



Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements

for the period ended September 30, 2022

Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended September 30, 2022

Index

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

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Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended September 30, 2022

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	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 Fidelity Bank Plc First Bank of Nigeria Limited First City Monument 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 Wema 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

Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended September 30, 2022

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

Note(s)	GROUP					COMPANY					
	Qtr3, 2022 N'000	30/9/2022 N'000	Qtr3, 2021 N'000	30/9/2021 N'000	F/Yr, 2021 N'000	Qtr3, 2022 N'000	30/9/2022 N'000	Qtr3, 2021 N'000	30/9/2021 N'000	F/Yr, 2021 N'000	
Continuing operations											
Revenue	5	102,863,296	288,320,722	63,547,806	195,499,884	276,054,781	102,863,296	288,320,722	63,547,806	195,499,884	276,054,781
Cost of sales	6	(84,245,812)	(230,884,913)	(55,392,068)	(158,752,711)	(225,846,208)	(84,245,812)	(230,884,913)	(55,392,068)	(158,752,711)	(225,846,207)
Gross profit		18,617,484	57,435,809	8,155,738	36,747,173	50,208,573	18,617,484	57,435,809	8,155,738	36,747,173	50,208,574
Other income	11	61,632	363,047	34,176	163,082	333,142	61,632	363,047	34,176	163,082	332,142
Selling and distribution expenses	7	(188,991)	(557,800)	(249,519)	(538,278)	(906,496)	(188,991)	(557,800)	(249,519)	(538,278)	(906,496)
Administrative expenses	7	(2,734,696)	(7,369,535)	(2,802,813)	(7,753,094)	(10,630,962)	(2,477,602)	(6,707,152)	(2,641,364)	(7,297,880)	(9,970,730)
Impairment gains/(losses)	23.3	-	-	-	-	15,323	-	-	-	-	15,323
Operating profit	14	15,755,429	49,871,521	5,137,582	28,618,883	39,019,580	16,012,523	50,533,904	5,299,031	29,074,097	39,678,815
Finance income	8	1,736,512	3,684,116	343,152	847,610	1,419,193	1,736,512	3,684,116	343,151	847,610	1,419,191
Finance cost	10	(11,667,789)	(18,974,011)	(1,500,959)	(6,299,596)	(6,629,734)	(11,759,884)	(19,019,869)	(1,500,478)	(6,128,591)	(6,681,140)
Finance costs - net		(9,931,277)	(15,289,895)	(1,157,807)	(5,451,986)	(5,210,541)	(10,023,372)	(15,335,753)	(1,157,327)	(5,280,981)	(5,261,949)
Change in fair value adjustment	9	712,708	1,690,081	372,849	(58,847)	212,173	712,708	1,690,081	372,849	(58,847)	212,173
Profit before tax		6,536,860	36,271,707	4,352,624	23,108,050	34,021,212	6,701,859	36,888,232	4,514,553	23,734,269	34,629,039
Taxation	12.1	(1,946,496)	(11,439,422)	(1,444,657)	(7,594,966)	(11,968,921)	(1,946,496)	(11,439,422)	(1,444,657)	(7,594,966)	(11,968,921)
Profit for the year		4,590,364	24,832,285	2,907,967	15,513,084	22,052,291	4,755,363	25,448,810	3,069,896	16,139,303	22,660,118
Profit attributable to:											
Owners of the parent		4,592,014	24,838,450	2,909,586	15,519,346	22,058,369	4,755,363	25,448,810	3,069,896	16,139,303	22,660,118
Non-controlling interest		(1,650)	(6,165)	(1,619)	(6,262)	(6,078)	-	-	-	-	-
		4,590,364	24,832,285	2,907,967	15,513,084	22,052,291	4,755,363	25,448,810	3,069,896	16,139,303	22,660,118
Total comprehensive income for the year		4,590,364	24,832,285	2,907,967	15,513,084	22,052,291	4,755,363	25,448,810	3,069,896	16,139,303	22,660,118
Total comprehensive income attributable to:											
Owners of the parent		4,592,014	24,838,450	2,909,586	15,519,346	22,058,369	4,755,363	25,448,810	3,069,896	16,139,303	22,660,118
Non-controlling interest		(1,650)	(6,165)	(1,619)	(6,262)	(6,078)	-	-	-	-	-
		4,590,364	24,832,285	2,907,967	15,513,084	22,052,291	4,755,363	25,448,810	3,069,896	16,139,303	22,660,118
Earnings per share											
Per share information											
Basic earnings per share (Naira)	15	0	2.04	0.24	1.28	1.82	0.39	2.10	0.25	1.33	1.87
Diluted earnings per share (Naira)	15	0	2.04	0.24	1.28	1.28	0.39	2.10	0.25	1.33	1.87

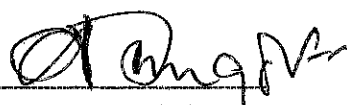
Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended September 30, 2022

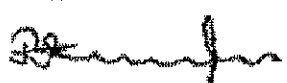
Consolidated and separate statements of financial position as at September 30, 2022

		GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
Assets							
Non-current assets							
Property, plant and equipment	16	151,019,061	144,678,056	136,520,654	88,529,830	83,829,184	78,897,322
Other assets	19	-	-	-	-	-	-
Investment in subsidiaries	21	-	-	-	297,000	297,000	297,000
Deposit for shares	21b	-	-	-	62,896,387	57,084,152	52,371,891
Total non-current assets		151,019,061	144,678,056	136,520,654	151,523,217	141,210,336	131,566,213
Current assets							
Inventories	22	61,125,545	55,989,543	63,894,891	59,707,122	54,153,133	60,828,312
Biological assets	17	6,248,347	4,655,554	4,932,475	6,248,347	4,655,554	4,932,475
Trade and other receivables	23	82,175,171	50,155,533	54,770,064	81,818,500	46,302,270	50,920,426
Other assets	19	2,855,705	138,633	814,207	2,847,037	137,151	812,310
Asset held for sale	20	868,642	868,642	868,642	868,642	868,642	868,642
Cash and cash equivalents	24	169,752,783	103,009,804	61,683,331	169,410,032	102,055,783	60,846,747
Total current assets		323,026,173	214,827,709	186,963,610	320,899,680	208,172,533	179,208,912
Total assets		474,045,234	359,505,765	323,484,264	472,422,897	349,382,869	310,775,125
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	128,945,610	116,253,934	109,714,910	130,738,142	117,436,206	110,915,392
		141,339,473	128,647,897	122,108,873	143,132,105	129,830,169	123,309,355
Non-controlling interest	27	(22,912)	(16,747)	(16,939)	-	-	-
		141,316,561	128,631,150	122,091,934	143,132,105	129,830,169	123,309,355
Liabilities							
Non-Current Liabilities							
Deferred tax liabilities	13	10,431,964	10,431,964	10,553,935	10,431,964	10,431,964	10,553,935
Lease liability	31.1	1,375,276	1,134,857	629,778	1,333,830	1,134,857	629,778
Borrowings	28	657,781	764,448	984,487	657,781	764,448	984,487
		12,465,021	12,331,269	12,168,200	12,423,575	12,331,269	12,168,200
Current Liabilities							
Current tax liabilities	12.3	15,494,006	10,449,071	5,953,143	15,494,006	10,449,071	5,953,144
Lease liability	31.1	1,103,799	1,220,023	589,595	1,024,170	1,171,582	533,668
Borrowings	28	172,315	220,039	50,639	172,315	220,039	50,639
Trade and other payables	30	293,195,116	201,382,133	180,822,042	289,878,311	190,108,668	166,951,416
Employee benefits	29	762,568	766,265	931,447	762,567	766,265	931,447
Other liabilities	31	9,535,848	4,505,815	877,265	9,535,848	4,505,806	877,256
Total current liabilities		320,263,652	218,543,346	189,224,131	316,867,217	207,221,431	175,297,570
Total liabilities		332,728,673	230,874,615	201,392,331	329,290,792	219,552,700	187,465,770
Total equity and liabilities		474,045,234	359,505,765	323,484,264	472,422,897	349,382,869	310,775,125

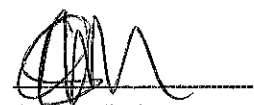
The consolidated and separate financial statements on pages 2 to 40, were approved by the board on October 26, 2022 and were signed on its behalf by:



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



Mr. Ravindra Singh Singhvi
Group Managing Director/CEO
FRC/2021/003/0000000/22565



Mr. Oscar Mbeche
Group Chief Finance Officer
FRC*
* "Waiver granted by FRCN"

The accompanying notes on pages 6 to 40 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, 2022

