HONEYWELL FLOUR MILLS PLC

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Honeywell Flour Mills Plc
Annual report for the year ended 31 March 2024

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CORPORATE INFORMATION

Board of Directors:	
Mr. Omoboyede Oyebolanle Olusanya	- Chairman
Mrs. Kate Osamede Iketubosin	- Vice Chairman /Independent Non-Executive Director
Mr. Nassib Raffoul	- Managing Director
Mr. Olanrewaju Bamidele Jaiyeola	- Non -Executive Director
Mr. Anders Lars Kristiansson	- Non Executive Director
Mr. Joseph Odion Umolu	- Non Executive Director
Mr. Sadiq Abubakar Usman	- Non Executive Director
Mr. VlasiosLiakouris	- Non Executive Director (Resigned 31 March 2023)
Registered Office:	1.Golden Place , Wharf Road , Apapa, Lagos
Registration Number:	RC 55495
Operational Office :	**Apapa Factory** 2nd Gate By-passTin Can island Port, Apapa Lagos.
	Sagamu Factory Sagamu Inter- Change Sagamu,Ogun State.
Company Secretary:	Mrs. Osomomen L. Olukoya Tel:+234 9088328458
Company Registrar:	Atlas Registrars Limited 34, Eric Moore Road , Iganmu , Lagos (Bagco - Building), PO Box 3554,Surulere, Lagos Tel: 2348175425054 +2348108724445 Email : registrars@atlasregistrars.com
Independent Auditor:	Ernst & Young 10th Floor, UBA House 57, Marina Lagos, Nigeria
Bankers	Access Bank Plc Ecobank Nigeria Plc Fidelity Bank Plc First Bank of Nigeria Limited Guaranty Trust Bank Limited Keystone Bank Limited Polaris Bank Limited Standard Chartered Bank Nigeria Limited Union Bank of Nigeria Plc United Bank for Africa Plc Zenith Bank Plc
Tax Identification Number:	01358728-0001

FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED 31 MARCH, 2024

	2024 N'000	2023 N'000	% Increase/ (decrease)
Major profit or loss items			
Revenue	188,311,035	147,350,739	28
Loss before taxation	(7,860,042)	(8,906,996)	(12)
(Loss)/profit after taxation	(10,119,778)	256,112	(4,051)
At year end			
Major statement of financial position items			
Shareholders' fund	22,856,511	32,976,289	(31)
Total assets	148,965,948	164,999,977	(10)
Total liabilities	126,109,437	132,023,688	(4)
Issued and fully paid share capital	3,965,099	3,965,099	-
Per 50k share data			
	Kobo	**kobo**	
(Loss)/earnings	(127.61)	3.23	
Dividend paid	-	-	
Net Assets	288.22	415.83	
Stock Exchange quotation as at 31 March (N)	3.9	2.22	

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF THE FINANCIAL STATEMENTS

The Companies and Allied Matters Act, 2020, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

i. keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, 2020, and the Financial Reporting Council of Nigeria (Amended) Act, 2023.

ii. establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

iii. prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria (Amended) Act, 2023.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its financial performance for the year ended 31 March 2024.The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Board of Directors By:

Omoboyede Oyebolanle Olusanya
Chairman
FRC/2017/IODN/00000017634
29 May, 2024

Anders Lars Kristiansson
Director
FRC/2014/ANAN/00000009819
29 May, 2024

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Certification Pursuant to Section 405(1) of the Companies and Allied Matters Act, 2020.

We the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended 31 March 2024 that:

a. We have reviewed the report;
To the best of our knowledge, the report does not contain:

- Any untrue statement of a material fact, or
- Omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made;

b. To the best of our knowledge, the financial statement and other financial information included in this report fairly present in all material respects the financial condition and results of operation of the Company as of, and for the periods presented in this report

c. We:

- are responsible for establishing and maintaining internal controls.
- have designed such internal controls to ensure that material information relating to the Company and is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
- have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
- have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

d. We have disclosed to the auditors of the Company and Audit Committee:

- All significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and
- Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls;

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Omoboyede Oyebolanle Olusanya
Chairman
FRC/2017/IODN/00000017634
29 May, 2024

Mathew Chadzimura
Finance Director
FRC/2017/ICAN/00000017014
29 May, 2024

CORPORATE GOVERNANCE

Honeywell Flour Mills Plc (HFMP) is committed to the best practices and principles of Corporate Governance. The Company is a member of the Society for Corporate Governance of Nigeria, and has successfully completed the Corporate Governance Rating System assessment - a joint initiative of the Nigerian Stock Exchange and the Convention on Business Integrity. Its business is conducted in a fair, honest and transparent manner which conforms to the Code of Corporate Governance issued by Securities and Exchange Commission and the Financial Reporting Council of Nigeria.

(i) Board Composition

The Board consists of a Non -Executive chairman, five (5) Non -Executive Directors , one (1)independent Non -Executive Directors and one (1) Executive Directors as at 31 March 2024, all bringing high level of competence and expertise. They are seasoned professionals and entrepreneurs with vast business management experience and credible track records . The Non-Executive Directors are indepensent of the management and are free from the contraints which may materially affect the judgement as Directors of the company,

(ii) Diversity on the Board

HFMP acknowledges the importance of diversity on its Board of Directors and seek to maintain a Board which comprises a diverse mix of skills, race, gender, culture, age, experience and knowledge to serve the strategic needs of the business. HFMP also acknowledges the fact that appropriate diversity on its Board will substantially improve group decision making and consequently, improve performance. To this end, the Board has implemented a Board Diversity Policy. The Board has one (1) female Director and a female Company Secretary during the period.

(iii) Role of the Board

The Board has the responsibility of ensuring that the Company is properly managed and achieves its strategic objectives with the aim of creating sustainable long term value to the Stakeholders

(iv) Records of Directors Attendance at Meetings

Members of the Board of Directors hold periodic meetings to decide policy matters with the aim of directing the affairs of the Company, review its operations, finances and formulate growth strategy. Board agenda and reports are provided ahead of meetings.

Further to the provisions of Section 284(2) of the Companies and Allied Matters Act 2020(CAMA), the records of the Directors' attendance at Board meetings during the year under review is available at the Company's Corporate Head office for inspection. In accordance with Corporate Governance principles, details of attendance at Board meetings during the year are as follows:

CORPORATE GOVERNANCE

Namaes of members	14-08-23	26-10-23	07-12-23	25-01-24
Mr. Boye Olusanya	Yes	Yes	Yes	Yes
Mr. Nassib Raffoul	Yes	No	Yes	Yes
Mr. Anders Kristiansson	Yes	Yes	Yes	Yes
Mr-Joseph Umolu	Yes	Yes	Yes	Yes
Mr. Sadiq Usman	Yes	Yes	Yes	Yes
Mr. Olanrewaju Jaiyeola	Yes	Yes	Yes	Yes
Mrs. Kate Osamede Iketubosin	Yes	Yes	Yes	Yes

(v) **Board Changes**

In the financial year ended March 31, 2024, there is no change to the Board of Honeywell Flour Mills PLC. The details of the directors that held office during the year are as stated above

(vi) **Committees**

a) Statutory Audit Committee

In compliance with section 404(3) of the Companies and Allied Matters Act (CAMA) 2020, shareholders representatives to the Audit Committee were elected at the Annual General Meeting held on 11 December, 2023, while Board reresentatives were appointed following the acquisitions . Members that served on the Committee during the year comprise:

Mr. Adebayo Adeleke	Shareholder
Mr. Afolabi J. Ogundipe	Shareholder
Mr. Ajani Musa	Shareholder
Mrs. Kate Osamede	Director
Mrs. Anders Kristiansson	Director

The committee, in the conduct of its affairs, reviews the company's overall risk managemwent and control systems, financial reporting arrangements and standards of business conduct. Members of the Audit Committee have direct access to the Internal Audit Department and Independent Auditors . The statutory functions of the committee are provided for in section 404(7) of the Companies and Allied Matters Act,2020.The details of the attendance at meetings of the Committee during the year are as follows:

