,032,389**	**270,410,456**	**310,775,127**	**259,280,544**	**257,276,217**
Equity							
Attributable to owners of Parent company							
Share capital	25	6,073,439	6,073,439	6,073,439	6,073,439	6,073,439	6,073,439
Share premium	25	6,320,524	6,320,524	6,320,524	6,320,524	6,320,524	6,320,524
Retained earnings	26	109,714,910	112,328,413	109,179,235	110,915,392	112,908,939	109,411,782
		122,108,873	**124,722,376**	**121,573,198**	**123,309,355**	**125,302,902**	**121,805,745**
Non-controlling interest	27	(16,931)	(10,669)	(7,154)	-	-	-
		122,091,942	**124,711,707**	**121,566,044**	**123,309,356**	**125,302,902**	**121,805,745**
Liabilities							
Non-Current Liabilities							
Deferred tax liabilities	13	10,553,935	8,903,802	5,019,915	10,553,935	8,903,802	-
Lease liability	31.1	629,778	1,383,100	956,140	629,778	1,337,081	1,532,580
Borrowings	28	984,487	984,487	1,175,523	984,487	984,487	1,175,523
		12,168,200	**11,271,389**	**7,151,578**	**12,168,200**	**11,225,370**	**2,708,103**
Current Liabilities							
Current tax liabilities	12.3	5,953,143	1,554,840	5,890,506	5,953,144	1,554,841	5,890,508
Lease liability	31.1	589,595	1,050,534	612,190	533,668	1,043,658	-
Borrowings	28	50,639	194,551	-	50,639	194,651	-
Trade and other payables	30	180,822,034	135,518,094	131,702,660	166,951,417	116,227,957	123,384,384
Employee benefits	29	931,447	969,591	966,426	931,447	969,591	966,425
Other liabilities	31	877,265	2,761,583	2,521,052	877,256	2,761,574	2,521,052
Total current liabilities		**189,224,123**	**142,049,293**	**141,692,834**	**175,297,571**	**122,752,272**	**132,762,369**
Total liabilities		**201,392,323**	**153,320,682**	**148,844,412**	**187,465,771**	**133,977,642**	**135,470,472**
Total equity and liabilities		**323,484,265**	**278,032,389**	**270,410,456**	**310,775,127**	**259,280,544**	**257,276,217**

The consolidated and separate financial statements on pages 2 to 49, were approved by the board on October 27, 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 41 form an integral part of the consolidated and separate financial statements.

Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended September 30, 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		-	-	26,377,002	26,377,002
Total comprehensive income for the period		**-**	**-**	26,377,002	**26,377,002**
Transaction with owners:					
Dividend paid		-	-	-	-
Balance as at 30 September 2020		**6,000,000**	**6,320,524**	**132,139,420**	**144,459,944**
Balance as at 1 October 2020		**6,000,000**	**6,320,524**	**132,139,420**	**144,459,944**
- changes in share capital*	25	-	-	-	-
- net difference arising from merger	43			(10,950,699)	(10,950,699)
Profit for the period		-	-	4,993,657	4,993,657
Total comprehensive income for the period		**-**	**-**	**4,993,657**	**4,993,657**
Transaction with owners:					
Dividend paid		-	-	(13,200,000)	(13,200,000)
Balance as at 31 December 2020		**6,000,000**	**6,320,524**	**112,982,378**	**125,302,902**
Profit for the period		-	-	16,139,302	16,139,302
Total comprehensive income for the period		**-**	**-**	**16,139,302**	**16,139,302**
Transaction with owners:					
Surplus on revaluation of Numan land		87,469			87,469
Dividend paid		-	-	(18,220,317)	(18,220,317)
Balance as at 30 September 2021		**6,000,000**	**6,320,524**	**110,901,363**	**123,309,356**

Group		**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		-	-	26,616,951	26,616,951	24,982	26,641,933
Total comprehensive income for the period		**-**	**-**	**26,616,951**	**26,616,951**	**24,982**	**26,641,933**
Transaction with owners:							
Dividend paid		-	-	-	-	-	-
Balance as at 30 September 2020		**6,000,000**	**6,320,524**	**122,875,529**	**135,196,053**	**(417,656)**	**134,778,397**
Balance as at 1 October 2020		**6,000,000**	**6,320,524**	**122,875,529**	**135,196,053**	**(417,656)**	**134,778,397**
Profit for the period		-	-	3,147,627	3,147,627	(14,316)	3,133,310
Total comprehensive income for the period		**-**	**-**	**3,147,627**	**-**	**(14,316)**	**3,133,310**
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**	**121,574,749**	**(10,669)**	**124,711,707**
Profit for the period		**-**	**-**	15,519,345	15,519,345	(6,262)	15,513,083
Total comprehensive income for the period		**-**	**-**	**15,519,345**	**15,519,345**	**(6,262)**	**15,513,083**
Transaction with owners:							
Share issued		-		-	-		-
Disposal of SSCL's non controlling interest	27	-	-	-	-	-	-
Surplus on revaluation of Numan land				87,469			87,469
Dividend paid		-	-	(18,220,317)	(18,220,317)	-	(18,220,317)
Balance as at 30 September 2021		**6,073,439**	**6,320,524**	**109,714,909**	**118,873,777**	**(16,931)**	**122,091,942**

The accompanying notes on pages 6 to 41 form an integral part of the consolidated and separate financial statements.