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 2021		6,000,000	6,320,524	112,982,378	125,302,902
Profit for the period		-	-	16,139,303	16,139,303
Total comprehensive income for the period		-	-	16,139,303	16,139,303
Transaction with owners:					
Surplus on revaluation of Numan land				87,467	87,467
Dividend paid		-	-	(18,220,317)	(18,220,317)
Balance as at 30 September 2021		6,000,000	6,320,524	110,988,831	123,309,355
Balance as at 1 October 2021		6,000,000	6,320,524	110,988,831	123,309,355
Profit for the period		-	-	6,520,815	6,520,815
Total comprehensive income for the period		6,000,000	6,320,524	117,509,646	129,830,170
Transaction with owners:					
Dividend paid		-	-	-	-
Balance as at 31 December 2021		6,000,000	6,320,524	117,509,646	129,830,169
Profit for the period		-	-	25,448,810	25,448,810
Total comprehensive income for the period		-	-	25,448,810	25,448,810
Transaction with owners:					
Dividend paid		-	-	(12,146,874)	(12,146,874)
Balance as at 30 September 2022		6,000,000	6,320,524	130,811,581	143,132,105

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 2021	6,073,439	6,320,524	112,328,413	124,722,376	(10,669)	124,711,707
Profit for the period	-	-	15,519,345	15,519,345	(6,269)	15,513,076
Total comprehensive income for the period	-	-	15,519,345	15,519,345	(6,269)	15,513,076
Transaction with owners:						
Adjustment to the net difference arising on merger			87,469	87,469		87,469
Dividend paid	-	-	-	(18,220,317)	-	(18,220,317)
Balance as at 30 September 2021	6,073,439	6,320,524	127,935,227	122,108,873	-16,938	122,091,934
Balance as at 1 October 2021	6,073,439	6,320,524	127,935,227	122,108,873	(16,938)	122,091,934
Profit for the period	-	-	6,539,024	6,539,024	191	6,539,216
Total comprehensive income for the period	6,073,439	6,320,524	134,474,251	128,647,897	(16,747)	128,631,150
Transaction with owners:						
Dividend paid	-	-	-	-	-	-
Balance as at 31 December 2021	6,073,439	6,320,524	134,474,251	128,647,897	-16,747	128,631,150
Profit for the period	-	-	24,838,450	24,838,450	(6,165)	24,832,285
Total comprehensive income for the period	-	-	24,838,450	24,838,450	(6,165)	24,832,285
Transaction with owners:						
Dividend paid	-	-	(12,146,874)	(12,146,874)	-	(12,146,874)
Balance as at 30 September 2022	6,073,439	6,320,524	147,165,827	141,339,473	(22,912)	141,316,561

The accompanying notes on pages 6 to 40 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, 2022

Consolidated and separate statements of cash flows

		GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY
	Note(s)	30/9/2022	31/12/2021	30/9/2021	30/9/2022	31/12/2021	30/9/2021
		N'000	N'000	N'000	N'000	N'000	N'000
Cash flows for operating activities							
Profit before taxation		36,271,707	34,021,212	23,108,049	36,888,232	34,629,039	23,734,268
Adjustments for non-cash income and expenses:							
Depreciation of property, plant and equipment	16	6,798,514	9,271,973	6,702,872	6,144,161	8,624,547	6,257,461
				-			-
Impairment of financial assets	23.3	-	(15,323)	-	-	(15,323)	-
Government grant	21b	-	(75,403)	-	-	(75,403)	-
Provision and release of gratuity	29	-	(1,118)	1,183	-	(1,118)	1,183
(Profit)/loss on sale of assets	11	-	16,162	16,162	-	16,162	16,162
Property, plant and equipment impaired and written off	16	-	14,175	4,160	-	14,175	4,160
Interest income	8	(3,684,116)	-	(847,610)	(3,684,116)	-	(847,610)
Interest expense	10	124,195	320,809	209,173	146,536	317,082	202,796
				-			-
				-			-
Exchange loss	31.1	-	211,741	-	-	211,741	-
Fair value loss/(gain) on biological assets	9	(1,690,081)	(212,173)	146,316	(1,690,081)	(212,173)	146,316
Changes in working capital							
(Increase)/decrease in Inventory		(5,126,002)	7,000,757	(894,591)	(5,553,989)	(2,584,506)	(9,259,685)
Net (addition)/usage of biological assets		97,288	19,068	(528,873)	97,288	19,068	(528,873)
(Increase)/decrease in trade and other receivables		(32,019,638)	12,920,132	8,290,277	(35,516,230)	(6,915,053)	(11,548,532)
(Increase)/decrease in other assets		(2,717,072)	(91,944)	(767,518)	(2,709,886)	(92,534)	(767,693)
Increase/(decrease) in other liabilities		5,030,033	1,655,895	(1,884,318)	5,030,042	1,655,893	(1,884,318)
Increase/(decrease) in trade payables		91,812,983	65,939,443	45,303,940	99,769,643	73,956,114	50,723,459
Increase/(Decrease) in employee benefits		-	-	-	-	-	-
Cash generated from operations							
		94,897,810	130,995,406	78,859,221	98,921,599	109,547,710	56,249,093
Finance cost paid		-	-	-	-	-	-
Tax paid	12.3	(6,394,487)	(1,546,529)	(1,546,529)	(6,394,487)	(1,546,529)	(1,546,529)
Gratuity paid	29	(3,698)	(202,208)	(39,327)	(3,698)	(202,208)	(39,327)
		88,499,625	129,246,669	77,273,365	92,523,414	107,798,973	54,663,237
Net cash generated from operating activities							
Cash flows from investing activities							
Purchase of property, plant and equipment	16	(13,139,519)	(51,347,183)	(41,565,968)	(10,844,807)	(14,889,515)	(8,532,694)
Proceeds on disposal of property, plant and equipment		-	55,646	55,646	-	55,646	55,646
Interest received	8	3,684,116	-	847,610	3,684,116	-	847,610
		(9,455,403)	(51,291,536)	(40,662,712)	(7,160,691)	(14,833,869)	(7,629,438)
Net cash used in investing activities							
Cash flows from financing activities							
Dividends paid	26	(12,146,874)	(18,220,317)	(18,220,317)	(12,146,874)	(18,220,317)	(18,220,317)
Unclaimed dividend received		-	88,337	-	-	88,337	-
Deposit for shares		-	-	-	(5,612,235)	(15,509,415)	(10,797,154)
Interest paid	28	(154,391)	(64,906)	(105,354)	(42,819)	(64,906)	(105,354)
Lease Liabilities paid - Interest	31.1	-	(182,969)	(1,318,079)	-	(179,242)	(1,314,734)
Lease Liabilities paid - Principal		-	(1,158,330)	-	-	(1,150,712)	-
Repayment of borrowings	28	-	(267,584)	(144,012)	(206,547)	(267,584)	(144,012)
		(12,301,265)	(19,805,770)	(19,787,763)	(18,008,475)	(35,303,840)	(30,581,572)
Net cash used in financing activities							
Net increase in cash and cash equivalents							
		66,742,959	58,149,363	16,822,890	67,354,248	57,661,262	16,452,226
Cash and cash equivalents at beginning of period		103,009,804	44,860,441	44,860,441	102,055,783	44,394,521	44,394,521
		169,752,763	103,009,804	61,683,331	169,410,032	102,055,783	60,846,747

The accompanying notes on pages 6 to 40 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, 2022

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 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 2022 to 30 September 2022 with comparatives for the year ended 31 December 2021 and period ended 30 September 2021.

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 (IFRS IC) of IASB (together "IFRS") that are effective at 31 March 2022 and requirements of the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council (FRC) Act 2011 of Nigeria.

Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended September 30, 2022

Notes to the Consolidated and Separate Financial Statements

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 customers.

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 satisfied.

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

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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	1,614,458	284,987,836	1,718,428	288,320,722

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 asset'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 2.5% of the assessable profits in accordance with the Tertiary Education Tax Act.

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Notes to the Consolidated and Separate Financial Statements

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.

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Notes to the Consolidated and Separate Financial Statements

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.

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Notes to the Consolidated and Separate Financial Statements

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

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.

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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)

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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.

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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.

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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.

Dangote Sugar Refinery Plc

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Notes to the Consolidated and Separate Financial Statements

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

There are no new standards applicable to annual reporting period commencing 1 January 2022 which are expected to have a material impact on the group:

ii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 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.