	01-08-23	24-10-23	02-11-23	23-01-24	25-03-24
Mr Adebayo Adeleke (Chairı	Yes	Yes	Yes	Yes	Yes
Mr. Afolabi J. Ogundipe	Yes	Yes	Yes	Yes	Yes
Mr Ajani Musa	Yes	Yes	Yes	Yes	Yes
Mrs. Kate Osamede Iketubo:	Yes	Yes	Yes	Yes	Yes
Mr. Anders Kristiansson	Yes	Yes	Yes	Yes	Yes

CORPORATE GOVERNANCE

b) Audit and Risk Management Committee

The purpose of the Audit and Risk Management Committee is to assist the Board in fulfilling its responsibilities with regards to monitoring the overall risk management framework and compliance process of the company. Details of members of the committee during the year are as follows:

Mr. Anders Kristiansson (Chairman)
Mr. Olanrewaju Bamidele Jaiyeola
Mr. Joseph Umolu
Mr. Sadiq Usman

Attendance of meetings

	01-08-23	20-10-23	19-01-24	28-03-24
Mr. Anders Kristiansson	Yes	Yes	Yes	Yes
Mr. Olanrewaju Jaiyeola	No	Yes	Yes	Yes
Mr. Joseph Umolu	Yes	No	Yes	Yes
Mr. Sadiq Usman	Yes	Yes	Yes	Yes

c) Remuneration & Governance Committee

The Nominations Committee is empowered to bring to the board recommendations regarding the appointment of any Executive or Non-Executive Director.The Committee ensures that a review of Board candidates is undertaken in a disciplined and objective manner.

The members of the Remuneration and Governace Committee are:
Mrs Kate Iketubosin
Mr. Josep Umolu
Mr, Sadiq Usman

Attendance of meetings

	30-10-23	24-01-24
Iketubosin	Yes	Yes
Mr. Joseph Umolu	Yes	Yes
Mr. Sadiq Usman	Yes	Yes

d) Executive Management Committee

The Executive Management comprises the Executive Directors and Heads of Departments of the Core Business Units of the Company. It meets once a week and is responsible for setting overall Corporate targets, reviewing the Company's performance and operational issues and overseeing the affairs of the Company on a day-to-day basis. As at 31 March, 2024, the Executive Management comprised the following members:

CORPORATE GOVERNANCE

Mr. Nassib Raffoul	Managing Director
Mr. Mathew Chadzimura	- Finance Director
Mr. Boniface Isunuoya	- General Manager Operations – Tincan
Mr. Panos Ramos	- General Manager Operations – Sagamu
Mr. Isaac Oyekale	- Finance Controller
Mr. Ayo Akinwande	- Quality Assurance Manager
Mrs. Bisi Duduyemi	- Head, Human Resources
Mrs. Osomomem L. Olukoya	- Company Secretary

(vii) **Performance Evaluation of the Board**

The Board has established a system to undertake a formal and rigorous annual evaluation of its own performance, that of its Committees, the Chairman and individual Directors. The evaluation system includes the criteria and key performance indicators and targets for the Board, its Committees and each individual Committee member.

(viii) **Policies**

In keeping up with its practice of adhering to best Corporate Governance Standards, Honeywell Flour Mills Plc has put in place several policies which protect the interest of its customers and stakeholders. These include:

a. Security Trading Policy

In accordance with Section 14 of amended Listing Rules of the Nigerian Stock Exchange, Honeywell Flour Mills Plc has in place a Security Trading Policy.

During the financial year under review, the Directors and employees of the Company complied with the Nigerian Stock Exchange Rules relating to securities transactions and the provision of the Honeywell Flour Mills Plc Policy on insider trading.

b. Shareholders Enquiries and Complaints Management Policy

Honeywell Flour Mills Plc has in place a Complaints Management Policy in compliance with the Investments and Securities Act (ISA), 2007 and in line withthe Securities and Exchange Commission’s Rules relating to the Complaints Management Framework of the Nigerian Capital Market.

During the financial year, all enquiries and complaints covered under the Policy were promptly resolved.

Enquiries and complaints may be submitted through the following channels:

i. Company Registrar
Atlas Registrars Limited
34,Eric Moore Road
Iganmu,Surulere
Lagos
Tel: 234 8175425054, +2348108724445
Email: registrars@atlasregistrars.com.

ii. Company Secretary
Shareholders seeking to escalate unresolved complaints are directed to contact the Company Secretary at this location:

Office of the Company Secretary
1.Golden Penny Place,
Wharf Road
Apapa , Lagos
Email: oolukoya@fmnplc.com
Tel:+234 9088328458

c. Whistle Blowing Policy

Under its whistle blowing mechanism, employees of Honeywell Flour Mills Plc and other stakeholders including third parties are encouraged to report any observed or suspected acts of fraud, corruption or other irregularities. They may contact the independent helpline by telephone or online without fear of reprisal or recrimination and may do so anonymously if they so wish.

The Company guarantees that the identity of the reporting individual or organisation shall be accorded utmost protection and the report timely investigated and treated. Whistle-blowers may report misconduct, irregularities or malpractice via the following channels:

- whistleblower@honeywellgroup.com
- 0708 060 1099
- www.honeywellgroup.com/whistleblowing

d. Quality Policy

The Company is committed to the continuous achievement of business success by maintaining its quality leadership in the flour milling industry.

This is driven by a quality management system designed to ensure that customers are always provided with high quality products and services that meet International Standards. Such standards are in full compliance with all statutory and regulatory requirements which are set out in writing for adherence by all staff at all times.

CORPORATE GOVERNANCE

Honeywell Flour Mills Plc was the first flour milling company in Nigeria to be ISO-certified. All processes and procedures across the organisation are in line with international best practice to ensure the continuous production of good quality products for the complete satisfaction of its highly esteemed customer. The Company employs state-of-the-art facilities for the production of its various brands in conjunction with its technical partners Buhler AG of Switzerland (the world's leading milling equipment manufacturer) for the installation and maintenance of its mills as well as a partnership agreement with Muhlenchemie of Germany for the supply of additives.

e. Anti-bribery and Corruption Policy

Honeywell Flour Mills Plc is committed to upholding the highest levels of ethical standards and integrity in doing business. Hence, the Company has zero tolerance for fraud, bribery and corruption of any nature.

The Company acknowledges the importance of fairness in business and kicks against all acts which threaten to undermine the integrity of its business operations.The adverse effects of fraud, bribery and corruption are recognized through its core values which include 'integrity' - symbolizing our commitment to tenaciously maintain the highest ethical standards, and 'responsibility beyond ourselves' which denotes our intent to act as catalysts for positive change and development in our Society. This acts as the foundation of our dealings at Honeywell, and will continue to underpin our business operations.

The Company actively maintains an Anti-Bribery & Corruption Policy to reiterate its zero tolerance stance on fraud, bribery and corruption and such other unethical acts, to provide a framework to promote its stance on these, to promote transparency in its dealings and to ensure its reputation and stakeholders are adequately protected.

f. Others

In line with the Code of Corporate Governance, Honeywell Flour Mills Plc also has in place other policies which further strengthen its Corporate Governance Structure. They include:

- Conflict of interest & related party transactions policy
- Code of Ethics for employees and the Board of Directors
- Communications policy
- Board appointment policy
- Board remuneration policy
- Internal Control policy
- Robust charters for the Board and Committees
- Orientation & induction programme for new Directors

ix **Statement on Sustainability**

Honeywell Flour Mills Plc is passionate about creating and enabling the growth of sustainable value for all its stakeholders. The Company constantly assesses how its operations affect its immediate stakeholders and the broader environment and implements action plans which promote more sustainable business practices.