Consolidated and separate statements of cash flows

	Note(s)	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Cash flows for operating activities							
Profit before taxation		**23,108,049**	**45,622,319**	**29,077,647**	**23,734,268**	**46,038,948**	**28,825,071**
Adjustments for non-cash income and expenses:							
Depreciation of property, plant and equipment	16	6,702,872	7,699,160	5,721,347	6,257,461	5,198,055	3,615,628
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	1,183	121,183	-	1,183	121,183	-
(Profit)/loss on sale of assets	11	16,162	(7,218)		16,162	(7,218)	-
Fixed asset impaired and written off	16	4,160	456,694	9,419	4,160	403,537	9,419
Interest income	8	(847,610)	(684,786)	(543,275)	(847,610)	(684,453)	(543,275)
Interest expense	10	209,173	340,050		202,796	208,962	
Disposal		-	-	53,157	-	-	-
Disposal of Investment in SSCL and Niger		-	-	-	-	-	2,877,349
Acquisitions from Savannah Sugar		-	-	-	-	-	(60,115,595)
Exchange loss	31.1	-	421,704	-	-	421,704	-
Fair value loss/(gain) on biological assets	9	146,316	(2,417,067)	(2,604,313)	146,316	(559,287)	(636,756)
Changes in working capital							
(Increase)/decrease in Inventory		(894,591)	(24,136,571)	(987,594)	(9,259,685)	(12,919,985)	(9,622,218)
Net (additon)/usage of biological assets		(528,873)	23,610	(274,342)	(528,873)	153,106	(2,241,899)
(Increase)/decrease in trade and other receivables		8,290,277	(29,711,821)	(18,816,365)	(11,548,532)	(35,580,451)	38,405,535
(Increase)/decrease in other assets		(767,518)	29,079	(164,191)	(767,693)	26,258	(164,941)
Increase/(decrease) in other liabilities		(1,884,318)	1,200,236	959,705	(1,884,318)	1,168,537	963,191
Increase/(decrease) in trade payables		45,303,940	72,375,527	68,478,807	50,723,459	51,552,554	64,079,731
Increase/(Decrease) in employee benefits		-	-	(14,004)	-	-	167,730
Cash generated from operations		**78,859,221**	**71,681,670**	**80,895,999**	**56,249,093**	**55,031,715**	**65,618,972**
Tax paid	12.3	(1,546,529)	(11,084,420)	(7,674,082)	(1,546,529)	(11,084,420)	(7,674,082)
Gratuity paid	29	(39,327)	(132,022)	-	(39,327)	(128,900)	-
Net cash generated from operating activities		**77,273,365**	**60,465,228**	**73,221,917**	**54,663,237**	**43,818,395**	**57,944,891**
Cash flows from investing activities							
Purchase of property, plant and equipment	16	(41,565,968)	(26,860,082)	(16,740,183)	(8,532,694)	(9,924,506)	(1,570,330)
Proceeds on disposal of property,plant and equipment		55,646	7,258	-	55,646	7,258	-
Interest received	8	847,610	684,786	543,275	847,610	684,453	543,275
Net cash used in investing activities		**(40,662,712)**	**(26,168,037)**	**(16,196,908)**	**(7,629,438)**	**(9,232,794)**	**(1,027,056)**
Cash flows from financing activities							
Dividends paid	26	(18,220,317)	(13,200,000)	(13,200,000)	(18,220,317)	(13,200,000)	(13,200,000)
Interest paid	28	(105,354)	(94,388)	107,493	(105,354)	(37,578)	-
Deposit for shares		-	-	-	(10,797,154)	-	-
Lease Liabilities paid	31.1	(1,318,079)	(506,516)	(753,830)	(1,314,734)	(488,234)	(748,056)
Repayment of borrowings	28	(144,012)	(247,374)	(277,196)	(144,012)	(128,671)	(277,196)
Net cash used in financing activities		**(19,787,763)**	**(14,048,278)**	**(14,123,533)**	**(30,581,572)**	**(13,854,483)**	**(14,225,252)**
Net increase in cash and cash equivalents		16,822,890	20,248,913	42,901,475	16,452,226	20,731,117	42,692,580
Cash and cash equivalents at beginning of period		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	**61,683,331**	**44,860,441**	**67,513,005**	**60,846,747**	**44,394,521**	**66,355,983**

The accompanying notes on pages 6 to 41 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 30 September 2021 comprise the Company and its subsidiaries - Taraba Sugar Company Limited, Adamawa Sugar Company Limited and Nasarawa Sugar Company Limited.

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 30 September 2021 with comparatives for the year ended 31 December 2020 and period ended 30 September 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	769,069	193,880,951	849,864	195,499,884

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, labour 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.

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.

Notes to the Consolidated and Separate Financial Statements

5 Revenue

	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY
	30/9/2021	31/12/2020	30/9/2020	30/9/2021	31/12/2020	30/9/2020
	N'000	N'000	N'000	N'000	N'000	N'000
Revenue from the sale of sugar - 50kg	190,452,599	206,444,363	153,798,024	190,452,599	198,824,291	146,177,951
Revenue from the sale of sugar - Retail	3,428,352	5,786,447	5,102,229	3,428,352	5,786,447	5,102,229
Revenue from the sale of molasses	849,864	826,749	682,882	849,864	509,730	365,863
Freight income	769,069	1,240,188	930,858	769,069	1,240,188	930,858
	195,499,884	**214,297,747**	**160,513,992**	**195,499,884**	**206,360,656**	**152,576,901**

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	GROUP	GROUP	COMPANY	COMPANY	COMPANY
	30/9/2021	31/12/2020	30/9/2020	30/9/2021	31/12/2020	30/9/2020
	N'000	N'000	N'000	N'000	N'000	N'000
Nigeria:						
Lagos	91,114,669	104,983,951	77,231,272	91,114,669	104,983,951	77,231,273
North	79,576,929	79,110,458	60,667,101	79,576,929	71,173,367	52,730,010
West	16,574,824	20,365,318	15,206,259	16,574,824	20,365,318	15,206,259
East	8,233,463	9,838,020	7,409,360	8,233,463	9,838,020	7,409,360
	195,499,884	**214,297,747**	**160,513,992**	**195,499,884**	**206,360,656**	**152,576,901**

	Segment Revenue		Segment Cost of Sales		Segment Gross Profit	
Group	30/9/2021	30/9/2020	30/9/2021	30/9/2020	30/9/2021	30/9/2020
	N'000	N'000	N'000	N'000	N'000	N'000
Nigeria:						
Lagos	91,114,669	77,231,272	(70,758,684)	(60,834,455)	20,355,986	16,396,817
North	79,576,929	60,667,101	(67,789,302)	(47,719,811)	11,787,626	12,947,290
West	16,574,824	15,206,259	(13,326,300)	(11,977,848)	3,248,525	3,228,411
East	8,233,463	7,409,360	(6,878,426)	(5,836,294)	1,355,036	1,573,067
	195,499,884	**160,513,992**	**(158,752,712)**	**(126,368,408)**	**36,747,172**	**34,145,584**

	Segment Revenue		Segment Cost of Sales		Segment Gross Profit	
Company	30/9/2021	30/9/2020	30/9/2021	30/9/2020	30/9/2021	30/9/2020
	N'000	N'000	N'000	N'000	N'000	N'000
Nigeria:						
Lagos	91,114,669	77,231,273	(70,758,684)	(59,846,142)	20,355,986	17,385,131
North	79,576,929	52,730,010	(67,789,302)	(40,860,231)	11,787,626	11,869,779
West	16,574,824	15,206,259	(13,326,300)	(11,783,257)	3,248,525	3,423,002
East	8,233,463	7,409,360	(6,878,426)	(5,741,478)	1,355,036	1,667,883
	195,499,884	**152,576,901**	**(158,752,712)**	**(118,231,107)**	**36,747,172**	**34,345,794**

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 30 September 2021;