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5	Revenue	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY
		30/9/2022 N'000	31/12/2021 N'000	30/9/2021 N'000	30/9/2022 N'000	31/12/2021 N'000	30/9/2021 N'000
	Revenue from the sale of sugar - 50kg	279,472,161	269,058,884	190,452,599	279,472,161	269,058,884	190,452,599
	Revenue from the sale of sugar - Retail	5,515,675	4,753,693	3,428,352	5,515,675	4,753,693	3,428,352
	Revenue from the sale of molasses	1,718,428	1,190,464	849,864	1,718,428	1,190,464	849,864
	Freight income	1,614,458	1,051,740	769,069	1,614,458	1,051,740	769,069
		288,320,722	276,054,781	195,499,884	288,320,722	276,054,781	195,499,884

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
	30/9/2022 N'000	31/12/2021 N'000	30/9/2021 N'000	30/9/2022 N'000	31/12/2021 N'000	30/9/2021 N'000
Nigeria:						
Lagos	122,964,320	126,605,319	91,114,669	122,964,320	126,605,319	91,114,669
North	129,962,418	113,152,624	79,576,929	129,962,418	113,152,624	79,576,929
West	24,375,134	25,330,695	16,574,824	24,375,134	25,330,695	16,574,824
East	11,018,849	10,966,143	8,233,462	11,018,849	10,966,143	8,233,462
	288,320,722	276,054,781	195,499,884	288,320,722	276,054,781	195,499,884

Group	Segment Revenue		Segment Cost of Sales		Segment Gross Profit	
	30/9/2022 N'000	30/9/2021 N'000	30/9/2022 N'000	30/9/2021 N'000	30/9/2022 N'000	30/9/2021 N'000
Nigeria:						
Lagos	122,964,320	91,114,669	(94,061,741)	(70,758,683)	28,902,579	20,355,987
North	129,962,418	79,576,929	(107,352,274)	(67,789,302)	22,610,145	11,787,626
West	24,375,134	16,574,824	(20,103,532)	(13,326,300)	4,271,603	3,248,525
East	11,018,849	8,233,462	(9,367,367)	(6,878,426)	1,651,482	1,355,035
	288,320,722	195,499,883	(230,884,913)	(158,752,711)	57,435,809	36,747,172

Company	Segment Revenue		Segment Cost of Sales		Segment Gross Profit	
	30/9/2022 N'000	30/9/2021 N'000	30/9/2022 N'000	30/9/2021 N'000	30/9/2022 N'000	30/9/2021 N'000
Nigeria:						
Lagos	122,964,320	91,114,669	(94,061,741)	(70,758,684)	28,902,579	20,355,986
North	129,962,418	79,576,929	(107,352,274)	(67,789,302)	22,610,145	11,787,626
West	24,375,134	16,574,824	(20,103,532)	(13,326,300)	4,271,603	3,248,525
East	11,018,849	8,233,462	(9,367,367)	(6,878,425)	1,651,482	1,355,036
	288,320,722	195,499,884	(230,884,913)	(158,752,711)	57,435,809	36,747,173

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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 additions 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 2022;

	Total Segment Assets			Total Segment liabilities		
	30/9/2022 N'000	31/12/2021 N'000	30/9/2021 N'000	30/9/2022 N'000	31/12/2021 N'000	30/9/2021 N'000
Group						
Nigeria:						
Lagos	327,457,777	212,241,053	240,463,308	215,406,634	111,674,586	98,828,883
North	146,587,457	147,264,712	83,020,499	106,890,075	108,768,065	92,009,827
Sub-total	474,045,234	359,505,765	323,483,807	322,296,709	220,442,651	190,838,710
Unallocated deferred tax	-	-	-	10,431,964	10,431,964	10,553,935
Total	474,045,234	359,505,765	323,483,807	332,728,673	230,874,615	201,392,645

	Total Segment Assets			Total Segment liabilities		
	30/9/2022 N'000	31/12/2021 N'000	30/9/2021 N'000	30/9/2022 N'000	31/12/2021 N'000	30/9/2021 N'000
Company						
Nigeria:						
Lagos	391,180,489	270,346,657	235,362,376	216,135,966	112,400,576	103,503,396
North	81,242,408	79,036,212	75,412,749	102,722,862	96,720,160	83,962,374
Sub-total	472,422,897	349,382,869	310,775,125	318,858,828	209,120,736	187,465,770
Unallocated deferred tax	-	-	-	10,431,964	10,431,964	-
Total	472,422,897	349,382,869	310,775,125	329,290,792	219,552,700	187,465,770

Included in the Lagos segment is asset held for sale of N868.6 million (2021: N868.6 million).

Information about major customers

The company has one customer(NBC) whose sales make up 14% of Total Revenue. Total Revenue from Customer within the 3rd Quarter 2022 is #14.4billion and the revenue from the Customer is included in Lagos region

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Notes to the Consolidated and Separate Financial Statements

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 period. The associated cost of providing this service is included in Cost of sales.

6 Cost of sales	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY
	30/9/2022	31/12/2021	30/9/2021	30/9/2022	31/12/2021	30/9/2021
	N'000	N'000	N'000	N'000	N'000	N'000
Raw material	190,432,404	183,373,949	127,970,500	190,432,404	183,373,949	127,970,500
Direct labour cost	5,006,197	5,362,783	4,107,120	5,006,197	5,362,783	4,107,120
Direct overheads	19,356,429	20,780,392	15,432,140	19,356,429	20,780,392	15,432,140
Depreciation	4,452,795	5,426,798	3,993,925	4,452,795	5,426,798	3,993,925
Freight expenses	11,637,088	10,902,285	7,249,027	11,637,088	10,902,285	7,249,027
	230,884,913	225,846,208	158,752,711	230,884,913	225,846,207	158,752,711

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

Depreciation charge on trucks	2,117,247	2,583,744.49	1,952,953	2,117,247	2,583,744.49	1,952,953
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7 Administrative expenses

Management fees	752,981	1,014,259	686,543	752,981	1,014,259	686,543
Assessment rates and municipal charges	18,677	37,194	30,988	18,677	37,194	30,988
Auditors Fees and remuneration	63,763	76,000	57,377	63,763	76,000	57,377
Cleaning and fumigation	53,997	94,713	69,488	53,997	94,713	69,488
Legal, consulting and professional fees	119,932	175,482	141,371	119,932	175,482	141,371
Doubtful debts	-	-	21,592	-	-	21,592
Consumables	9,712	8,726	5,503	9,712	8,726	5,503
Depreciation	1,063,947	1,261,431	755,993	1,063,947	1,261,431	755,993
Impairment (note 16)	-	7,313	7,313	-	7,313	7,313
Donations and scholarship	246,415	1,161,541	930,623	246,415	1,161,541	930,623
Employee costs (note 36)	3,010,138	3,581,191	2,648,552	3,010,138	3,581,191	2,648,552
Entertainment	6,474	2,509	26,045	6,474	2,509	26,045
Insurance	291,831	407,437	291,676	291,831	407,437	291,676
Bank charges	187,864	155,454	137,765	187,864	155,454	137,765
Magazines, books, print and and periodicals	21,074	32,455	24,642	21,074	32,455	24,642
Utilities	172,275	175,731	127,101	172,275	175,731	127,101
Petrol and oil	37,522	51,637	37,765	37,522	51,637	37,765
Repairs and maintenance	215,312	337,919	153,595	215,312	337,919	153,595
Secretarial fees	30,845	241,854	220,430	30,845	241,854	220,430
Security expense	340,257	391,680	274,805	340,257	391,680	274,805
Staff welfare	34,715	412,865	331,219	34,715	412,865	331,219
Subscriptions	14,610	16,576	11,985	14,610	16,576	11,985
Sustainability Expenses	14,510	2,698	-	14,510	2,698	-
Telephone and fax	139,871	204,040	171,534	139,871	204,040	171,534
Training	24,958	28,751	15,835	24,958	28,751	15,835
Travel-local	450,309	683,114	514,199	450,309	683,114	514,199
Travel-overseas	47,545	68,391	59,154	47,545	68,391	59,154
	7,369,535	10,630,962	7,753,094	7,369,535	10,630,962	7,753,094

Selling and Distribution expenses

Selling and marketing expenses	557,800	906,496	538,278	557,800	906,496	538,278
	557,800	906,496	538,278	557,800	906,496	538,278

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	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
8 Investment income						
Interest income on bank deposits	3,684,116	1,419,193	847,610	3,684,116	1,419,191	847,610
	3,684,116	1,419,193	847,610	3,684,116	1,419,191	847,610
Interest is earned on bank deposits at an average rate of 4 % p.a. on short term (30days) bank deposits.						
9 Change in fair value of biological assets						
Fair value gain/(loss) on biological assets (Note 18)	1,690,081	212,173	(58,847)	1,690,081	212,173	(58,847)
	1,690,081	212,173	(58,847)	1,690,081	212,173	(58,847)
10 Net finance expense						
Exchange loss in the ordinary course of business	14,330,541	1,992,231	2,840,317	14,376,969	2,047,363	2,672,522
Finance cost on Letter of Credit	4,466,804	4,316,694	3,253,273	4,466,791	4,316,694	3,253,273
Interest on lease payments	81,691	182,969	100,652	81,134	179,242	97,442
Interest on bank loan	94,975	137,840	105,354	94,975	137,840	105,354
	18,974,011	6,629,734	6,299,596	19,019,869	6,681,140	6,128,591
11 Other income						
Insurance claim income	34,468	35,597	10,980	34,468	35,597	10,980
Sale of scrap	10,688	46,570	38,086	10,688	46,570	38,086
Grant income	52,156	75,403	57,201	52,156	75,403	57,201
Rental income	80,283	188,011	68,697	80,283	188,011	68,697
Provision no longer required	1,242	3,555	1,035	1,242	2,555	1,035
(Loss)/Profit on sale of asset	174,602	(16,162)	(16,162)	174,602	(16,162)	(16,162)
Miscellaneous income	9,607	169	3,245	9,607	169	3,245
	363,047	333,142	163,082	363,047	332,142	163,082