CORPORATE GOVERNANCE

Honeywell Flour Mills Plc's sustainability agenda has 2 broad objectives – creating a positive impact as a responsible corporate citizen, while minimizing the adverse effects of business operations on the environment. This agenda thus encompasses both Sustainability and Corporate Social responsibility initiatives, and is anchored on 4 pillars known as "HEED":

- Health & Safety
- Education
- Environment; and
- Driving economic growth

The Company's sustainability agenda aligns with the United Nations' Sustainable Development Goals, particularly:

- Goal 2: Zero hunger
- Goal 3: Good health and well-being
- Goal 4: Quality education
- Goal 8: Decent work and economic growth

Honeywell Flour Mills Plc recognizes that strong leadership and governance structures are critical to the success of its sustainability agenda, and to the growth and sustenance of its business as a whole. The Board of Directors, working with the Management Team, is responsible for promoting adherence to corporate governance principles and global best practice in business operations, and shall ensure that these business operations are conducted in a manner which aligns with the Company's sustainability agenda.

x. **Statement of Compliance with the Nigerian Code of Corporate Governance**

Honeywell Flour Mills Plc affirms that to the best of its knowledge, the Company is in compliance with the Nigerian Code of Corporate Governance. Practical demonstration of its compliance is shown by the following steps which have been taken:

Part A: Board of Directors & Officers of the Board

- The Board consists of a non-Executive Chairman, one(1) Independent Directors, five (5) non-Executive Directors and one (1) Executive Directors, supported by a competent Company Secretary.

- A Board Diversity Policy has been developed to ensure that the Board remains sensitive to the need for diversity in all forms including gender, age and experience.

- In addition to the statutory Audit Committee, the Board has established a Nominations, Governance & Remuneration Committee and a Business Development Committee all of which are governed by robust charters. The establishment of a Board Audit & Risk Management Committee is also in view.

- Training and induction of Directors is governed by the Board's Director of Development Policy. During the year under review, Board members received training on Strategic Leadership.

 The Board is guided by its Appointment Policy in making appointments to the Board, though there were no appointments made during the year under review. The policy sets out the criteria for Board appointments, and provides for the extensive screening and vetting of potential Directors. Upon appointment, new Directors are mandated to undergo an induction programme.

 The Board Remuneration Policy provides a framework for the remuneration of Executive and Non-Executive Directors, which enables the Company offer competitive and fair rates of pay and benefits to attract and retain people of proven ability, experience and skills whilst ensuring that there is no discrimination based on gender, race, ethnicity, religion or sexual orientation.

 Executive Directors compensation is performance driven , and consists of both fixed and variable remuneration components which are as follows:

- Base salary
- Performance incentive
- Benefits & allowances
- Terminal benefits

 Non-executive Directors' compensation consists of Directors fees, sitting allowances and reimbursable expenses.

Part B: Assurance

 A robust Enterprise Risk Management framework is utilized in monitoring business risks

 A whistle-blowing framework has long been established and is continuously communicated to stakeholders

Part C: Relationship with Shareholders

A Stakeholder Management, Engagement & Communication Policy has been developed to enable and encourage stakeholders to engage with the Company.

Part D: Business Conduct with Ethics

Several policies have been developed to demonstrate the Company's commitment to ethical business conduct. They include:

- Insider Trading policy
- Conflict of interest & related party transactions policy
- Anti-bribery & corruption policy

Part E: Sustainability

The Company's sustainability agenda is documented in a Sustainability policy.

Part F: Transparency

Material information is disclosed to stakeholders through the appropriate channels.

Osomomen L. Olukoya
FRC/2022/PRO/NBA/004/451605
Company Secretary

Lagos, Nigeria
29 May, 2024

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report on the financial statements of Honeywell Flour Mills Plc for the year ended 31 March 2024.

1 Incorporation

Honeywell Flour Mills Plc was initially registered as Gateway Honeywell Flour Mills Limited on 21 June, 1983. A change in the Company's ownership structure led to a change of the name to Honeywell Flour Mills Limited in June 1995. The Company was converted to a Public Liability Company in 2008. Its shares were listed on the Nigerian Stock Exchange (NSE) in 2009.

2 Principal Activities

The Company is principally involved in the manufacturing and marketing of wheat based products such as flour, semolina, whole wheat meal, noodles and pasta.

3 Result for the Year

The following is the summary of the company's operating results for the year ended 31 March,2024.

	2024	2023
	N'000	N'000
Revenue	**188,311,035**	**147,350,739**
Loss before taxation	(7,860,042)	(8,906,996)
Taxation	(738,451)	(628,679)
(Loss)/profit after taxation	**(8,598,493)**	**(9,535,675)**

There were no material changes to the nature of the company's business from the prior year.

4 Dividend

The directors do not recommend the declaration of any dividend in order to conserve fund.(2023:NIL)

5 Products Distribution

The Company's products are distributed through many distributors across the Country.

6 Suppliers

The Company obtains its materials from overseas and local suppliers. Amongst its main overseas and local suppliers are Star Trading Company Limited, Buhler A.G, First Blend Limited, Vitachem Nigeria Limited, Montizen Limited and Wahum Packaging Limited.

7 Directors' Shareholding

The direct and indirect interest of Directors in the Issued Share Capital of the Company as recorded in the Register of Directors Shareholdings and/or as notified by the Directors for the purposes of Sections 301 and 302 of the Companies and Allied Matters Act(CAMA) 2020. and the listing requirements of Nigerian Stock Exchange is as stated hereunder as at 31 March 2024.

REPORT OF THE DIRECTORS CONT'D

	2024 Direct	2024 Indirect	2023 Direct	2023 Indirect
Mr. Omoboyede Olusanya	-	-	N/A	N/A
Mrs Kate Osamede Iketubosin	-	-	N/A	N/A
Mr. Nassib Raffoul	-	-	N/A	N/A
Mr. Olanrewaju Jaiyeola	370,000	-	370,000	-
Mr. Andreas Kristiansson	-	-	N/A	N/A
Mr. Joseph Umolu	-	-	N/A	N/A
Mr. Sodiq Usman	-	-	N/A	N/A
	370,000	**-**	**370,000**	**-**

8 Directors' Interest in Contracts

None of the Directors have notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act (CAMA) 2020 of any disclosable interest in contracts with which the Company was involved during the year ended 31 March 2024.

Employment and Employees

9 i). **Employment Policy**

It is the policy of the Company that there should be no discrimination in considering applications for employment including those from physically challenged persons. However, there was no physically challenged person in the employment of the Company during the year.

ii). **Training and Development**

It is the Company's policy to equip all employees with the skills and knowledge required for the successful performance of their jobs. The Company sees the investment in its employees as a major part of its strategic development and have maintained a consistent policy of training its staff, both locally and internationally to enhance their skills and competence.

iii). **Health and Welfare of Employees**

It is the policy of Honeywell Flour Mills Plc that every employee is provided with a safe and healthy working environment so far as is practicable, having due regard to all moral, legal and economic obligations. The Directors of the Company recognize that they have a responsibility to ensure that all reasonable precautions are taken to maintain good working conditions that are safe, healthy and comply with all statutory requirements and best codes of practice. The Company provides Personal Protective Equipment to employees as required by the nature of their jobs and safety officers perform regular monitoring to ensure usage compliance. There are fully equipped clinics at its various sites of operation with full-time nurses and weekly attendance by a physician. It also offers free medical services through a health management services provider to all members of staff.

REPORT OF THE DIRECTORS CONT'D

The Company continuously strives to improve its operation to ensure a safe working environment. It also maintains high standard of hygiene in all its premises through sanitation practices and regular fumigation exercises, as well as installation of pest and rodent control gadgets.

The employee canteens at Apapa and Sagamu continue to provide nutritionally balanced healthy meals in a conducive environment, free for the Junior Staff and athighly subsidized rate for the Senior Staff.

Employees and stakeholders will continue to be encouraged to express their views on the Company's safety standards through the Safety Committee while Health and Safetytraining opportunities will be provided annually.

Subject to applicable laws we recruit, hire, train, promote, discipline, and provide other conditions of employment without regard to a person's race, colour, religion, sex, national origin, disability or other classifications protected under law.