	Total Segment Assets			Total Segment liabilities		
	30/9/2021 N'000	31/12/2020 N'000	30/9/2020 N'000	30/9/2021 N'000	31/12/2020 N'000	30/9/2020 N'000
Group						
Nigeria:						
Lagos	240,463,766	212,561,967	194,499,585	98,828,561	76,041,063	75,448,681
North	83,020,499	65,470,422	65,470,422	92,009,827	68,375,817	68,375,817
Sub-total	**323,484,265**	**278,032,389**	**259,970,008**	**190,838,388**	**144,416,880**	**143,824,497**
Unallocated deferred tax	-	-	10,440,450	10,553,935	8,903,802	-
Total	**323,484,265**	**278,032,389**	**270,410,458**	**201,392,323**	**153,320,682**	**143,824,497**

	Total Segment Assets			Total Segment liabilities		
	30/9/2021 N'000	31/12/2020 N'000	30/9/2020 N'000	30/9/2021 N'000	31/12/2020 N'000	30/9/2020 N'000
Company						
Nigeria:						
Lagos	235,362,377	185,184,851	257,276,217	103,503,396	50,015,268	134,294,947
North	75,412,749	74,095,693	-	83,962,374	83,962,374	-
Sub-total	**310,775,126**	**259,280,544**	**257,276,217**	**187,465,770**	**133,977,642**	**134,294,947**
Unallocated deferred tax	-	-	5,420,536		-	5,019,914
Total	**310,775,126**	**259,280,544**	**262,696,753**	**187,465,770**	**133,977,642**	**139,314,861**

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 30/9/2021 N'000**	**GROUP 31/12/2020 N'000**	**GROUP 30/9/2020 N'000**	**COMPANY 30/9/2021 N'000**	**COMPANY 31/12/2020 N'000**	**COMPANY 30/9/2020 N'000**
Raw material	127,970,500	122,901,500	97,897,496	127,970,500	120,561,577	94,779,121
Direct labour cost	4,107,120	5,135,066	3,839,933	4,107,120	3,919,197	2,624,066
Direct overheads	15,432,140	19,356,255	14,332,013	15,432,140	17,995,188	12,996,309
Depreciation (note 16)	3,993,925	5,163,623	4,616,123	3,993,925	2,994,530	2,441,199
Freight expenses	7,249,027	7,994,855	5,682,843	7,249,027	7,683,032	5,390,412
	158,752,712	**160,551,299**	**126,368,408**	**158,752,712**	**153,153,524**	**118,231,107**

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	1,952,953	2,040,353.16	1,363,664	1,952,953	1,886,252.62	1,363,664

7 Administrative expenses						
Management fees	686,543	962,324	640,384	686,543	962,324	640,384
Assessment rates and municipal charges	30,988	22,661	14,332	30,988	18,235	9,905
Auditors Fees and remuneration	57,377	68,026	49,971	52,781	54,221	38,721
Cleaning and fumigation	69,488	74,946	53,994	69,488	74,888	53,938
Legal, consulting and professional fees	141,371	393,500	212,579	141,371	372,300	191,378
Doubtful debts	21,592	-		21,592	-	
Consumables	5,503	3,608	3,309	5,503	723	424
Depreciation (note 16)	755,993	495,183	361,999	310,583	317,273	217,254
Impairment (note 16)	7,313	471,115	-	7,313	417,958	-
Loss on sale of assets	16,162	-	-	16,162	-	-
Donations and scholarship	930,623	910,640	815,739	930,623	845,821	760,920
Employee costs (note 36)	2,648,552	3,186,538	2,305,413	2,648,552	2,451,171	1,570,045
Entertainment	26,045	164,708	110,221	26,045	164,034	109,547
Insurance	291,676	276,817	185,345	291,676	190,717	99,244
Bank charges	137,765	192,291	140,551	132,556	164,155	117,751
Rental expenses	-	5,650	-	-	5,650	-
Magazines, books, print and and periodicals	24,642	31,554	26,118	24,642	24,956	19,520
Utilities	127,101	150,137	113,609	127,101	56,914	20,386
Petrol and oil	37,765	34,512	19,867	37,765	18,994	4,349
Repairs and maintenance	153,595	146,686	121,897	153,596	140,669	62,723
Secretarial fees	220,430	175,835	180,221	220,430	175,835	180,221
Security expense	274,805	242,954	184,126	274,805	159,706	100,877
Staff welfare	331,219	193,401	182,178	331,219	166,892	155,670
Subscriptions	11,985	21,435	9,572	11,985	19,550	7,687
Telephone and fax	171,534	185,307	150,722	171,534	146,029	111,444
Training	15,835	41,341	13,601	15,835	38,567	10,828
Travel-local	514,199	526,975	320,891	514,199	501,807	295,724
Travel-overseas	59,154	32,425	18,811	59,154	28,251	14,637
	7,769,256	**9,010,569**	**6,235,450**	**7,314,042**	**7,517,642**	**4,793,579**

Selling and Distribution expenses						
Selling and marketing expenses	538,278	676,938	496,460	538,278	667,056	486,577
	538,278	**676,938**	**496,460**	**538,278**	**667,056**	**486,578**

Notes to the Consolidated and Separate Financial Statements

	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
8 Investment income						
Interest income on bank deposits	847,610	684,786	543,275	847,610	684,453	543,275
	847,610	**684,786**	**543,275**	**847,610**	**684,453**	**543,275**

Interest is earned on bank deposits at an average rate of 3.5 % p.a. on short term (30days) bank deposits.

	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
9 Change in fair value of biological assets						
Fair value gain/(loss) on biological assets (Note 18)	(58,847)	2417067	2,604,313	(58,847)	559,287	636,756
	(58,847)	**2,417,067**	**2,604,313**	**(58,847)**	**559,287**	**636,756**
10 Net finance expense						
Exchange loss arising on IFRS 16	-	-	-	-	-	-
Exchange loss in the ordinary course of business	2,840,317	1,575,498	1,713,051	2,672,522	1,316,420	1,713,650
Finance cost on Letter of Credit	3,253,273	-	-	3,253,273	-	-
Interest on lease payments (IFRS 16)	100,652	164,376	123,036	97,442	157,297	123,036
Interest on bank loan	105,354	175,674	112,405	105,354	51,665	11,565
	6,299,596	**1,915,548**	**1,948,492**	**6,128,591**	**1,525,382**	**1,848,250**
11 Other income						
Insurance claim income	10,980	9,419	8,682	10,980	8,432	7,695
Sale of scrap	38,086	396,884	60,948	38,086	360,646	24,710
Grant income	57,201	81,286	-	57,201	26,881	-
Rental income	68,697	67,500	50,625	68,697	67,500	50,625
Provision no longer required	1,035	344,271	344,271	1,035	344,271	344,271
Profit/(loss)on sale of asset	-	7,218	-	-	7,218	-
Miscellaneous income	3,245	351	351	3,245	351	351
	179,244	**906,929**	**464,877**	**179,244**	**815,299**	**427,652**

The Grant income arose as a result of the benefit received from a low-interest loan received during the year, which is amortized over the life of the loan. The income for the period was recognized in the statement of profit or loss)