11.1 Loss/(profit) on sale of asset for the period is arrived at as below:

	Apapa N'000	Numan N'000	Total N'000
Cost of assets disposed	854,563	-	854,563
Accum dep of assets disposed	(826,003)	-	(826,003)
Net book value disposed	28,560	-	28,560
Sales proceed received in consideration	203,163	-	203,163
(Loss)/Profit on sale of asset	174,602	-	174,602

12 Taxation

12.1 Major components of the tax expense

Current Tax

Income tax based on profit for the year	10,559,466	9,340,367	5,535,724	10,559,466	9,340,367	5,535,724
Education tax expense	879,956	1,098,660	409,108	879,956	1,098,660	409,108
Police trust fund	-	1,731	-	-	1,731	-
	11,439,422	10,440,759	5,944,832	11,439,422	10,440,759	5,944,832

Deferred tax

Deferred tax expense/(credit) recognised in the current period	-	846,748	1,650,134	-	846,748	1,650,134
Adjustments recognised in the current period in relation to the deferred tax of prior periods	-	681,414	-	-	681,414	-
	11,439,422	11,968,921	7,594,966	11,439,422	11,968,921	7,594,966

The tax rates used in the above comparative figures are the corporate tax rate of 30% (2021: 30%) payable by corporate entities in Nigeria. Education tax rate is also payable at 2.5% of assessable profit.(2021: 2% of assessable profit) while Police trust fund is 0.005% of the net profit of the companies operating business in

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	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
12.2 Reconciliation of the tax expense						
Reconciliation between accounting profit and tax expense						
Accounting profit before tax	36,271,707	34,021,212	23,108,050	36,888,232	46,038,947	23,734,269
Income tax expense calculated at 30%	10,559,466	10,388,711	5,535,724	10,559,466	10,388,711	5,535,724
Education tax expense calculated at 2.5% (2021: 2%)	879,956	1,098,660	409,108	879,956	1,098,660	409,108
Effect of income that is exempt from taxation	-	(439,367)	-	-	(439,367)	-
Deferred tax expense			1,650,134			1,650,134
Effect of expenses that are not deductible in determining taxable profit	-	323,461	-	-	323,461	-
Effect of Tax Incentives	-	(41,954)	-	-	(41,954)	-
Effect of tax adjustments (minimum tax)	-	1,731	-	-	1,731	-
Adjustments recognised in the current period in relation to the deferred tax of prior periods		681,414			681,414	
Difference in tax rate	-	(43,737)	-	-	(43,737)	-
DT not required	-	-	-	-	-	-
Income tax expense recognised in profit or loss	11,439,422	11,968,920	7,594,966	11,439,422	11,968,920	7,594,966

12.3 Current tax liabilities

	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
At January 1	10,449,071	1,554,841	1,554,840	10,449,071	1,554,841	1,554,841
Charge for the period	11,439,422	10,440,759	5,944,832	11,439,422	10,440,759	5,944,832
Payment made during the period	(6,394,487)	(1,546,529)	(1,546,529)	(6,394,487)	(1,546,529)	(1,546,529)
Balance end of the period	15,494,006	10,449,071	5,953,143	15,494,006	10,449,071	5,953,144

13 Deferred tax balances

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2021: 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.

Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

Property plant and equipment @ 30%	(11,913,613)	(11,913,613)	(10,145,115)	(11,913,613)	(11,913,613)	(10,145,115)
Property plant and equipment @ 10%	(121,878)	(121,878)	(121,878)	(121,878)	(121,878)	(121,878)
Fair value adjustment	(68,956)	(68,956)	-	(68,956)	(68,956)	-
Exchange difference @ 32%	802,447	802,447	-	802,447	802,447	-
Provisions	870,036	870,036	(286,942)	870,036	870,036	(286,942)
	(10,431,964)	(10,431,964)	(10,553,935)	(10,431,964)	(10,431,964)	(10,553,935)

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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	Movement recognised in the year-SPL N'000	Movement recognised in the equity N'000	Closing balance N'000
Group as at 30 September 2022				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	(11,913,613)	-	-	(11,913,613)
Property, plant and equipment @ 10%	(121,878)	-	-	(121,878)
Exchange rate	802,447	-	-	802,447
Fair value adjustment	(68,956)	-	-	(68,956)
Provisions	870,036	-	-	870,036
	(10,431,964)	-	-	(10,431,964)
Company as at 30 September 2022				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	(11,913,613)	-	-	(11,913,613)
Property, plant and equipment @ 10%	(121,878)	-	-	(121,878)
Exchange rate	802,447	-	-	802,447
Fair value adjustment	(68,956)	-	-	(68,956)
Provisions	870,036	-	-	870,036
	(10,431,964)	-	-	(10,431,964)

14 Operating profit

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

	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
Depreciation of property, plant and equipment (note 16)	6,979,638	7,699,160	6,257,461	6,979,637	5,198,055	6,257,461
(Profit)/loss on sale of property, plant and equipment (note 11)	(174,602)	(7,218)	-	(174,602)	(7,218)	-
Amortisation of intangible assets						
Defined contribution plans (note 36)	330,082	254,532	294,230	330,082	302,270	294,230
Auditors remuneration	63,763	68,026	57,699	57,878	54,221	52,781

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 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
Profit for the period	24,838,450	22,058,369	15,519,346	25,448,810	22,660,118	16,139,303
Earnings used in the calculation of basic earnings per share from continuing operations	24,838,450	22,058,369	15,519,346	25,448,810	22,660,118	16,139,303
Weighted average number of ordinary shares for the purpose of basic earnings per share	12,146,878	12,146,878	12,146,878	12,146,878	12,146,878	12,146,878
Basic and diluted earnings per share from continuing operations (Naira)	2.04	1.82	1.28	2.10	1.87	1.33

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Notes to the Consolidated and Separate Financial Statements

16. Property, Plant and Equipment

Group	Bearer Plant	Land	Building	Plant & Machinery	Furniture & Fittings	Motor Vehicles	Computer Equipment	Aircraft	Tools & Equipment	Capital Work In Progress	Total
COST:	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance, 1/1/2021	7,641,217	5,663,744	20,419,321	37,906,658	405,300	25,703,878	293,982	899,828	8,791,048	40,593,579	148,318,556
Additions during the year	3,475	-	915,686	4,535,237	16,212	603,498	64,008	-	293,676	45,783,225	52,215,018
Prior year addition recognised	-	87,469	-	-	-	-	-	-	-	-	87,469
Reclassifications write off	1,872,281	-	657,415	1,162,998	750	4,386,782	3,410	-	118,318	(8,201,954)	0
Impaired	-	-	-	-	-	(4,240)	-	-	-	(10,014)	(14,254)
Disposal	-	-	-	(128,196)	(14,116)	(555,527)	(5)	-	(61,144)	-	(758,988)
Balance, 31/12/2021	9,516,973	5,751,213	21,992,422	43,476,696	408,146	30,125,393	361,395	899,828	9,141,897	78,164,836	199,838,801
Prior year adjustment	-	-	-	-	-	-	-	-	-	(3,156,658)	(3,156,658)
Addition-BIP	-	-	20,000	0	-	0	-	-	-	5,431,370	5,451,370
Additions-Apapa and Numan	2,997,903	-	81,249	770,959	21,302	4,918,672	38,488	-	87,455	2,783,343	11,699,369
Reclassifications	-	-	643,402	4,962,219	-	224,443	667	-	6,342	(5,837,073)	0
Transfer	-	-	-	-	-	16,790	-	-	-	(16,790)	-
Disposal	-	-	-	-	-	(854,563)	-	-	-	-	(854,563)
Balance, 30/9/2022	12,514,876	5,751,213	22,737,073	49,209,874	429,447	34,430,736	400,549	899,828	9,235,694	77,369,028	212,978,320
										tool	
DEPRECIATION:											
Balance, 1/1/2021	4,733,737	66,244.83	4,255,137	17,215,180	297,100	12,933,388	249,439	254,910	6,579,892	-	46,585,030
Charge for the year	1,770,568	-	1,137,632	1,576,770	41,546	3,493,692	37,291	35,993	1,178,481	-	9,271,973
Written off	-	-	-	5,155	-	(11,077)	(1,470)	-	-	-	(7,392)
Impaired	-	-	-	-	-	(1,688)	-	-	-	-	(1,688)
Reclassification	-	-	-	34,032	144	(32,000)	-	-	(2,176)	-	-
Disposal	-	-	-	(128,196)	(13,852)	(483,983)	(5)	-	(61,143)	-	(687,180)
Balance, 31/12/2021	6,504,305	66,245	5,392,770	18,702,941	324,937	15,898,333	285,255	290,904	7,695,054	-	55,160,743
Charge for the period	1,406,775	-	901,931	1,103,747	29,076	2,653,349	28,999	26,995	828,766	-	6,979,638
Charge-BIP	-	-	49,590	282,227	39	288,929	2,752	-	30,815	-	654,354
Disposal	-	-	-	-	-	(826,003)	-	-	-	-	(826,003)
Balance, 30/9/2022	7,911,079	66,245	6,344,290	20,088,915	354,052	18,005,135	317,006	317,898	8,554,636	-	61,959,258
NET BOOK VALUE:											
Balance, 31/12/2021	3,012,669	5,684,968	16,599,653	24,773,755	83,209	14,227,060	76,140	608,924	1,446,843	78,164,836	144,678,058
Balance, 30/9/2022	4,603,797	5,684,968	16,392,783	29,120,959	75,395	16,425,600	83,543	581,930	681,058	77,369,028	151,019,061