10 Shareholding Analysis

The shareholding structure of the Company as at 31 March, 2024 is as stated below:

Share Range		**No. of Holders**	**% of Holders**	**No of Holdings**	**` Holdings**
1 -	1,000	12,602	37.65	10,400,703	0.13
1,001 -	5,000	13,747	41.06	36,199,902	0.46
5,001 -	10,000	2,845	8.50	23,339,483	0.3
10,001 -	50,000	2,805	8.38	66,802,138	0.83
50,001 -	100,000	603	1.80	46,981,103	0.58
100,001 -	500,000	647	1.93	138,129,781	1.7
500,001 -	1,000,000	102	0.30	77,019,828	0.95
1,000,001 -	5,000,000	102	0.30	201,601,238	2.52
5,000,001 -	10,000,000	11	0.03	91,628,395	1.29
10,000,001 -	50,000,000	8	0.02	163,997,769	3.21
50,000,001 and above		5	0.01	7,074,097,318	88.03
		33,477	100.00	**7,930,197,658**	**100**

11 Substantial Interest in Shares

According to the register of members, the following shareholders of the Company held at least 5 percent of the Issued Share Capital of the Company as at 31 March 2024:

	2024 Number	**%**
Ecowise Horizons Investments Limited*	3,841,846,799	48.45
Greywise Investment Solutions Limited*	2,323,836,751	29.3
Siloam Global Services Limited	618,000,000	7.79
	6,783,683,550	85.54

* Flour Mills of Nigeria Plc owns these shares indirectly through the above wholly owned icompanies.

REPORT OF THE DIRECTORS CONT'D

12 Donations, Sponsorship and Corporate Social Responsibility

No donation was made to any political party or organisation during the year
The value of gifts and donations made by the Company during the year amounted to Nil (2023 N2,151,674) and analysed as follows:

	2024	2023
	N	N
FRSC Road Safety Campaign and Other Events	-	766,968
Youth Sport Development	-	768,056
Women Empowerment Programme	-	220,645
Children Sponsorship Events	-	396,005
	-	2,151,674

13 Property, Plant and Equipment

Information relating to the changes in the items of Property, Plant and Equipment is disclosed in Note 16. In the opinion of the Directors the market value of the Company's properties is not lower than the value shown in the financial statements.

14 Independent Auditor

Messers Ernst & Young, have indicated their willignness to continue as auditors in accordance with Section 401(2) of the Companies and Allied Matters Act 2020. A resolution will be proposed to authorise the directors to fix their remuneration.

By Order of the Board

Osomomen L. Olukoya
FRC/2022/PRO/NBA/004/451605
Company Secretary
Lagos, Nigeria
29 May, 2024

AUDIT COMMITTEE REPORT

In compliance with the provisions of Section 404 (7) of the Companies and Allied Matters Act (CAMA), 2020, Report from the external auditors and management, we the members of the Audit Committee of Honeywell Flour Mills Plc received the Audited Financial Statements for the year ended 31 March 2024 together with Management report from the external auditors and management responses thereto at a duly convened meeting of the committee and hereby report as follows:

We confirm that:

(a). We reviewed the scope and planning of the audit requirements;

(b). We reviewed the external auditors' Management Control Report together with Management Responses ;and

(c). We have ascertained that the accounting and reporting policies of the company for the year ended 31 March 2024 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the scope and planning of the audit for the year ended 31 March 2024 was adequate and Management Responses to the auditors' findings were satisfactory.

We confirm that the internal control system was being consistently and effectively monitored through effective Internal Audit.

The External Auditors confirmed that they received full co-operation from the management during the course of the statutory audit.

The Committee therefore recommends that the Audited Financial Statements for the year ended 31 March 2024 and the External Auditors' Report thereon be presented for adoption at the Annual General Meeting.

Dated 27 May, 2024

Mr Adebayo Adeleke
Chairman, Audit Committee
FRC/2013/NIM/00000002317

Members of the Audit Committee

Mr. Adebayo Adeleke	-	Shareholder/Chairman
Mr. Afolabi J. Ogundipe	-	Shareholder
Mr Ajani Musa	-	Shareholder
Mr. Anders Lars Kristiansson	-	Director
Mrs. Kate Osamede Iketubosin	-	Director

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Independent Auditor's Report

To the Members of Honeywell Flour Mills Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Honeywell Flour Mills Plc ('the Company'), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How the matter was addressed in the audit
Valuation of inventories The carrying amount of inventories is significant and amounted to NGN52.5 billion representing 78.2% of the current asset, and 33.0% of total assets. The inventories write down for the year amounted to N547 million. At each reporting date, the Company determines, as required by the relevant accounting standards, whether the carrying amount of its inventories exceeds their net realisable value. In addition, all the Company's product inventories are tested for possible reductions in their expected selling prices below cost and estimation is required in arriving at the cost to completion and cost necessary to make the sale. We have focused on this area because of the significance of the balance involved and the fact that the estimation of the net realizable value of the inventories requires management judgments based on assumptions such as future selling prices and estimated cost to necessary to make the sale.	We performed the following procedures among others: • Observed year-end physical inventory count exercise and tested the related reconciliation and inventory measurement performed by management. • Evaluated management's assessment of inventory write-down and assessed the client's accounting policies for obsolete and slow-moving items. • Obtained an inventory aging report to identify items that are slow-moving or have not been sold within a reasonable period, inspected the inventory listing, and verified the accuracy of the quantities and unit cost for samples selected. We recalculated the provision for obsolescence and slow-moving items to ensure accuracy. • Selected inventories on sample basis using statistical sampling methods and checked the following procedures: tested the appropriateness of the Company's inventory measurement method in line with the requirements of IAS 2 Inventories and performed inventory pricing test on a sample basis. Performed net realisable value tests on a sample basis by comparing and ensuring that the value of inventory is the lower of cost and selling price minus the estimated costs of selling. • Checked that the disclosures in the financial statements were adequate and relevant as required by IAS 2 Inventories. The material accounting policy and judgments relating to the valuation of inventories are outlined in note 2.4.8 (Significant accounting judgements, estimates and assumptions). Refer to Note 19 to the financial statements for details of the balances.

Other Matter

The financial statements of Honeywell Flour Mills Plc for the year ended 31 March 2023, were audited by another auditor who expressed an unmodified opinion on those financial statements on 28 August 2023.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Honeywell Flour Mills Plc Annual Financial Statements for the year ended 31 March 2024", which includes the Report of the Directors, Statement of Corporate Responsibility for the Financial Statements, Statement of Directors' Responsibilities in Relation to the preparation of the Financial Statements, Corporate Governance and Other National Disclosures. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

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

In accordance with the requirements of the Financial Reporting Council of Nigeria (FRC) Guidance on Assurance Engagement Report on Internal Control over Financial Reporting:

We performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of March 31, 2024. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified conclusion in our report dated 30 May 2024.

Signed

Williams Erimona, FCA
FRC/2013/PRO/ICAN/004/00000002190

For: Ernst & Young
Lagos, Nigeria.