12 Taxation

12.1 Major components of the tax expense

	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Current Tax						
Income tax based on profit for the year	5,535,724	515,812	1,795,883	5,535,724	515,812	1,795,883
Education tax expense	409,108	1,006,928	652,185	409,108	975,396	652,185
	5,944,832	**1,522,740**	**2,448,067**	**5,944,832**	**1,491,208**	**2,448,068**
Deferred tax						
Deferred tax expense/(credit)	1,650,134	14,324,336	-	1,650,134	13,177,081	-
	7,594,966	**15,847,076**	**2,448,067**	**7,594,966**	**14,668,289**	**2,448,068**

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 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Accounting profit before tax	23,108,049	45,622,319	29,077,647	23,734,268	46,038,947	28,825,070
Income tax expense calculated at 30%	5,535,724	13,811,685	1,795,883	5,535,724	13,811,684	1,795,883
Education tax expense calculated at 2%	409,108	975,396	652,185	409,108	975,396	652,185
Impact from acquisition	-	1,178,786	-	-		-
Defered tax expense	1,650,134	-	-	1,650,134	-	-
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)	-	515,813	-	-	515,813	-
Difference in tax rate	-	17,414	-	-	17,414	-
DT not required	-	-	-	-	-	-
Income tax expense recognised in profit or loss	**7,594,966**	**15,847,076**	**2,448,067**	**7,594,966**	**14,668,289**	**2,448,067**

12.3 Current tax liabilities

	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 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	32,101
Charge for the year	5,944,832	1,522,740	2,448,067	5,944,832	1,491,208	2,448,068
Payment made during the year	(1,546,529)	(11,084,421)	(7,674,082)	(1,546,529)	(11,084,421)	(7,674,082)
Balance end of the period	**5,953,143**	**1,554,840**	**5,890,506**	**5,953,144**	**1,554,841**	**5,890,508**

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 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Deferred tax assets						
Deferred tax assets are attributable to the following:						
Property plant and equipment @ 30%	-	-	2,123,113	-	-	2,123,113
Provisions	-	-	781,102	-	-	781,102
Utilised against Liability	-	-	-	-	-	(5,019,914)
Unrelieved losses @ 30%	-	-	7,536,235	-	-	7,536,235
	-	**-**	**10,440,450**	**-**	**-**	**5,420,536**
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)	-
Property plant and equipment @ 10%	(121,878)	(121,878)	(121,878)	(121,878)	(121,878)	-
Exchange difference @ 32%	-	-	-	-	-	-
Provisions	(286,942)	884,076	995,439	(286,942)	884,076	-
	(10,553,935)	**(8,903,802)**	**(5,019,915)**	**(10,553,935)**	**(8,903,802)**	**-**

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 30 September 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 30 September 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 period is arrived at after charging/(crediting):

	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Depreciation of property, plant and equipment (note 16)	6,257,461	7,699,160	5,889,886	6,257,461	5,198,055	3,784,167
(Profit)/loss on sale of property, plant and equipment (note 11)	-	(7,218)	-	-	(7,218)	-
Amortisation of intangible assets			-			-
Defined contribution plans (note 36)	294,230	254,532	265,581	294,230	302,270	216,913
Auditors remuneration	57,377	68,026	49,971	52,781	54,221	38,721

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 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Profit for the period	15,519,345	29,764,578	26,616,951	16,139,302	31,370,658	26,377,002
Earnings used in the calculation of basic earnings per share from continuing operations	**15,519,345**	**29,764,578**	**26,616,951**	**16,139,302**	**31,370,658**	**26,377,002**
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)	1.28	2.45	2.22	1.33	2.58	2.20

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
COST:	**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**
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
Reclassifications	-	-	3,229	665,370	894	-	-	-	(263,977)	(405,516)
Impaired	-	-	-	-	-	-	-	-	(62,576)	(408,538)
Disposal	-	-	-	-	-	(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**
Addition-BIP	-	-	35,918	4,299,774	-	364,692	5,609	-	24,254	28,303,027
Additions during the year	1,059,742	87,469	667,179	148,370	4,261	817,637	29,266	-	201,551	5,517,218
Reclassifications	-	-	-	272,894	-	-	-	-	64,734	(337,628)
Impaired	-	-	-	-	-	(9,000)	-	-	-	-
Disposal	-	-	-	(128,196)	(14,116)	(551,097)	(5)	-	(61,144)	-
Balance, 30/9/2021	**8,700,959**	**5,751,213**	**21,122,418**	**42,499,499**	**395,445**	**26,326,111**	**328,853**	**899,828**	**9,020,443**	**74,076,196**
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**	**-**
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	-
Impaired	-	-	-	54	-	6,837	1,470	-	(22,783)	-
Disposal	-	-	-	-	-	(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**	**-**
Charge for the year	1,295,750	-	672,259	996,736	31,919	2,360,179	25,137	26,995	848,486	-
Charge-BIP			44,068	117,837	39	252,236	2,422		28,809	
Written off	-	-	-	5,155	-	(6,837)	(1,470)	-	-	-
Impaired	-	-	-	-	-	(1,687)	-	-	-	-
Disposal	-	-	-	(128,196)	(13,852)	(479,553)	(5)	-	(61,143)	-
Balance, 30/9/2021	**6,029,486**	**66,245**	**4,971,464**	**18,206,712**	**315,206**	**15,057,725**	**275,523**	**281,905**	**7,396,044**	**-**
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**
Balance, 30/9/2021	**2,671,473**	**5,684,968**	**16,150,954**	**24,292,787**	**80,239**	**11,268,385**	**53,330**	**617,923**	**1,624,399**	**74,076,196**

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
COST:	**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**
Additions during the year	874,564	-	66,364	139,985	17,848	2,747,174	22,830	-	233,321	5,831,754
Reclassifications	-	-	3,229	665,370	894	-	-	-	(263,977)	(405,516)
Impaired	-	-	-	-	-	-	-	-	(9,419)	(408,538)
Disposal		-	-	-	-	(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
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**
Additions during the year	1,059,742	87,469	667,179	148,370	4,261	817,637	29,266	-	201,551	5,517,218
Reclassifications	-	-	-	272,894	-	-	-	-	64,734	(337,628)
Impaired	-	-	-	-	-	(9,000)	-	-	-	-
Disposal	-	-	-	(128,196)	(14,116)	(551,097)	(5)	-	(61,144)	-
Balance, 30/9/2021	**8,700,959**	**5,146,460**	**17,707,103**	**36,041,402**	**395,653**	**24,749,846**	**314,973**	**899,828**	**7,195,100**	**29,487,997**
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**	**-**
Charge for the year	465,686	34,025	786,402	1,667,576	31,669	1,223,658	26,247	35,993	926,799	-
Impaired	-	-	-	54	-	6,837	1,470	-	(22,783)	-
Disposal		-	-	-	-	(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	-
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**	**-**
Charge for the year	1,295,750	-	672,259	996,736	31,919	2,360,179	25,137	26,995	848,486	-
Written off	-	-	-	5,155	-	(6,837)	(1,470)	-	-	-
Impaired	-	-	-	-	-	(1,687)	-	-	-	-
Disposal	-	-	-	(128,196)	(13,852)	(479,553)	(5)	-	(61,143)	-
Balance, 30/9/2021	6,029,486	66,245	4,680,892	19,450,596	338,045	15,592,067	269,699	281,905	5,033,065	-
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**
Balance, 30/9/2021	**2,671,473**	**5,080,216**	**13,026,211**	**16,590,806**	**57,608**	**9,157,779**	**45,274**	**617,923**	**2,162,034**	**29,487,997**