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16. Property, Plant and Equipment

Company	Bearer Plant	Land	Building	Plant & Machinery	Furniture & Fittings	Motor Vehicles	Computer Equipment	Aircraft	Tools & Equipment	Capital Work In Progress	Total
COST:	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance, 1/1/2021	7,641,217	5,058,991	17,039,923	35,748,335	405,508	24,492,305	285,711	899,828	6,989,958	24,308,408	122,870,186
Additions during the year	3,475	-	879,771	235,463	16,212	238,806	58,399	-	269,422	14,052,639	15,754,187
Prior year addition recognised	-	87,469	-	-	-	-	-	-	-	-	87,469
Reclassifications write off	1,872,281	-	657,415	1,162,998	750	4,386,782	3,410	-	118,318	(8,201,954)	0
Impaired	-	-	-	-	-	(4,240)	-	-	-	(10,014)	(14,254)
Disposal	-	-	-	(128,196)	(14,116)	(555,527)	(5)	-	(61,144)	-	(758,988)
Balance, 31/12/2021	9,516,973	5,146,460	18,577,109	37,018,599	408,354	28,549,127	347,515	899,828	7,316,555	30,149,078	137,929,600
Additions during the period	2,997,903	-	81,249	770,959	21,302	4,918,672	38,488	-	87,455	2,783,343	11,699,369
Reclassifications	-	-	471,686	654,129	-	-	-	-	6,342	(1,132,157)	-
Disposal	-	-	-	-	-	(854,563)	-	-	-	-	(854,563)
Balance, 30/9/2022	12,514,876	5,146,460	19,130,043	38,443,687	429,655	32,613,236	386,003	899,828	7,410,352	31,800,265	148,774,407
DEPRECIATION:											
Balance, 1/1/2021	4,733,737	66,245	4,008,633	18,576,900	319,978	13,719,965	246,038	254,910	4,245,722	-	46,172,130
Charge for the year	1,770,568	-	1,078,816	1,376,030	41,493	3,148,616	33,742	35,993	1,139,288	-	8,624,547
Written off/(back)	-	-	-	5,155	-	(11,077)	(1,470)	-	-	-	(7,392)
Impaired	-	-	-	-	-	(1,688)	-	-	-	-	(1,688)
Reclassification	-	-	-	34,032	144	(32,000)	-	-	(2,176)	-	(0)
Disposal	-	-	-	(128,196)	(13,852)	(483,983)	(5)	-	(61,143)	-	(687,180)
Balance, 31/12/2021	6,504,305	66,245	5,087,448	19,863,922	347,763	16,339,834	278,305	290,904	5,321,691	-	54,100,417
Charge for the period	1,406,775	-	901,931	1,103,747	29,076	2,653,349	28,999	26,995	828,766	-	6,979,637
Written off	-	-	-	-	-	(9,473)	-	-	-	-	(9,473)
Disposal	-	-	-	-	-	(826,003)	-	-	-	-	(826,003)
Balance, 30/9/2022	7,911,079	66,245	5,989,379	20,967,669	376,839	18,157,707	307,303	317,898	6,150,457	-	60,244,579
NET BOOK VALUE:											
Balance, 31/12/2021	3,012,669	5,080,218	13,489,660	17,154,678	60,591	12,209,293	69,210	608,925	1,994,864	30,149,078	83,829,183
Balance, 30/9/2022	4,603,797	5,080,216	13,140,664	17,476,018	52,817	14,455,529	78,700	581,930	1,259,895	31,800,265	88,529,830

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16. Property, Plant and Equipment (continued)

The following Right-of Use assets have been included in the property, plant and equipment movement schedules above:

	GROUP Land N'000	GROUP Building N'000	COMPANY Land N'000	COMPANY Building N'000
COST:				
Balance, 31/12/2021	228,865	3,737,712	228,865	3,633,759
Additions during the period	-	36,261	-	16,261
Balance, 30/9/2022	228,865	3,773,973	228,865	3,650,020
DEPRECIATION:				
Balance, 31/12/2021	138,888	1,934,191	138,888	1,866,935
Depreciation charge for the period	-	650,298	-	605,799
Balance, 30/9/2022	138,888	2,584,489	138,888	2,472,733
NET BOOK VALUE:				
Balance, 31/12/2021	89,977	1,803,521	89,977	1,766,824
Balance, 30/9/2022	89,977	1,189,484	89,977	1,177,287

	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
17 Biological assets						
Cost						
Carrying value at the beginning of the period	4,655,554	4,462,449	4,462,449	4,655,554	4,462,449	4,462,449
Net (usage)/addition	(97,288)	(19,068)	528,873	(97,288)	(19,068)	528,873
Fair value adjustments	1,690,081	212,173	(58,847)	1,690,081	212,173	(58,847)
Carrying amount at the end of the period	6,248,348	4,655,554	4,932,475	6,248,348	4,655,554	4,932,475
Current	6,248,347	4,655,554	4,932,475	6,248,347	4,655,554	4,932,475
Non-current	-	-	-	-	-	-
	6,248,347	4,655,554	4,932,475	6,248,347	4,655,554	4,932,475

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 2022, the group has a total of 8,035 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	30/9/2022	31/12/2021	30/9/2021	30/9/2022	31/12/2021	30/9/2021
Industry out-grower price. (N per ton)	16,311	12,502	10,842	13,479	12,502	10,842
Average yield per hectare (tonnes)	81.92	85.57	89.30	79.90	85.57	82.37
Discount rate (%)	15.65%	15.65%	11.66%	15.65%	15.65%	11.66%

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

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 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
19 Other assets						
Prepaid rent	78,483	-	-	78,483	-	-
Prepaid insurance	254,010	63,737	206,274	246,092	63,631	204,626
Prepaid housing allowances	349,841	19,068	247,945	349,841	19,068	247,945
Prepaid medicals	16,198	48,515	0	16,197.88	48,515	0
Others	2,157,173	7,313	359,988.99	2,156,423	5,938	359,738.99
	2,855,705	138,633	814,207	2,847,037	137,151	812,310
Current	2,855,705	138,633	814,207	2,847,037	137,151	812,310
Non-current portion	-	-	-	-	-	-
	2,855,705	138,633	814,207	2,847,037	137,151	812,310

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	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
20 Asset held for sale	<u>868,642</u>	<u>868,642</u>	<u>868,642</u>	<u>868,642</u>	<u>868,642</u>	<u>868,642</u>

The asset is a large expanse of land at Plot 23 Division 9, W110 Road, Kolai'a Local Government, Tipaza Province, Algeria. It is currently covered with light green vegetations, with delineating boundaries/paths partly marked with wire-mesh fitted to steel poles. The immediate neighbourhood features both industrial and agricultural uses and notable landmarks in the vicinity of the property include SPA Société Des Tabacs Algero-Emirate (STAEM) and Zone Industrielle Mazafran. Based on land survey plan, the site extends to c.6 Hectares 22 Yards 29 Centiyard.

Management is actively pursuing the sale of the land, have engaged Messrs Knight Frank to handle this. The property valuation pursuant to the sale, has also been effected by Knight Frank.

The outright sales of the property is expected to be completed with a year.