30 May 2024

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

		2024	2023
Assets	**Note(s)**	**N'000**	**N'000**
Non-Current Assets			
Property, plant and equipment	16	81,016,516	84,959,560
Intangible assets	17	92,162	162,543
Right of use-Asset	18	722,436	790,516
Total Non-current assets		**81,831,114**	**85,912,619**
Current Assets			
Inventories	19	52,497,009	32,056,412
Trade and other receivables	20	2,400,685	1,258,365
Prepayments	21	7,167,088	37,731,419
Cash and cash equivalents	22	5,070,052	8,041,162
Total current assets		**67,134,834**	**79,087,358**
			-
Total Assets		**148,965,948**	**164,999,977**
Equity and Liabilities			
Liabilities			
Non-Current Liabilities			
Borrowings	23	28,883,004	33,861,097
Deferred income	24	2,229,027	3,343,125
Lease Liability	25	730,023	574,624
Employee's long service award	28	145,322	277,116
Deferred tax liabilities	26	5,342,953	3,821,668
Total Non current liability		**37,330,329**	**41,877,630**
Current Liabilities			
Borrowings	23	4,687,205	42,572,915
Deferred income	24	1,114,100	1,426,037
Lease Liability	25	126,559	250,000
Trade and other payables	27	71,546,145	40,137,442
Contract liability	27.2	10,509,057	4,701,370
Derivative liability	29	-	270,883
Current tax payable	30.2	796,041	787,411
Total Current liability		**88,779,107**	**90,146,058**
Total Liabilities		**126,109,437**	**132,023,688**
Equity			
Share capital	31	3,965,099	3,965,099
Share premium	31.1	6,462,041	6,462,041
Revaluation reserves		19,388,109	19,388,109
Retained (loss)/earnings	31.2	(6,958,738)	3,161,040
Total Equity		**22,856,511**	**32,976,289**
Total Equity and Liabilities		**148,965,948**	**164,999,977**

The financial statements were approved by the Board of Directors on 29 May 2024 and signed on its behalf by:

Omoboyede Oyebolanle Olusanya	**Anders Lar Kristiansson**	**Mathew Chadzimura**
Chairman	**Director**	**Finance Director**
FRC/2017/IODN/00000017634	FRC/2014/ANAN/00000009819	FRC/2017/ICAN/00000017014

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 N'000	2023 N'000
Revenue	6	188,311,035	147,350,739
Cost of sales	7	(155,967,507)	(137,822,539)
Gross profit		**32,343,528**	**9,528,199**
Net operating gains/(losses)	8	2,281,989	1,364,745
Selling and distribution expenses	9.1	(2,547,664)	(2,110,637)
Administrative expenses	9.2	(3,510,134)	(3,656,376)
Impairment loss on trade receivables	9.4	(165,476)	(92,802)
Operating profit	10	**28,402,244**	**5,033,131**
Finance income	11	-	214,758
Finance costs	12	(36,262,285)	(14,154,885)
Loss before minimum tax		**(7,860,042)**	**(8,906,996)**
Minimum tax	30.2	(738,451)	(628,679)
Loss before taxation		(8,598,493)	(9,535,675)
Income tax (expense)/credit	30.1	(1,521,285)	9,791,787
(Loss)/profit for the year		**(10,119,778)**	**256,112**
Other comprehensive loss:			
Items that will not be reclassified to profit or loss in subsequent periods			
Revaluation loss		-	(14,141,652)
Deferred tax	26	-	1,414,165
Other comprehensive loss for the year (net of taxation)		-	(12,727,487)
Total comprehensive loss for the year		**(10,119,778)**	**(12,471,374)**
(Loss)/Earnings per share (kobo)			
Basic (loss)/earnings per share (kobo)	13	(127.61)	3.23
Diluted (loss)/earnings per share (kobo)	13	(127.61)	3.23

The accompanying policies and notes to the financial statements form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Share capital N'000	Share premium N'000	Revaluation reserve* N'000	Retained (loss)/earnings N'000	Total equity N'000
Balance at 1 April 2022	**3,965,099**	**6,462,041**	**32,115,596**	**2,904,927**	**45,447,663**
Other comprehensive income for the year (Note 16)	-	-	**(12,727,487)**	-	**(12,727,487)**
Profit for the year	-	-	-	256,112	**256,112**
Balance as at 31 March 2023	**3,965,099**	**6,462,041**	**19,388,109**	**3,161,039**	**32,976,288**
Balance at 1 April 2023	**3,965,099**	**6,462,041**	**19,388,109**	**3,161,039**	**32,976,288**
Other comprehensive income for the year	-	-	-	-	**-**
Loss for the year	-	-	-	(10,119,778)	**(10,119,778)**
Balance at 31 March 2024	**3,965,099**	**6,462,041**	**19,388,109**	**(6,958,738)**	**22,856,511**

* Revaluation reserves relate to the revaluation of property, plant and equipment.

The accompanying policies and notes to the financial statements form an integral part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

Cash flows from operating activities	Note(s)	**2024** N'000	**2023** N'000
Loss before taxation		(7,860,042)	(8,906,996)
Adjustments for:			
Depreciation and amortisation	15	5,901,992	5,546,300
Net losses on foreign exchange	9.2	24,998,548	4,093,173
Impairment charge on trade and other receivables	20	165,476	92,802
Profit on disposal of property,plant and equipment	8	(39,819)	(23,238)
Gain on modification of leases	25.1	(21,355)	-
Interest expense on lease liability	12	119,673	122,549
Interest expense on borrowing	12	11,144,064	9,939,163
Government grant income	24	(1,426,036)	4,769,162
(Reversal)/loss on derivative liability	29	(270,883)	270,883
Change in provision for Long service award	28	(131,793)	277,116
Changes in working capital:			
Increase in Inventories	19	(20,440,598)	(330,607)
(Increase)/decrease in Trade and other receivables	20	(1,307,796)	1,937,473
Decrease/(increase) in Prepayments	21	30,564,330	(35,087,960)
Increase/(decrease) in contract liability	27.2	5,807,687	(2,156,045)
Increase in Trade and other payables	27	24,263,440	17,734,937
Cash generated from operations		**71,466,890**	**(1,721,288)**
Tax paid	30.2	(729,821)	(757,159)
Net cash flow from/(used in) operating activities		**70,737,069**	**(2,478,448)**
Cash flows from investing activities			
Purchase of property, plant and equipment	16	(1,852,777)	(5,963,263)
Proceed from sale of property, plant and equipment	16.1	51,422	26,288
Purchase of other intangible assets	17	-	(45,068)
Net cash flow used in investing activities		**(1,801,355)**	**(5,982,042)**
Cash flow from financing activities			
Lease principal repaid	25	(45,673)	(144,273)
Proceeds from borrowing	23	-	30,000,000
Repayment of principal	23	(61,032,360)	(14,751,812)
Repayment of interest	23	(10,832,744)	(12,308,883)
Net cash flow (used in)/from financing activities		**(71,910,777)**	**2,795,032**
Total cash movement for the year		(2,975,063)	(5,665,458)
Cash at the beginning of the year		8,041,162	13,703,349
Net exchange gain on cash and cash equivalent	9.3	3,952	3,270
Total cash at end of the year		**5,070,052**	**8,041,162**

The accompanying policies and notes to the financial statements form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1 Corporate Information

Honeywell Flour Mills Plc was initially registered as Gateway Honeywell Flour Mills Limited on 21 June, 1983. A change in the company's ownership structure led to a change of the name to Honeywell Flour Mills Limited in June, 1995. The Company was converted to a Public Liability Company in 2008. Its shares were listed on the Nigerian Stock Exchange (NSE) in 2009. As part of its vertical integration strategy, the Company acquired 100% ownership of Honeywell Superfine Foods Limited, manufacturer of pasta and noodles in 2008.

Honeywell Flour Mills Plc is a company domiciled in Nigeria. The Company is principally engaged in the manufacturing and marketing of wheat-based products including Flour, Semolina, Whole Wheat Meal, Noodles and Pasta.

2 Accounting Policies

2.1 Statement of Compliance

The financial statements have been prepared on the going concern basis in accordance with,and in compliance with, standards issued by the International Accounting Standards Board (IASB) and effective at the time of preparing these financial statements, and in the manner required by the Companies and Allied Matters Act 2020 and Financial Reporting Council of Nigeria (Amendment Act), 2023.

2.2 Basis of Preparation

The financial statements have been prepared in accordance with the going concern assumption under the historical cost concept except for the following items:

- Property, plant and equipment: Initially at cost and subsequently at revalued amount.
- Non-derivative financial instruments – initially at fair value and subsequently at amortised cost using effective interest rate.
- Derivative financial instruments – measured at fair value.
- Inventory - lower of cost and net realisable value.
- Lease liability- measured at present value of future lease payments.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

2.3 Functional and Presentation Currency

The financial statements are are presented in Naira, which is the company's functional currency.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2.4 Material Accounting Policy Information.