Total
N'000
-
121,945,161
26,891,992
-
(471,115)
(47,482)
148,318,558
33,033,274
8,532,694
-
(9,000)
(754,558)
189,120,967
38,947,734
7,699,160
(14,421)
(47,443)
46,585,030
6,257,461
445,411
(3,153)
(1,688)
(682,750)
52,600,311
101,733,528
136,520,654

Total
N'000
59,532,401
9,933,841
-
(417,957)
(47,482)
53,869,384
122,870,187
8,532,694
-
(9,000)
(754,558)
130,639,323
26,825,467
5,198,055
(14,421)
(47,443)
14,210,471
46,172,130
6,257,461
(3,152)
(1,687)
(682,750)
51,742,001
76,698,057
78,897,323

Notes to the Consolidated and Separate Financial Statements

	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
28 Borrowings						
Held at amortised cost						
Bank loan	1,035,125	1,179,138	1,175,523	1,035,125	1,179,138	-
	1,035,125	**1,179,138**	**1,175,523**	**1,035,125**	**1,179,138**	**-**
Non-current liabilities	984,487	984,487	1,175,523	984,487	984,487	-
Current liabilities	50,639	194,651	-	50,639	194,651	1,175,523
	1,035,125	**1,179,138**	**1,175,523**	**1,035,125**	**1,179,138**	**1,175,523**
Movement of borrowings						
Balance brought forward	1,179,138	1,345,226	1,345,226	1,179,138	-	-
Acquired	-	-	-	-	1,270,592	1,345,226
Accrued interest	105,354	175,674	107,493	105,354	74,795	107,493
Interest payment	(105,354)	(94,388)		(105,354)	(37,578)	
Principal repayment	(144,012)	(247,374)	(277,196)	(144,012)	(128,671)	(277,196)
	1,035,125	**1,179,138**	**1,175,523**	**1,035,125**	**1,179,138**	**1,175,523**

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 5% per annum payable quarterly. It is secured on fixed and floating assets of Savannah Sugar Limited.
The loan above was obtained under the Commercral Agriculture Credit Scheme (CACS) initiative of the Central Bank of Nigeria for the purpose of part-financing the on-going rehabilitation and expansion projects in the Company under the scheme

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 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Balance as at 1 January	969,591	980,430	980,430	969,591	798,696	798,696
Additional provision	1,183	121,183		1,183	121,183	
Gratuity acquired from Savannah Sugar Ltd	-	-	-	-	178,612	177,446
Benefits paid from plan	(39,327)	(132,022)	(14,004)	(39,327)	(128,900)	(9,717)
Balance as at 30 September	**931,447**	**969,591**	**966,426**	**931,447**	**969,591**	**966,425**

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.

30 Trade and other payables	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Trade payables	154,095,562	87,790,049	80,614,847	141,144,727	87,243,701	79,499,749
Dividend Payable	1,467,906	1,467,906	1,977,248	1,467,906	1,467,906	1,977,248
Accruals and sundry creditors	16,193,979	18,043,678	18,508,636	15,824,718	11,021,576	12,052,066
Other credit balances	3,156,597	19,133,945	22,005,908	2,811,368	7,426,522	21,302,743
Due to related parties (Note 35)	5,907,991	9,082,516	8,596,021	5,702,697	9,068,252	8,552,579
	180,822,034	**135,518,094**	**131,702,660**	**166,951,416**	**116,227,957**	**123,384,384**

Notes to the Consolidated and Separate Financial Statements

		GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
17	**Intangible assets**						
	Computer software :						
	Cost						
	At 1 January	379,590	379,590	379,590	379,590	379,590	289,390
	At 30 September	**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 the year	-	-	-	90,200	90,200	-
	Charge for the year	-	-	324	-	-	324
	At 30 September	**379,590**	**379,590**	**379,590**	**379,590**	**379,590**	**289,390**
	Carrying amount at the end of the year	**-**	**-**	**-**	**-**	**-**	**-**
18	**Biological assets**						
	Cost						
	Carrying value at the beginning of the period	4,462,449	2,068,992	2,068,992	4,462,449	-	-
	Acquired during the year	-	-	-	-	4,056,268	2,068,992
	Net (usage)/addtion	528,873	(23,610)	274,342	528,873	(153,106)	2,241,899
	Fair value adjustments	(58,847)	2,417,067	2,604,313	(58,847)	559,287	636,756
	Carrying amount at the end of the period	**4,932,475**	**4,462,449**	**4,947,646**	**4,932,475**	**4,462,449**	**4,947,646**
	Current	4,932,475	4,462,449	4,947,646	4,932,475	4,462,449	4,947,646
		4,932,475	**4,462,449**	**4,947,646**	**4,932,475**	**4,462,449**	**4,947,646**

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 30 September 2021, the group has a total of 7,334.7 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	**30/9/2021**	**31/12/2020**	**30/9/2020**	**30/9/2021**	**31/12/2020**	**30/9/2020**
Industry out-grower price. (N per ton)	10,842	10,842	9,408	10,842	10,842	9,407.79
Average yield per hectare (tonnes)	89.30	86.2	82.5	82.37	86.2	82.50
Discount rate (%)	11.66%	11.66%	12%	11.66%	11.66%	12%

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.