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		
			30/9/2022 N'000	31/12/2021 N'000	30/9/2021 N'000
Dangote Taraba Sugar Ltd	Dangote Sugar Refinery Plc	99	99,000	99,000	99,000
Dangote Adamawa Sugar Ltd	Dangote Sugar Refinery Plc	99	99,000	99,000	99,000
Nassarawa Sugar Company Limited	Dangote Sugar Refinery Plc	99	99,000	99,000	99,000
			<u>297,000</u>	<u>297,000</u>	<u>297,000</u>

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 Nasarawa 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	30/9/2022 N'000	31/12/2021 N'000	30/9/2021 N'000
Nasarawa Sugar Company Limited	34,880,871	31,684,297	28,404,935
Dangote Adamawa Sugar Ltd	25,918,685	23,504,421	18,395,864
Dangote Taraba Sugar Ltd	1,896,831	1,895,434	1,895,704
	<u>62,696,387</u>	<u>57,084,152</u>	<u>48,696,503</u>

22 Inventories

	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
Raw materials	22,255,860	10,009,094	4,766,895	22,199,044	10,009,094	4,766,895
Raw material in transit	18,446	6,308	10,493,026	18,446	6,308	10,493,026
Work-in-process	2,261,997	1,664,963	1,623,316	2,261,997	1,664,963	1,623,316
Finished goods	6,099,591	18,644,956	18,543,049	6,099,591	18,644,956	18,543,049
Finished goods in transit	1,166,618	482,224	976,972	1,166,618	482,224	976,972
Production supplies	25,174,253	21,776,102	23,955,019	23,813,985	19,931,898	20,894,446
Chemicals and consumables	3,943,349	3,492,458	3,598,546	3,942,011	3,490,252	3,592,539
Packaging materials	549,507	267,514	282,143	549,507	267,514	282,143
	<u>61,469,621</u>	<u>56,343,619</u>	<u>64,238,967</u>	<u>60,051,198</u>	<u>54,497,209</u>	<u>61,172,387</u>
Allowance for obsolete inventory	(344,076)	(344,076)	(344,076)	(344,076)	(344,076)	(344,076)
	<u>61,125,545</u>	<u>55,999,543</u>	<u>63,894,891</u>	<u>59,707,122</u>	<u>54,153,133</u>	<u>60,828,312</u>

Movement in provision for obsolete inventory

As at 1 January	(344,076)	(344,076)	(344,076)	(344,076)	(344,076)	(344,076)
Charge for the period	-	-	-	-	-	-
As at 30 September	<u>(344,076)</u>	<u>(344,076)</u>	<u>(344,076)</u>	<u>(344,076)</u>	<u>(344,076)</u>	<u>(344,076)</u>
Amount of inventory charged as expense in the period:	-	-	(344,076)	-	-	(344,076)

No inventory was pledged as security for any liability.

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Notes to the Consolidated and Separate Financial Statements

23 Trade and other receivables	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY
	30/9/2022	31/12/2021	30/9/2021	30/9/2022	31/12/2021	30/9/2021
	N'000	N'000	N'000	N'000	N'000	N'000
Trade receivables	13,137,719	14,261,870	10,836,123	13,137,719	14,261,870	10,836,123
Allowance for doubtful debts and impairments	(469,939)	(469,939)	(260,729)	(469,939)	(469,939)	(260,729)
	12,667,780	13,791,931	10,575,394	12,667,780	13,791,931	10,575,394
Staff loans and advances	387,055	130,919	138,693	387,209	127,143	127,088
Other financial assets	37,041,751	21,314,383	28,810,241	37,021,288	20,141,687	28,644,216
Advance payment to contractors	5,232,979	8,143,889	9,711,938	4,896,617	5,468,628	6,087,168
Insurance claim receivable	373,388	373,388	373,388	373,388	373,388	373,388
Allowance for impaired Insurance claim	(373,388)	(373,388)	(236,239)	(373,388)	(373,388)	(236,239)
Negotiable Duty Credit Certificates (Note 23.1)	623,592	707,085	707,085	623,592	707,085	707,085
Other receivables	21,539,892	1,614,800	1,525,074	21,539,892	1,613,269	1,477,834
Allowance for impaired other receivables	(72,628)	(95,885)	(77,059)	(72,628)	(95,885)	(77,059)
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)	5,345,169	5,138,831	4,193,652	5,345,169	5,138,831	4,193,652
Allowance for impaired -related parties Trade(Note 23.2)	(389,301)	(389,301)	(373,541)	(389,301)	(389,301)	(373,541)
Allowance for impaired -related parties Non-Trade(Note 23.2)	(177,168)	(177,168)	(554,610)	(177,168)	(177,168)	(554,610)
	82,175,171	50,155,533	54,770,064	81,818,500	46,302,270	50,920,426

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 NDCC/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		Related party		Staff loans	Total
	N'000	N'000	Trade-related	Non-trade related		
	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1/1/2021	236,239	260,729	373,541	554,610	23,950	1,449,069
Increase/(decrease) in allowance for credit losses for the period	137,149	209,210	15,760	(377,442)	-	(15,323)
Balance as at 31/12/2021	373,388	469,939	389,301	177,168	23,950	1,433,746
Net impact on retained earnings in prior period	137,149	209,210	15,760	(377,442)	-	(15,323)
Balance as at 1/1/2021	373,388	469,939	389,301	177,168	23,950	1,433,746
Increase/(decrease) in allowance for credit losses for the period	-	-	-	-	-	-
Balance as at 30/9/2022	373,388	469,939	389,301	177,168	23,950	1,433,746
Net impact on retained earnings in current period	-	-	-	-	-	-

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Group	Other					Total
	Receivables	Trade	Related party		Staff loans	
	N'000	N'000	Trade-related N'000	Non-trade related N'000	N'000	
Balance as at 1/1/2021	236,239	260,729	373,541	554,610	23,950	1,449,070
Increase/(decrease) in allowance for credit losses for the period	137,149	209,210	15,760	(377,442)	-	(15,323)
Balance as at 31/12/2021	373,388	469,939	389,301	177,168	23,950	1,433,746
Net impact on retained earnings in prior period	137,149	209,210	15,760	(377,442)	-	(15,323)
Balance as at 1/1/2021	373,388	469,939	389,301	177,168	23,950	1,433,746
Increase/(decrease) in allowance for credit losses for the period	-	-	-	-	-	-
Balance as at 30/9/2022	373,388	469,939	389,301	177,168	23,950	1,433,746
Net impact on retained earnings in current period	-	-	-	-	-	-
23.3 Provision for impairment (gain)/loss on financial assets	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
Balance at the beginning of the period	1,433,748	1,449,071	1,449,071	1,433,748	1,449,071	1,449,070
Impairment (gain)/loss recognised in profit or loss	-	(15,323)	-	-	(15,323)	-
	1,433,748	1,433,748	1,449,071	1,433,748	1,433,748	1,449,070
Receivables written off as uncollectible	-	-	-	-	-	-
Balance at the end of the period	1,433,748	1,433,748	1,449,071	1,433,748	1,433,748	1,449,070
24 Cash and cash equivalents						
For the purpose of the statement of cash flows, cash and cash						
	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
Cash in hand	5,400	5,400	5,150	2,400	2,400	2,150
Bank balances	20,382,048	21,329,257	21,223,876	20,042,317	20,378,236	20,390,292
Short term deposits	147,025,314	79,335,147	38,204,305	147,025,314	79,335,147	38,204,305
Nigerian Treasury bill	2,340,000	2,340,000	2,250,000	2,340,000	2,340,000	2,250,000
	169,752,763	103,009,804	61,683,331	169,410,032	102,055,783	60,846,747

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25 Share capital and Premium

The balance in the share capital account was as follows:

	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
Authorised:						
15,000,000,000 Ordinary shares issued at N0.50 each	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Balance at September 30	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Allotted, called up issued and fully paid:						
12,146,878,239 Ordinary shares issued at N0.5 each	6,073,439	6,073,439	6,073,439	6,073,439	6,073,439	6,073,439
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.

	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
26 Retained earnings						
Balance at January 1	116,253,934	112,328,413	112,328,413	117,436,206	112,908,938	112,908,939
Profit for the period	24,838,450	22,058,369	15,519,345	25,448,810	22,660,116	16,139,302
Adjustment to net difference arising on merger	-	87,469	87,469.00	-	87,469	87,469
Dividend paid during the period	(12,146,874)	(18,220,317)	(18,220,317)	(12,146,874)	(18,220,317)	(18,220,317)
Balance at September 30	128,945,510	116,253,934	109,714,910	130,738,142	117,436,206	110,915,392
27 Non-controlling interest						
Balance brought forward	(16,747)	(10,669)	(10,669)	-	-	-
Share of Profit/(loss) for the period	(6,165)	(6,078)	(6,270)	-	-	-
Balance at September 30	(22,912)	(16,747)	(16,939)	-	-	-