The material accounting policies applied in the preparation of these financial statements are set out below.

2.4.1 Foreign Currency Transactions

Foreign currency transactions are translated into Naira using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. 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 income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'other gains (losses) - net'.

2.4.2 Property, Plant and Equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset,including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Major spare parts and stand by equipment which are expected to be used for more than one year are included in property, plant and equipment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

Property, plant and equipment is subsequently stated at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made within 3 to 5 years such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting year.

The fair value represents the price which an interested party in a property or an item of plant and machinery might reasonably be expected to realize in a sale by private treaty assuming the following:

- a willing buyer;
- a reasonable period within which to negotiate the sale taking into consideration the nature of the assets and the state of the market;
- values will remain static throughout the period; - the assets will be freely exposed to the market;
- no account is to be taken of an additional bid by a special purchaser; and
- no account is to be taken of expenses of realization which may arise in the event of a disposal.

Any increase in an asset’s carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset’s carrying amount, as a result of a revaluation, is recognised in profit or loss in the current year. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation reserve in equity.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Upon revaluation of assets, depreciation is calculated on the estimated useful life of the revalued assets.

Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged on an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or de-recognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation Method
Buildings	Straight line
Office Furniture and Equipment	Straight line
Plant and Machinery	Straight line
Motor vehicles	Straight line
Land	Not Depreciated

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the de-recognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is de-recognised.

2.4.3 Intangible Assets

(i) Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives. Costs associated with maintaining computer software programmes are recognized as expenses incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

- It is technically feasible to complete the software product and use or sell it;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demostrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development, employee costs and an appropriate portion of relevant overheads. Other development expenditure that do not meet these criteria are recognized as expenses as incurred. Development costs previously recognized as expense are not recognized as asset in subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful lives.

(ii) Amortization of Intangible Assets

Intangible assets are amortized on a straight-line basis in the income statement over their estimated useful lives, from the date that they are available for use. The estimated useful life of computer software is between 2 to 10 years. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted for where appropriate.

Impairment tests are performed on intangible assets when there is an indicator that they may be impaired. When the carrying amount of an item of intangible assets is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of intangible assets is de-recognised upon disposal or when no future economic benefits are expected from its continued use.

2.4.4 Financial instruments

(i) Recognition and initial measurement:

All financial instruments are measured initially at fair value plus directly attributable transaction costs and fees, except for those financial instruments that are subsequently measured at fair value where such transaction costs and fees are immediately recognized in profit or loss. Financial instruments are recognized (derecognized) on the date the Company commits to purchase (sell) the instruments (trade date accounting).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- fair value through OCI (FVOCI)
- Fair value through profit or loss (FVTPL).

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

A financial asset is measured at mortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Financial assets - Business model

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

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

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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In assessing whether the contractual cash flows are solely payments of principal and interest, the Company consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company consider:

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

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

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

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

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

Financial assets which are equity instruments:

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

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Financial assets which are debt instruments:

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

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

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or designated at fair value

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

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Financial assets - Subsequent measurement and gains and losses

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

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

(iii) Derecognition

The Company derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset s are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different , in which case a new financial liability based on the modified terms is recognised at fair value.

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On derecognition of financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

On derecognition of a financial asset other than in its entirely (e.g. when the entity retains an option to repurchase part of a transferred asset), the entity allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair value of those parts on the date of the transfer. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Company derecognises a financial liability only when its obligation is settled, cancelled or expired.

Trade and other receivables

Classification

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

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Company's business model is to collect the contractual cash flows on trade and other receivables.

Impairment

Financial instruments and contract
The Company recognise loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortised cost;

- debt investments measured at FVOCI; and

The Company measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

NOTES TO THE FINANCIAL STATEMENTS
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- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs using a simplified impairment methodology adjusted for current conditions and forward looking information.

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

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

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

- the borrower is unlikely to pay its credit obligation to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or

- the financial asset is more than 90 days past due.

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

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

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

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Measurement of ECLs

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

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

Credit impaired financial assets

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

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

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

Presentation of allowance for ECL in the Statement of Financial Position

Loss allowance for financial assets measured at amortised costs are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowances is charged to profit or loss and is recognized in OCI.

Write-off

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

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Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions, bank overdrafts and highly liquid investments generally with maturities of three months or less. Term deposit with tenor of one year or less are also included in cash and cash equivalents if they are held for short term cash commitments rather than for investment or other purposes. Cash equivalents are readily convertible into known amounts of cash and have an insignificant risk of changes in value. Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Borrowings and loans

Recognition and measurement

Borrowings and loans are recognised when the Company becomes a party to the contractual provisions of the loan. The loans are measured at initial recognition, at fair value plus transaction costs if any.

They are subsequently measured at amortised cost using the effective interest method.

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

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

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

Trade and other payables

Recognition and measurement

They are recognised when the Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

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

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

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

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

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Offsetting

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

Derecognition

Financial assets

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

NOTES TO THE FINANCIAL STATEMENTS
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Financial liabilities

The Group and Company derecognise financial liabilities when, and only when, the Group and Company obligations are discharged, cancelled or they expire. The Group and Company also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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

Government grants

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. While the balance at year-end that is yet to be recognised in profit or loss is recognised in the Statement of Financial Position as deferred income splitted between Current and Non-current liabilities.

NOTES TO THE FINANCIAL STATEMENTS
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2.4.5 Research and Development

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

2.4.6 Taxation

Income tax expense represents the sum of current tax expense and deferred tax expense.

Current tax and deferred tax are recognized in income statement except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

(i) Current Tax Expense

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Company is subject to the following types of current income tax:

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).

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

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

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Minimum tax, which is based on a gross amount is outside the scope of IAS 12 and therefore not presented as part of income tax expense in the profit or loss. Minimum tax was computed when the Company has no assessable or total profits, or tax payable which was less than minimum tax. The prevailing rate for minimum tax is 0.5% of gross turnover. The Finance Act (2020) defines 'gross turnover' as the gross inflow of economic benefits arising from operating activities of a company including sales of goods, supply of services, receipt of interest, rents, royalties, or dividends. The Group and the Company recognise minimum tax payable to the tax authority as part of their company income tax payable in the statement of financial position.

Nigeria Police Trust Fund levy-Nigeria Police Trust Fund levy is based on the Net profit of the Company and is governed by the Nigeria Police Trust Fund (Establishment) Act, 2019.

(ii) Deferred tax assets and liabilities

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

Taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for unused tax losses and for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

(iii) Tax Exposure

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due.This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expenses in the period that such determination is made.

2.4.7 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

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.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial rightof substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

(i) As a lessee

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

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

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

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

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

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

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

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

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

- for all other modifications, the Company account for it by making a corresponding adjustment to the right-of-use asset.

(ii) As a lessor

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

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

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

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

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

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

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

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of short term and low value assets. The Company recognises the lease payments associated with these leases as expenses on a straight line over the lease term.

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

2.4.8 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The basis of costing of different Inventory types are as follows:

- Raw materials components: Purchase cost including transportation and other incidental cost on a First In First Out (FIFO) basis.
- Goods in transit: Purchase cost incurred to date and other incidental costs and recognised as part of raw materials, consumable stores and maintenance spares as applicable
- Work in progress: Weighted average cost
- Finished goods: Purchase cost of direct materials, labour and a reasonable allocation of overhead sbased on normal operating capacity on a weighted average basis.
- Harvested agricultural produce: Fair value less cost to sell at the point of harvest.
- Consumable stores and maintenance spares: Weighted average cost.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as part of cost of raw and packaging materials' in the period in which the reversal occurs.

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Inventories include a "right to returned goods" which represents the Company's right to recover products from customers where customers exercise their right of return under the Company returns policy. The Company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

Spare parts and servicing equipment are usually carried as inventory and recognized in profit or loss using the weighted average cost method as consumed.However, major spare parts and stand-by equipment qualify as property, plant and equipment when the Company expects to use them during more than that one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment. Such classified spares are depreciated as property, plant and equipment over the useful life on a straight line basis.