		30/9/2021 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 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
19	**Other assets**						
	Prepaid rent	-	-	3,810	-	-	-
	Prepaid insurance	206,274	17,919	6,757	204,626	17,305	6,757
	Prepaid housing allowances	247,945	19,122	178,164	247,945	19,122	178,164
	Others	359,989	9,648	51,227.85	359,739	8,190	50,894.51
		814,207	**46,689**	**239,959**	**812,310**	**44,617**	**235,816**
	Current	814,207	46,689	239,959	812,310	44,617	235,816
	Non-current portion	-	-	-	-	-	-
		814,207	**46,689**	**239,959**	**812,310**	**44,617**	**235,816**
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 Sept 2021 N'000	Sept 2020 N'000
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
Nassarawa Sugar Company Limited	Dangote Sugar Refinery Plc	99	99,000	99,000
			297,000	297,000

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	52,371,891
	52,371,891

22 Inventories

	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Raw materials	4,766,895	6,932,228	5,640,152	4,766,895	6,932,228	5,640,152
Raw material in transit	10,493,026	20,974,812	13,898,926	10,493,026	20,974,812	13,898,926
Work-in-process	1,623,316	640,548	474,802	1,623,316	640,548	474,802
Finished goods	18,543,049	4,621,124	2,491,244	18,543,049	4,621,124	2,491,244
Finished goods in transit	976,972	887,824	844,286	976,972	887,824	844,286
Production supplies	23,955,019	26,880,685	13,586,109	20,894,446	15,451,639	13,551,031
Chemicals and consumables	3,598,546	2,068,167	2,612,159	3,592,539	2,065,540	2,612,159
Packaging materials	282,143	338,988	303,644	282,143	338,988	303,644
	64,238,967	**63,344,376**	**39,851,323**	**61,172,387**	**51,912,703**	**39,816,245**
Allowance for obsolete inventory	(344,076)	(344,076)	-	(344,076)	(344,076)	-
	63,894,891	**63,000,300**	**39,851,323**	**60,828,312**	**51,568,627**	**39,816,245**
Movement in provision for obsolete inventory						
As at 1 January	-	-	-	-	-	-
Charge for the period	(344,076)	(344,076)	-	(344,076)	(344,076)	-
As at 30 September	**(344,076)**	**(344,076)**	**-**	**(344,076)**	**(344,076)**	**-**
Amount of inventory charged as expense in the period:	(344,076)	(344,076)	-	(344,076)	(344,076)	-

No inventory was pledged as security for any liability.

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23 Trade and other receivables	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Trade receivables	10,836,123	**6,936,006**	3,790,108	10,836,123	**6,936,006**	3,790,108
Allowance for doubtful debts and impairments	(260,729)	(260,729)	(718,117)	(260,729)	(260,729)	(718,117)
	10,575,395	**6,675,277**	**3,071,991**	**10,575,394**	**6,675,277**	**3,071,991**
Staff loans and advances	138,693	124,836	188,327	127,088	108,422	149,605
Other financial assets	28,810,241	14,229,547	8,211,980	28,644,216	14,229,547	8,211,980
Advance payment to contractors	9,711,938	30,100,784	20,750,825	6,087,168	6,453,907	5,133,853
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	1,525,074	1,256,586	11,222,734	1,477,834	1,256,586	11,222,734
Allowance for impaired other receivables	(77,059)	(228,829)	(55,592)	(77,059)	(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)	4,193,652	10,911,411	8,619,014	4,193,652	10,886,253	40,714,758
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(Note 23.2)	(554,610)	(554,610)	(377,406)	(554,610)	(554,610)	(377,406)
	54,770,065	**63,060,342**	**52,595,742**	**50,920,426**	**39,371,894**	**69,035,792**

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

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 period	236,239	(176,265)	193,678	(835,508)	-	(581,856)
Balance as at 31/12/2020	236,239	541,852	373,541	554,610	23,950	1,730,192
Net impact on retained earnings in prior period	236,239	(176,265)	193,678	(835,508)	-	(581,856)
Balance as at 1/1/2021	236,239	541,852	373,541	554,610	23,950	1,730,192
Increase/(decrease) in allowance for credit losses for the period					-	-
Balance as at 30/9/2021	236,239	541,852	373,541	554,610	23,950	1,730,192
Net impact on retained earnings in current period	-	-	-	-	-	-

Notes to the Consolidated and Separate Financial Statements

Group	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	377,406	23,950	1,299,336
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	373,541	554,610	23,950	1,730,193
Net impact on retained earnings in prior period	236,239	(176,265)	193,678	177,204	-	430,857
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 period	-	-	-	-	-	-
Balance as at 30/9/2021	236,239	541,852	373,541	554,610	23,950	1,730,193
Net impact on retained earnings in current period	-	-	-	-	-	-

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

	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Balance at the beginning of the period	1,449,071	1,299,337	1,299,336	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	1,299,336	1,449,070	1,730,193	2,312,048
Receivables written off as uncollectible	-	(281,123)	-	-	(281,123)	-
Balance at the end of the September	1,449,071	1,449,071	1,299,336	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 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Cash in hand	5,150	3,599	5,536	2,150	2,150	2,650
Bank balances	21,223,876	21,319,842	23,534,864	20,390,292	20,855,371	22,380,728
Short term deposits	38,204,305	21,366,000	41,801,605	38,204,305	21,366,000	41,801,605
Nigerian Treasury bill	2,250,000	2,171,000	2,171,000	2,250,000	2,171,000	2,171,000
	61,683,331	**44,860,441**	**67,513,005**	**60,846,747**	**44,394,521**	**66,355,983**

25 Share capital and Premium

The balance in the share capital account was as follows:

	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Authorised:						
Balance at January 1 (15,000,000,000 Ordinary shares of N0.50 each)	7,500,000	6,000,000	6,000,000	7,500,000	6,000,000	6,000,000
Addition of 3,000,000,000 Ordinary shares of N0.5 each during prior period	-	1,500,000	-	-	1,500,000	-
Balance at September 30	**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 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Allotted, called up issued and fully paid:						
Balance at January 1	6,073,439	6,000,000	6,000,000	6,073,439	6,000,000	6,000,000
Issue of 146,878,239 Ordinary shares of N0.5 each during the period (Note 43))	-	73,439	73,439	-	73,439	73,439
Balance at September 30	**6,073,439**	**6,073,439**	**6,073,439**	**6,073,439**	**6,073,439**	**6,073,439**
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 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Balance at January 1	112,328,413	96,258,578	96,258,578	112,908,939	105,762,418	105,762,420
Retained earning acquired	-	-	-	-	-	(9,379,237)
Restated profit at 1/1/2020	**112,328,413**	**96,258,578**	**96,258,578**	**112,908,939**	**105,762,418**	**96,383,183**
Profit of SSCL on acquisition at September 1	-	-	-	-	-	211,796
Valuation surplus of Numan land	87,469	-	-	87,469	-	-
Excess depreciation on SSCL Revalued assets acquired	-	-	-	-	-	149,812
Profit for the period	15,519,345	29,764,578	26,604,598	16,139,302	31,370,658	26,377,004
New shares issued	-	-	(73,439)	-	-	(73,439)
Disposals of Non controlling interest at 1/1/2020	-	-	(436,574)	-	-	(436,574)
Disposal of SSCL's non controlling interest (January 1 to August 31 2020)	-	15,270.49	26,072	-	-	-
Disposal of SSCL's non controlling interest as at December 31, 2020	-	(436,574)	-	-	-	-
Net difference arising on merger (Note 43)	-	-	-	-	(10,950,699)	-
Changes in share capital (Note 25)	-	(73,439.12)	-	-	(73,439.12)	-
Dividend paid during the period	(18,220,317)	(13,200,000)	(13,200,000)	(18,220,317)	(13,200,000)	(13,200,000)
Balance at September 30	**109,714,910**	**112,328,413**	**109,179,235**	**110,915,392**	**112,908,939**	**109,411,782**