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	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
28 Borrowings						
<i>Held at amortised cost</i>						
Bank loan	830,096	984,487	1,035,125	830,096	984,487	1,035,125
	830,096	984,487	1,035,125	830,096	984,487	1,035,125
Non-current liabilities	657,781	764,448	984,487	657,781	764,448	984,486.79
Current liabilities	172,315	220,039	50,639	172,315	220,039	50,639
	830,095	984,487	1,035,125	830,095	984,487	1,035,125
Movement of borrowings						
Balance brought forward	984,487	1,179,138	1,179,138	984,487	1,179,138	1,179,138
Acquired	-	-	-	-	-	-
Accrued interest	94,975	137,840	105,354	94,975	137,840	105,354
Interest payment	(42,819)	(64,906)	(105,354)	(42,819)	(64,906)	(105,354)
Principal repayment	(206,547)	(267,584)	(144,012)	(206,547)	(267,584)	(144,012)
	830,095	984,487	1,035,125	830,095	984,487	1,035,125

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

29 Employee benefits

Defined benefit plan

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

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

Movement in gratuity	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
Balance as at 1 January	766,265	969,591	969,591	766,265	969,591	969,591
Additional provision	-	1,437	1,183	-	1,437	1,183
Gratuity acquired from Savannah Sugar Ltd	-	-	-	-	-	-
Released provision (Benefit paid previously)	-	(2,555)	-	-	(2,555)	-
Benefits paid from plan	(3,698)	(202,208)	(39,327)	(3,698)	(202,208)	(39,327)
Balance as at 30 September	762,568	766,265	931,447	762,567	766,265	931,447

Defined contribution plan

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

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

	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
30 Trade and other payables						
Trade payables	4,184,955	11,845,970	14,026,759	2,200,307	4,618,972	3,522,822
Letters of Credit	211,178,971	154,412,777	140,068,810	210,390,982	151,587,769	137,621,905
Dividend Payable	1,556,243	1,556,243	1,467,906	1,556,243	1,556,243	1,467,906
Accruals and sundry creditors	23,172,105	18,900,029	16,193,979	23,002,154	18,681,322	15,824,718
Other credit balances	40,862,515	3,281,357	3,156,597	40,573,663	2,993,695	2,811,368
Due to related parties (Note 35)	12,240,327	11,385,757	5,907,991	12,154,963	10,670,667	5,702,697
	293,195,116	201,382,133	180,822,042	289,878,311	190,108,668	166,951,416

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	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
31 Other Liabilities						
Advance payment for goods	9,535,848	4,505,815	877,265	9,535,848	4,505,806	877,256
31.1 Lease Liability	2,479,075	2,354,880	1,219,373	2,358,000	2,306,439	1,163,446
<i>Lease liabilities</i>						
	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
Opening balance as at 1 January	2,354,880	2,433,632	2,433,633	2,306,439	2,380,739	2,380,738
Additions	36,261	867,835	3,166	16,261	864,672	-
Interest expense	154,834	182,969	100,653	81,134	179,242	97,443
Exchange Difference	-	211,741	-	-	211,741	-
Payments made during the period	(66,901)	(1,341,299)	(1,318,079)	(45,834)	(1,329,954)	(1,314,734)
Closing balance as at 30 September	2,479,075	2,354,880	1,219,373	2,358,000	2,306,439	1,163,446
Current	1,103,799	1,220,023	589,595	1,024,170	1,171,582	533,668
Non-current	1,375,276	1,134,857	629,778	1,333,830	1,134,857	629,778
	2,479,075	2,354,880	1,219,373	2,358,000	2,306,439	1,163,446
31.2 Amounts recognised in the statement of profit or loss						
	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
Depreciation charge on right of use assets						
Land	-	72,643	17,013	-	72,643	17,013
Buildings	650,298	731,844	299,893	605,799	703,319	285,477
	650,298	804,487	316,906	605,799	775,962	302,489
Interest expense (included in finance cost)	81,691	182,969	71,058	81,134	179,242	71,058
Foreign exchange difference	-	211,741	-	-	211,741	-
Expense related to short term leases (included in administrative expenses)	-	20,486	5,063	-	20,486	5,063

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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 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
<i>Other income</i>						
Rental income on operating lease (Note 11)	80,283	188,011	68,697	80,283	188,011	68,697

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 30 September 2022 (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 2022) less cash and cash equivalents. Total capital is calculated as 'equity' as shown as at 30 September 2022 plus net debt.

The gearing ratio at 2022 and 2021 respectively were as follows:

	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
Total borrowings						
Borrowings (Note 28)	830,096	984,487	1,035,125	830,096	984,487	1,035,125
Less: Cash and cash equivalent (Note 24)	169,752,763	103,009,804	61,683,331	169,410,032	102,055,783	60,846,747
Net Cash	168,922,667	102,025,317	60,648,206	168,579,936	101,071,296	59,811,622
Total Equity	141,316,561	128,631,150	122,091,934	143,132,105	129,830,169	123,309,355
Gearing ratio	1%	1%	1%	1%	1%	1%

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.

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32 Risk management (continued)

Group	Less than one year	More than one year	Total
At 30 September 2022	N'000	N'000	N'000
Borrowings	172,315	657,781	830,096
Lease liability	1,103,799	1,375,276	2,479,075
Trade and other payables	39,597,387	-	39,597,387
	40,873,501	2,033,057	42,906,558
At 31 December 2021			
Borrowings	220,039	764,448	984,487
Lease liability	1,220,023	1,134,857	2,354,880
Trade and other payables	42,131,756	-	42,131,756
	43,571,818	1,899,305	45,471,123
At 30 September 2021			
Borrowings	50,639	984,487	1,035,126
Lease liability	589,595	629,778	1,219,373
Trade and other payables	36,128,729	-	36,128,729
	36,768,963	1,614,265	38,383,228
Company			
At 30 September 2022	Less than one year	More than one year	Total
	N'000	N'000	N'000
Borrowings	172,315	657,781.00	830,096.00
Lease liability	1,024,170	1,333,830	2,358,000.00
Trade and other payables	37,357,424	-	37,357,424
	38,553,909	1,991,611	40,545,520
At 31 December 2021			
Borrowings	220,039	984,487	1,204,526
Lease liability	1,171,582	1,337,081	2,508,663
Company	33,970,961	-	33,970,961
	35,362,582	2,321,568	37,684,150
At 30 September 2021			
Borrowings	50,639	984,487	1,035,126
Lease liability	533,668	629,778	1,163,446
Trade and other payables	25,050,237	-	25,050,237
	25,634,544	1,614,265	27,248,809

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

14% 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.

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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	GROUP	GROUP	COMPANY	COMPANY	COMPANY
	30/9/2022	31/12/2021	30/9/2021	30/9/2022	31/12/2021	30/9/2021
	N'000	N'000	N'000	N'000	N'000	N'000
Trade receivables	12,667,780	13,791,931	10,575,394	12,667,780	13,791,931	10,575,394
Other receivables	22,203,756	1,999,271	1,936,145	22,203,911	1,993,965	1,877,301
Deposit for open Letters of Credit with the banks	37,041,751	21,314,383	28,810,241	37,021,288	20,141,687	28,644,216
Amount due from related party	4,778,700	4,572,362	3,265,500	4,778,700	4,572,362	3,265,501
Cash and cash equivalents	169,752,763	103,009,804	61,683,331	169,410,032	102,055,783	60,846,747
	246,444,750	144,687,751	106,270,611	246,081,711	142,555,728	105,209,159

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.

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33 Financial assets by category

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

	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
Assets						
Trade and other receivables	76,691,987	41,677,947	44,587,280	76,671,679	40,499,945	44,362,412
Cash and cash equivalents	169,752,763	103,009,804	61,683,331	169,410,032	102,055,783	60,846,747
	246,444,750	144,687,751	106,270,611	246,081,711	142,555,728	105,209,159

34 Financial liabilities by category

	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
Liabilities						
Borrowings	830,096	984,487	1,035,126	830,096	984,487	984,487
Lease liabilities	2,479,075	2,354,880	1,219,373	2,358,000	2,306,439	1,163,446
Trade and other payables	293,195,116	201,382,133	54,497,731	289,878,311	190,108,668	166,951,416
	296,504,287	204,721,500	56,752,230	293,066,407	193,399,594	169,099,349

35 Related party information

35.1 Related parties and Nature of relationship and transactions

Related parties

NASCON Allied Industries PLC

Bluestar Shipping line Limited

Taraba Sugar Company Limited

Adamawa Sugar Company Limited

Nassarawa Sugar Company Limited

Dangote Global Services Limited (UK)

Dangote Oil and Gas Company Limited

Dangote Industries Limited

Dancom Technologies Limited

MHF Properties Limited

Greenview Development Company Limited

Kura Holdings Limited

Aliko Dangote Foundation

Dangote Sinotrucks west Africa Limited

Dangote Cement Plc

Dangote Packaging Limited

Nature of relationship and transactions

Fellow subsidiary from which the Company purchases raw salt as input in the production process

Fellow subsidiary Company that provides clearing and stevedoring services

Subsidiary- Backward integrated project

Subsidiary- Backward integrated project

Subsidiary- Backward integrated project

Fellow subsidiary- Payment for foreign procurements

Fellow subsidiary - Supply of AGO and LPFO

Parent company that provides management support and receives 7.5% of total reimbursables as management fees

Fellow subsidiary - Supply of IT services

Fellow subsidiary - Property rentals.