2.4.9 Impairment of Assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- Tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount.

This impairment test is performed during the annual period and at the same time every period.

- Tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

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An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversalof an impairment loss of a revalued asset is treated as a revaluation increase.

2.4.10 Share Capital and Equity

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

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amount received from the issue of shares in excess of par value is classified as 'sharepremium' in equity. Dividends are recognised as a liability to the company in which they are declared.

2.4.11 Employee Benefits

(i) Defined Contribution Plans

The Company operates a defined contribution plan which is funded by contributions from the Company and the employees. The Company's contribution is recognized as employee benefit expenses and charged to the income statement. The contributions of both the company and the employees are paid on a monthly basis to a Pension Fund Administrator. The Company has no legal or constructive obligation to pay further contributions if the Pension Fund Administrator does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expenses when they are due.

(ii) Short-term Benefit

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit sharing plan if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS
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(iii) Long service award

In addition, the Company operates long service award for its qualified staff. The benefits are graduated depending on the employees' number of years in service to the Company. The Company's obligation in respect of the scheme is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximate to the term of the Company's defined benefits obligation. The obligation is determined by an independent actuary at each reporting period. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a long service award when the settlement occurs. Gains or losses due to remeasurement of long service awards are recognised in profit or loss.

(iv) Termination benefits

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

2.4.12 Provisions and Contingencies

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that the Company will be required to settle thatobligation and the amount has been reliably estimated. Provisions for restructuring costs are recognized when the Company has a detailed formal plan for the restructuring that hasbeen communicated to affected parties. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be acquired to settle the obligation using a pre-tax rate that reflects current market assessments of the timevalue of money and risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.4.13 Derivatives and hedge accounting classification

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
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2.4.14 Revenue from Contracts with Customers

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

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

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

Revenue recognition

(i) Sale of goods

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

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

(ii) Rendering of services

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

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

NOTES TO THE FINANCIAL STATEMENTS
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(iii) Interest Income

Interest income is recognized using the effective interest rate method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the investment, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognized using the original effective interest rate.

2.4.15 Dividend Distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Dividend liabilities are de-recognized once paid.

2.4.16 Earnings per Share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted averaged number of ordinary shares outstanding during the year,

2.4.17 Cost of Sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

3 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with the IFRS requires management to make judgments, estimates and assumption that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed in an on-going basis. Revision to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:-

Information about critical judgments in

- measurement of defined benefit obligations;

- provisions and contingencies; and

NOTES TO THE FINANCIAL STATEMENTS
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- measurement of Expected Credit Loss (ECL) allowances for the trade and other receivables and key assumptions in determining the weighted-average loss rate.

Refer to note 31 for details of use of estimates and judgments

4 Change in accounting Policy

4.1 New standards, amendments and Interpretations that became effective during the year

Amendments to the following standard(s) became effective in the annual period starting from 1 April 2023. The new reporting requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

- IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Making Materiality Judgements- Disclosure of Accounting Policies
- Amendments to IAS 12 Income Taxes- Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income Taxes- International Tax Reform- Pillar Two Model Rules
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors- Definition of Accounting Estimates

Amendment to IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. The company does not have any contracts that meet the definition of an insurance contract under IFRS 17, therefore, the amendment does not have any impact on the Company.

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Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. The amendment have had impact on the Company's disclosure of accounting policies, but not on the measurement, recognition or presentation of eny items in the Company's financial statements.

Amendments to IAS 12 Income Taxes- Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The Company has adopted the amendment to IAS 12 Intcome tax for the first time in the current year. The amendment has a minimal impact on the disclosures and amount reported in these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
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Amendments to IAS 12 Income Taxes- International Tax Reform- Pillar Two Model Rules

IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendment does not have any material effect on the Company.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

Following the amendments, the company is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes. The company has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. The amendment does not have any material impact on the Company.

4.2 New Standards, amendments and Interpretations issued but not yet effective

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

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

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

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. The IASB also added two new paragraphs (Paragraph 76A and 76B) to IAS 1 to clarify what is meant by "settlement" of a liability. The IASB concluded that it was important to link the settlement of the liability with the outflow of resources of the entity. The amendment is not expected to have any material impact on the Company

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The amendment confirm the following:

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.

**NOTES TO THE FINANCIAL STATEMENTS
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- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

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

Amendments to IAS 1 Non-current Liabilities with Covenants.

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

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

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

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

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

- The terms and conditions of the arrangements
- the carrying amount, and associated line items presented in the entity's statement of financial position, of the 'liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the 'finance providers

**NOTES TO THE FINANCIAL STATEMENTS
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- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement 'and comparable trade payables that are not part of a supplier finance arrangement

- Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity 'applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted 'If an entity with material supplier finance arrangements has not yet applied the amendments to IAS 7 and IFRS 7, the entity should provide clear disclosure of:

The approach to the presentation of significant supplier financing arrangements and, in accordance with IAS 1:122, the judgements made in applying that policy

- How supplier financing transactions have been reflected in the statement of cash flows

- the carrying amount of the liabilities in question and the line item(s) in which they are presented

- When supplier financing arrangements have been used as a tool to manage liquidity risk, the disclosures required by IFRS 7:39©

The amendment is not expected to have any material impact on the Company

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

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

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Lack of exchangeability – Amendments to IAS 21

The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed.

NOTES TO THE FINANCIAL STATEMENTS
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5 Segment Reporting

The Company's business operating segments are identified by t factories located at Apapa, Ikeja and Sagamu. The Apapa segment manufactures Flour, Semo and Wheat meal while Ikeja and Sagamu segments manufacture Noodles and Pasta respectively. The Sale agreement between Honeywell Flour Mill and Flour Mills of Nigeria Plc brought production activities at Ikeja factory to a halt in July 2022 and subsequently led to noodles contract milling at FMN Iganmu plant.

The chief operating decision maker , who is responsible for allocating resources and accessing performance of the operating segments , is the Board if Directors.

The Board reviwed the company's monthly financial and operational information in order to assess its performance and allocate resources,

The chief operating decision maker assesses the performance based on the operating profits for each operating segments.

Below is the summary of the operations from the two (2023: three) segments of the company:

31 March, 2024	**Apapa N'000**	**Sagamu N'000**	**Total N'000**
Revenue	145,895,361	42,415,674	188,311,035
Cost of sales	(121,078,110)	(34,889,396)	(155,967,507)
Gross profit	**24,817,250**	**7,526,278**	**32,343,528**
Other income	1,874,074	407,915	2,281,989
Selling and distribution expenses	(1,973,821)	(573,842)	(2,547,663)
Administrative expenses	(22,087,312)	(6,421,372)	(28,508,684)
Impairment loss on trade receivables	(128,203)	(37,272)	(165,475)
Operating profit	**2,501,988**	**901,707**	**3,403,695**
Finance cost	(8,726,663)	(2,537,074)	(11,263,737)
Loss before taxation	**(6,224,675)**	**(1,635,367)**	**(7,860,042)**
Income tax expense	(2,259,736)	-	(2,259,736)
Loss for the year	**(8,484,411)**	**(1,635,367)**	**(10,119,778)**
Segment assets and liabilities			
Total assets	93,848,547	55,117,401	148,965,948
Total liabilities	90,571,797	35,537,639	126,109,437

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31 March, 2023	Apapa	Sagamu*	Total
	N'000	N'000	N'000
Revenue	119,299,002	28,051,737	147,350,739
Cost of sales	(106,790,813)	(31,031,726)	(137,822,539)
Gross profit	**12,508,189**	**(2,979,989)**	**9,528,200**
Other income	1,324,247	311,381	1,635,628
Selling and distribution expenses	(1,783,963)	(419,476)	(2,203,440)
Administrative expenses	(6,493,549)	(1,526,881)	(8,020,429)
Operating profit/(loss)	**5,554,924**	**(4,614,965)**	**939,959**
Finance income	173,873	40,884	214,758
Finance cost	(8,146,225)	(1,915,488)	(10,061,712)
Loss before taxation	**(2,417,427)**	**(6,489,568)**	(8,906,995)
Income tax credit	8,859,803	303,305	9,163,108
Profit/(loss) for the year	**6,442,376**	**(6,186,263)**	256,113
Segment assets and liabilities			
Total assets	74,249,990	90,749,987	164,999,977
Total liabilities	66,011,844	65,697,504	131,709,348

As a result of a change in internal organisation resulting in the transfer of its operations from Ikeja to Sagamu, effective 1 April 2023, the Company changed the compositon of its operating segment and which resulted in a change in its reporting segment. Accordingly, the Company has restated the previously reported segment information for the year ended 31 March 2023.