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

27 Non-controlling interest

	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Balance brought forward	(10,669)	(442,638)	(442,638)	-	-	-
Acquisition during the period	-	-	-	-	-	(436,574)
Share of Profit/(loss) for the period	(6,262)	10,665	24,982	-	-	15,270
Disposal of SSCL's non controlling interest (January 1 to August 31, 2020)	-	(15,270)	(26,072)	-	-	-
Disposals of Non controlling interest acquired	-	-	436,574	-	-	421,304
Disposal of SSCL's non controlling interest as at December 31, 2020	-	436,574	-	-	-	-
Balance at September 30	**(16,931)**	**(10,669)**	**(7,154)**	**-**	**-**	**-**

		GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
31	**Other Liabilities**						
	Advance payment for goods	877,265	2,761,583	2,521,052	877,256	2,761,574	2,521,052
31.1	**Lease Liability**	1,219,373	2,433,633	1,568,329	1,163,446	2,380,738	1,532,580

Lease liabilities

	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Opening balance as at 1 January 2021	2,433,633	2,322,159	2,322,159	2,380,738	2,280,637	2,280,637
Additions	3,166	31,910	(753,830)	-	9,335	-
Interest expense	100,653	164,376	-	97,442	157,296	-
Exchange Difference	-	421,704	-	-	421,704	-
Payments made during the period	(1,318,079)	(506,516)	-	(1,314,734)	(488,234)	(748,056)
Closing balance as at 30 September 2021	**1,219,373**	**2,433,633**	**1,568,329**	**1,163,446**	**2,380,738**	**1,532,580**
Current	589,595	1,050,534	612,190	533,668	1,043,658	-
Non-current	629,778	1,383,100	956,140	629,778	1,337,081	1,532,580
	1,219,373	**2,433,634**	**1,568,329**	**1,163,446**	**2,380,739**	**1,532,580**

31.2 Amounts recognised in the statement of profit or loss

	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Depreciation charge on right of use assets						
Land	17,013	34,025	32,220	17,013	34,025	**32,220**
Buildings	299,893	605,342	597,006	285,477	582,919	**580,697**
	316,906	**639,367**	**629,226**	**302,489**	**616,944**	**612,917**
Interest expense (included in finance cost)	71,058	164,376	-	71,058	157,297	-
Foreign exchange difference	-	421,704	-	-	421,704	-
Expense related to short term leases (included in administrative expenses)	5,063	25,868	-	5,063	25,868	-

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 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Other income						
Rental income on operating lease (Note 11)	68,697	67,500	50,625	68,697	67,500	50,625

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 September 2021) less cash and cash equivalents. Total capital is calculated as 'equity' as shown as at 30 September 2021 plus net debt.

The gearing ratio at 2021 and 2020 respectively were as follows:

	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Total borrowings						
Borrowings (Note 28)	1,035,125	1,179,138	1,175,523	1,035,125	1,179,138	-
Less: Cash and cash equivalent (Note 24)	61,683,331	44,860,441	67,513,005	60,846,747	44,394,521	66,355,983
Net Cash	60,648,206	43,681,303	66,337,482	59,811,622	43,215,383	66,355,983
Total Equity	122,091,942	124,711,707	121,566,044	123,309,356	125,302,902	121,805,745
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 30 September 2021	Less than one year N'000	More than one year N'000	Total N'000
Borrowings	50,639	984,487	1,035,126
Lease liability	589,595	629,778	1,219,373
Trade and other payables	176,197,532	-	176,197,532
	176,837,766	**1,614,265**	**178,452,031**
At 31 December 2020			
Borrowings	194,651	984,487	1,179,138
Lease liability	1,050,534	1,383,100	2,433,634
Company	114,916,243	-	114,916,243
	116,161,428	**2,367,587**	**118,529,015**
At 30 September 2020			
Borrowings	-	1,175,523	1,175,523
Lease liability	612,190	956,140	1,568,330
Trade and other payables	107,719,504	-	107,719,504
	108,331,694	**2,131,663**	**110,463,357**

Company

At 30 September 2021	Less than one year N'000	More than one year N'000	Total N'000
Borrowings	50,639	984,487.00	1,035,126.00
Lease liability	533,668	629,778	1,163,446.00
Trade and other payables	162,672,142	-	162,672,142
	163,256,449	**1,614,265**	**164,870,714**
At 31 December 2020			
Borrowings	194,651	984,487	1,179,138
Lease liability	1,043,658	1,337,081	2,380,739
Company	107,333,529	-	107,333,529
	108,571,838	**2,321,568**	**110,893,406**
At 30 September 2020			
Borrowings	-	1,175,523	1,175,523
Lease liability	-	1,532,580	1,532,580
Trade and other payables	100,104,394	-	100,104,394
	100,104,394	**2,708,103**	**102,812,497**

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

16% 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 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Trade receivables	10,575,395	6,675,277	3,071,991	10,575,394	6,675,277	3,071,991
Other receivables	1,936,145	1,502,030	11,693,517	1,877,301	1,485,617	11,654,795
Deposit for open Letters of Credit with the banks	28,810,241	14,229,547	8,211,980	28,644,216	14,229,547	8,211,980
Amount due from related party	3,265,500	9,983,259	8,061,745	3,265,501	9,958,102	40,157,489
Cash and cash equivalents	61,683,331	44,860,441	67,513,005	60,846,747	44,394,521	66,355,983
	106,270,612	**77,250,554**	**98,552,238**	**105,209,159**	**76,743,064**	**129,452,238**

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.

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.