Fellow subsidiary - Property rentals.

Fellow subsidiary - Travel services

Under common control- Incurs expenses on each other's behalf

Fellow subsidiary- Supply of fleet trucks

Fellow subsidiary - exchange of diesel and LPFO

Fellow subsidiary- Supplies empty for bagging of finished sugar

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35 Related party information (continued)

	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY
iv) Amount owed by related parties	30/9/2022	31/12/2021	30/9/2021	30/9/2022	31/12/2021	30/9/2021
	N'000	N'000	N'000	N'000	N'000	N'000
Dangote Global Services Limited (UK)	741,724	1,097,948	1,330,460	741,724	1,097,948	1,330,460
NASCON Allied Industries PLC	304,562	152,465	189,520	304,562	152,465	189,520
Greenview Development Nigeria Limited	1,730,543	288,603	462,277	1,730,543	288,603	462,277
Dangote Oil and Gas Company Limited	181,081	181,081	-	181,081	181,081	-
Dangote Fertilizer Limited	-	1,107,193	1,107,193	-	1,107,193	1,107,193
Dancom Technologies Limited	(26,491)	-	13,000	(26,491)	-	13,000
AG Dangote Construction Limited	959,130	959,130	959,130	959,130	959,130	959,130
Aliko Dangote Foundation	117,135	81,667	88,086	117,135	81,667	88,086
Dangote Cement PLC	1,337,485	1,270,744	-	1,337,485	1,270,744	-
Dangote Industries Limited	-	-	43,986	-	-	43,986
Gross amount due from related parties (Note 23)	5,345,169	5,138,831	4,193,651	5,345,169	5,138,831	4,193,651
Allowance for impaired -related parties Trade(Note 23.2)	(389,301)	(389,301)	(373,541)	(389,301)	(389,301)	(373,541)
Allowance for impaired -related parties Non-Trade(Note 23.2)	(177,168)	(177,168)	(554,610)	(177,168)	(177,168)	(554,610)
Net amount due from related parties	4,778,700	4,572,362	3,265,499	4,778,700	4,572,362	3,265,500
v) Amount owed to related parties						
Dangote Cement PLC	7,519,876	7,116,217	5,074,028	7,437,741	6,749,076	5,074,028
Dangote Packaging Limited	51,844	602,842	397,746	51,844	602,842	397,746
Dangote Oil and Gas Company Limited	-	-	11,258	-	-	11,258
Kura Holdings Limited	3,446	30,325	25,718	3,446	30,325	25,718
Dangote Fertilizer Limited	1,256,888	-	-	1,256,888	-	-
Bluestar Shipping line Limited	476,680	1,119,791	43,068	476,680	774,547	43,068
Dancom Technologies Limited	3,231	17,263	2,705	-	14,558	-
Dangote Nigeria Limited Clearing	-	693	693	-	693	693
Dangote Sinotruck west Africa Limited	357,322	176,360	1,057,099	357,322	176,360	1,057,099
Dangote Industries Limited	2,571,040	2,322,266	-	2,571,040	2,322,266	-
	12,240,327	11,385,757	6,612,315	12,154,963	10,670,667	6,609,610

Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended September 30, 2022

Notes to the Consolidated and Separate Financial Statements

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 2022

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 Mr. Olakunle Alake	Board Member (Director)
4 Mr. Uzoma Nwankwo	Board Member (Director)
5 Ms. Bennedikter Molokwu	Board Member (Director)
6 Dr. Konyinsola Ajayi (SAN)	Board Member (Director)
7 Alh. Abdu Dantata	Board Member (Director)
8 Ms. Maryam Bashir	Board Member (Director)

List of key management staff

1 Mr. Ravindra Singhvi	Group Managing Director/CEO
2 Mr. Oscar Mbeche	Group Chief Finance Officer
3 Mrs. Temitope Hassan	Company Secretary/Legal Adviser
4 Mr. Christopher Okoh	Acting General Manager, Refinery
5 Mr. Babafemi Gbadewole	Chief Internal Auditor
6 Mr. Olashina Mateen Sadiq	Acting Head, Supply Chain
7 Mr. Sadiq Bello	General Manager, Sales and marketing
8 Mr. Hassan Salisu	General Manager, Human Resources and Admin.
9 Mr. Ayokunle Ushie	Head, Risk Management
10 Mr. Chinnaya Sylvian	Chief Executive Numan
11 Mr. Ito Unaam	Head, HSSE
12 Mr. Godfrey Ojo	Head, Internal Control
13 Ms. Ngozi Ngene	Head, Corporate Affairs

Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended September 30, 2022

Notes to the Consolidated and Separate Financial Statements

35 Related parties (Cont'd)

35.6 Compensation to key management staff

	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
Short-term employee benefits	-	452,330	-	-	452,330	-
	<u>-</u>	<u>452,330</u>	<u>-</u>	<u>-</u>	<u>452,330</u>	<u>-</u>

36 Employee costs

The following items are included within employee benefits expenses:

	GROUP 30/9/2022 N'000	GROUP 31/12/2021 N'000	GROUP 30/9/2021 N'000	COMPANY 30/9/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 30/9/2021 N'000
Direct employee costs						
Basic	1,490,408	2,791,767	1,287,042	1,490,408	2,791,767	1,287,042
Medical claims	149,563	24,268	18,467	149,563	24,268	18,467
Leave allowance	157,529	235,048	164,418	157,529	235,048	164,418
Short term benefits	2,669,055	1,781,206	2,150,074	2,669,055	1,237,557	2,150,074
Other short term costs	328,550	275,097	296,864	328,550	818,746	296,864
Pension	211,092	255,398	190,254	211,092	255,398	190,254
Termination benefits	-	-	-	-	-	-
	<u>5,006,197</u>	<u>5,362,783</u>	<u>4,107,120</u>	<u>5,006,197</u>	<u>5,362,783</u>	<u>4,107,120</u>

	30/9/2022 N'000	31/12/2021 N'000	30/9/2021 N'000	30/9/2022 N'000	31/12/2021 N'000	30/9/2021 N'000
Indirect employee costs						
Basic	821,870	964,755	694,326	821,870	962,694	694,326
Medical claims and allowance	43,166	10,042	13,507	36,372	10,042	13,507
NSITF and ITF levies	70,256	104,290	77,506	70,256	104,290	77,506
Short term benefits	1,261,315	1,874,293	1,100,617	1,402,735	1,742,607	1,100,617
Other short term costs	694,327	596,908	654,832	559,701	621,611	654,832
Pension	118,990	30,904	103,976	118,990	139,947	103,976
Termination benefits	213	-	3,788	213	-	3,788
	<u>3,010,138</u>	<u>3,581,191</u>	<u>2,648,552</u>	<u>3,010,138</u>	<u>3,581,191</u>	<u>2,648,552</u>

Total employee costs

Direct employee cost	5,006,197	5,362,783	4,107,120	5,006,197	5,362,783	4,107,120
Indirect employee cost	3,010,138	3,581,191	2,648,552	3,010,138	3,581,191	2,648,552
	<u>8,016,335</u>	<u>8,943,974</u>	<u>6,755,672</u>	<u>8,016,335</u>	<u>8,943,974</u>	<u>6,755,672</u>

Average number of persons employed during the period was:

	30/9/2022 Number	31/12/2021 Number	30/9/2021 Number	30/9/2022 Number	31/12/2021 Number	30/9/2021 Number
Management	143	129	124	128	115	110
Senior Staff	569	585	565	555	570	552
Junior Staff	2,111	2,116	2,126	2,086	2,104	2,114
	<u>2,823</u>	<u>2,830</u>	<u>2,815</u>	<u>2,769</u>	<u>2,789</u>	<u>2,776</u>

Dangote Sugar Refinery Plc

Consolidated and Separate Financial Statements for the Period Ended September 30, 2022

Notes to the Consolidated and Separate Financial Statements**37 Free Float Computation**

Company Name: Dangote Sugar Refinery Plc

Board Listed: Main Board

Year End: December

Reporting Period: Period Ended 30 Sept 2022(Q3)

Share Price at end of reporting period: N16.05 (2021:N17.40)

Shareholding structure/Free Float Status

Description	30-Sep-22		30-Sep-21	
	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:

Description	Unit	Percentage	Unit	Percentage
Alhaji Sani dangote (Deceased 14/11/2021)	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) 53,947,748,786.70 58,485,409,899.60

Declaration:

(A) Dangote Sugar Refinery Plc with a free float percentage of 27.67% as at 30 Sept 2022, is compliant with The Exchange's free float requirements for companies listed on the

(B) Dangote Sugar Refinery Plc with a free float value of N58,485,409,899.60 as at 30 Sept 2021, is compliant with The Exchange's free float requirements for companies listed

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.