33 Financial assets by category

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

	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Assets						
Trade and other receivables	44,587,281	32,390,113	31,039,233	44,362,412	32,348,543	63,096,255
Cash and cash equivalents	61,683,331	44,860,441	67,513,005	60,846,747	44,394,521	66,355,983
	106,270,612	**77,250,554**	**98,552,238**	**105,209,159**	**76,743,064**	**129,452,238**

34 Financial liabilities by category

	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Liabilities						
Borrowings	1,035,126	1,179,138	1,175,523	1,035,126	1,179,138	1,175,523
Lease liabilities	1,219,373	2,433,634	1,568,329	1,163,446	2,380,739	1,532,580
Trade and other payables	180,822,034	135,518,094	54,497,731	166,951,416	116,227,957	123,384,384
	183,076,533	**139,130,866**	**57,241,583**	**169,149,988**	**119,787,834**	**126,092,487**

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 Packaging Limited	Fellow subsidiary- Supplies empty for bagging of finished sugar

35 Related party information (continued)

iv) Amount owed by related parties	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Dangote Taraba Sugar Limited	-	-	-	-	-	1,892,062
Dangote Adamawa Sugar Limited	-	-	-	-	-	9,130,714
Nassarawa Sugar Company Limited	-	-	-	-	-	20,955,185
Savannah Sugar Company Limited	-	-	-	-	-	135,583
Dangote Global Services Limited (UK)	1,330,460	1,281,822	1,622,891	1,330,460	1,281,822	1,622,891
NASCON Allied Industries PLC	189,520	282,475	134,393	189,520	282,475	134,393
Dangote Sinotruck west Africa Limited	-	17,800	752,036	-	-	734,236
Greenview Development Nigeria Limited	462,277	2,516,022	2,045,882	462,277	2,516,022	2,045,882
Dangote Fertilizer Limited	1,107,193	1,107,193	1,107,193	1,107,193	1,107,193	1,107,193
Dancom Technologies Limited	13,000	25,291	27,704	13,000	25,291	27,704
AG Dangote Construction Limited	959,130	959,130	952,131	959,130	959,130	952,131
Aliko Dangote Foundation	88,086	505,767	903,967	88,086	505,767	903,967
Dangote Cement PLC		1,273,023	1,072,817		1,273,023	1,072,817
Dangote Industries Limited	43,986	2,942,888	-	43,986	2,935,530	-
Gross amount due from related parties (Note 23)	**4,193,652**	**10,911,411**	**8,619,014**	**4,193,652**	**10,886,253**	**40,714,758**
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)	(377,406)
Net amount due from related parties	3,265,500	9,983,259	8,061,745	3,265,501	9,958,102	40,157,489

v) Amount owed to related parties	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Dangote Cement PLC	4,456,838	7,307,856	5,511,542	4,338,840	7,296,524	5,470,850
Dangote Packaging Limited	225,827	132,894	133,118	225,827	132,894	133,118
Dangote Oil and Gas Company Limited	11,258	11,258	11,258	11,258	11,258	11,258
Kura Holdings Limited	41,489	21,555	24,427	41,489	21,555	24,427
Bluestar Shipping line Limited	427,230	421,941	239,244	427,230	421,941	239,244
MHF Properties Limited	-	-	550	-	-	550
Dancom Technologies Limited	2,705	2,705	2,750	-	-	-
Dangote Nigeria Limited Clearing	693	693	1,833	693	693	1,833
Dangote Sinotruck west Africa Limited	741,952	1,069,275	-	657,360	1,069,048	-
Dangote Industries Limited	-	114,339	2,671,300	-	114,339	2,671,300
	5,907,991	9,082,516	8,596,021	5,702,697	9,068,252	8,552,579

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 30 September 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. Ayokunle Ushie	Head, Risk Management

35 Related parties (Cont'd)

35.6 Compensation to directors and other key management

	GROUP 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 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 30/9/2021 N'000	GROUP 31/12/2020 N'000	GROUP 30/9/2020 N'000	COMPANY 30/9/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 30/9/2020 N'000
Basic	1,287,042	2,367,298	1,726,478	1,287,042	1,927,903	1,287,083
Bonus	-	94,266	-	-	94,266	-
Medical claims	18,467	15	15	18,467	15	15
Leave allowance	164,418	176,089	134,321	164,418	147,460	105,692
Short term benefits	2,150,074	1,722,194	1,320,645	2,150,074	1,339,343	937,794
Other short term costs	296,864	547,992	488,848	296,864	211,148	152,006
Pension	190,254	226,950	169,454	190,254	198,801	141,305
Termination benefits	-	262	172	-	262	172
	4,107,120	**5,135,066**	**3,839,933**	**4,107,120**	**3,919,197**	**2,624,066**

Indirect employee costs	30/9/2021 N'000	31/12/2020 N'000	30/9/2020 N'000	30/9/2021 N'000	31/12/2020 N'000	30/9/2020 N'000
Basic	694,326	831,307	639,706	694,326	700,247	508,646
Bonus	-	62,518	-	-	62,518	-
Medical claims and allowance	13,507	9,974	7,510	7,411	3,291	827
NSITF and ITF levies	77,506	89,173	72,813	77,506	56,370	40,105
Short term benefits	1,100,617	1,292,978	599,224	1,223,996	892,559	446,498
Other short term costs	654,832	871,715	889,378	537,550	631,426	498,361
Pension	103,976	27,582	96,127	103,976	103,469	75,609
Termination benefits	3,788	1,291	655	3,788	1,291	-
	2,648,552	**3,186,538**	**2,305,413**	**2,648,552**	**2,451,171**	**1,570,045**

Total employee costs						
Direct employee cost	4,107,120	5,135,066	3,839,933	4,107,120	3,919,197	2,624,066
Indirect employee cost	2,648,552	3,186,538	2,305,413	2,648,552	2,451,171	1,570,045
	6,755,672	**8,321,604**	**6,145,346**	**6,755,672**	**6,370,368**	**4,194,111**

Average number of persons employed during the year was:

	30/9/2021 Number	31/12/2020 Number	30/9/2020 Number	30/9/2021 Number	31/12/2020 Number	30/9/2020 Number
Management	124	121	118	110	110	98
Senior Staff	565	547	547	552	533	368
Junior Staff	2,126	2,212	2126	2,114	2,212	1236
	2,815	**2,880**	**2,791**	**2,776**	**2,855**	**1,702**

37 Free Float Computation

Company Name:	Dangote Sugar Refinery Plc
Board Listed:	Main Board
Year End:	December
Reporting Period:	Period Ended 30 September 2021
Share Price at end of reporting period:	N17.40 (2020:N12.40)

Shareholding structure/Free Float Status

	30-Sep-21		30-Sep-20	
Description	**Unit**	**Percentage**	**Unit**	**Percentage**
Issued Share Capital	12,146,878,241	100%	12,146,878,241	100%
Substantial Shareholdings (5% and above):				
Dangote Industries Limited	8,122,446,281	66.87%	8,122,446,281	66.87%
Dangote Aliko	653,095,014	5.38%	653,095,014	5.38%
Total Substantial Shareholdings	**8,775,541,295**	**72.25%**	**8,775,541,295**	**72.25%**
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%**	**3,361,230,454**	**27.67%**
Free Float in Value (N)	**58,485,409,899.60**		**41,679,257,629.60**	

Declaration:

(A) Dangote Sugar Refinery Plc with a free float percentage of 27.67% as at 30 September 2021, is compliant with The Exchange's free float requirements for

(B) Dangote Sugar Refinery Plc with a free float value of N41,679,257,629.60 as at 30 September 2020, is compliant with The Exchange's free float requirements for

38 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.