		2024	2023
6	**Revenue**		
	Revenue from contracts with customers	**N'000**	**N'000**
	Sale of goods	188,311,035	147,350,739
6.1	**Disaggregated revenue information**		
	Timing of revenue recognition		
	Goods transferred at a point in time		
	Flour products	145,895,361	119,299,002
	Pasta products	42,415,674	28,051,737
	Total revenue	**188,311,035**	**147,350,739**

Disaggregation of revenue quantitative disclosure

The Company has assessed that the disaggregation of revenue by operating segments is appropriate in meeting this disclosure requirement as this is the information regularly reviewed by the Management in order to evaluate the financial performance of the Company.

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The Company determines that the categories used in the investor presentations can be used to meet the objective of the disaggregation disclosure requirement in paragraph 114 of IFRS 15, which is to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

6.2 Contract balances

Trade receivables	Note 20	2,361,476	906,345
Contract liabilities	Note 27.2	10,509,057	4,701,370

Contract liabilities represents the advance payments made by customers for goods to be supplied.

Revenue by geographical location of customers:
The company disaggregates revenue from customers as follows:

Apapa	145,895,361	119,299,002
Sagamu	42,415,674	28,051,737
Total revenue	**188,311,035**	**147,350,739**

7 Cost of Sales

		2024	2023
Cost of sales is analysed by nature as follows:		**N'000**	**N'000**
Raw and packaging materials consumed		140,601,683	123,994,336
Employee costs	Note 14.2	3,267,815	4,240,807
Depreciation	Note 15	5,516,072	5,051,904
Plant maintenance and power cost		5,708,363	3,659,887
Factory rent and rates*		-	65,158
Insurance		262,566	135,547
Other manufacturing expenses**		611,009	674,900
		155,967,507	**137,822,539**

* Factory rent and rates expense in prior year comprises of short term and low value leases which are excluded from the treatment under IFRS 16

** Other manufafacturing expenses consist of Regulation related expenses, Security expenses , cleaning and funmigation expenses, stationery and other factory consumables.

NOTES TO THE FINANCIAL STATEMENTS
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8 Net operating gains/(losses)

Government Grant Income		1,426,037	1,020,010
Gain on derivatives		270,883	(270,883)
Net gain on sale of property	Note 16.1	39,819	23,238
Sundry income*		545,251	592,380
		2,281,989	**1,364,745**

* Sundry income represents gain on scrap sales; gain on derecognition of ROU asset and lease liability and gain on actuarial valuation of long service award

9 Operating Expenses

The total of selling and distribution expenses, and administrative expenses, are analysed by function as follows:

9.1 Selling and distribution expenses (analysed by nature)

Employees cost	Note 14.2	1,050,386	1,095,139
Delivery expenses		101,415	93,987
Insurance		111,359	56,190
Consulting and other professionals fee		363	373
Subscriptions		3,522	13,693
Travelling and accommodation expenses		95,244	156,222
Rents & Rates*		-	5,949
Motor vehicle maintenance and running expenses		31,776	38,204
Marketing expenses		1,056,943	523,689
Depreciation and amortization	Note 15	76,694	104,892
Other expenses **		19,961	22,297
		2,547,664	2,110,637

* Rent and rates expense in prior year comprises of short term and low value leases which are excluded from the treatment under IFRS 16

** Other expenses comprises of Security expenses, Generators running expenses and Communication expenses

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

9.2 Administrative expenses (analysed by nature)

Directors' fees and other emolument	Note 14.2	53,708	41,532
Employees cost	Note 14.2	1,150,078	1,512,728
Delivery expenses		16	937
Insurance		154,296	78,181
Audit fees*		26,000	26,494
Consulting and other professionals fee**		169,101	67,471
Subscriptions		9,321	78,209
Travelling and accommodation expenses		137,503	282,155
Entertainment		-	-
Computer hardware maintenance expenses		25,477	1,297
Bank charges		69,660	147,392
Motor vehicle maintenance and running expenses		143,338	99,822
Depreciation and amortization	Note 15	309,226	389,504
Security services		27,196	13,986
Group Service Charge		1,150,000	855,196
Other expenses ***		85,212	61,472
		3,510,134	3,656,376

* **Non-audit Services**
In the current year, the amount of non-audit fees paid to the Statutory Auditors is Nil (2023: nil). Our Auditors did not render non-audit service to us.

** Details of professionals providing other forms of professional services on the financial statements are as follows:

Firm	Nature of services	FRC number of firm	Name of professional	FRC number of professional
Deloitte & Touche	Tax support services	FRC/2022/COY/091021	Olukunle Ogunbamowo	FRC/2013/ICAN/00000000818
Deloitte & Touche	Actuarial valuation of LSA	FRC/2022/COY/091021	Takalani Sikhavhakhavha	FRC/2023/PRO/NAS/004/802144
Jide Taiwo & Co	Valuation of PPE	FRC/2012/00000000254	Umoru Yakub	FRC/2014/NIESV/00000008842
PWC	ICFR advisory services	FRC/2013/COY/176894	Edafe Erhie	FRC/2013/PRO/ICA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

*** Other expenses comprises of Communication expenses and Office consumables

9.3	Foreign exchange loss		24,998,548	4,093,173
	Analysis of foreign exchange difference			
	Net exchange gain on cash and cash equivalent		(3,952)	(3,270)
	Net exchange loss on trade and other payable	Note 27	7,145,263	2,369,327
	Net exchange loss on short-term finance (Usance)	Note 23	17,857,238	1,727,115
			24,998,548	**4,093,173**

Foreign exchange loss have been reclassified for both current year and the comparative from administrative expenses and now separately presented on the face of profit or loss to enhance the relevance of the information to users.

9.4	Impairment loss on trade and other receivables		165,476	92,802
10	**Operating profit or loss before tax**			
	Operating loss for the year is stated after charging the following, amongst others:			
	Audit fees		26,000	26,494
	Consulting and professional services		169,464	67,844
	Directors' emolument	Note 14.2	53,708	41,532
	Employee costs	Note 14.2	5,468,279	6,848,674
	Short term lease expenses		-	5,949
	Depreciation and amortization	Note 15	5,901,991	5,156,796
11	**Finance income**			
	Interest income		-	214,758

Interest income of nil (2023: N215 million) was earned on intercompany loan receivable which was fully liquidated before 31 March 2023.

12	**Finance cost**			
	Interest expense on bank loan	Note 23	4,876,349	4,472,559
	Interest expense on subsidized loan	Note 23	4,892,546	5,466,604
	Interest expense on loan from related party	Note 23	1,375,169	-
			11,144,064	9,939,163
	Loss exchange difference		24,998,548	4,093,173
	Interest expense on lease liabilities	Note 25	119,673	122,549
	Total finance cost		**36,262,285**	**14,154,885**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

13 Earnings per share

Basic earnings per share

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

	31-Mar-24	31-Mar-23
(Loss)/profit for the year attributed to shareholders	(10,119,778)	256,112
Weighted average number of shares ('000)	7,930,198	7,930,198
Basic earnings per share (kobo per share)	(127.61)	3.23

As at the reporting date, the Company has no dilutive ordinary share (2023: Nil).Consequently, diluted and basic earnings per shares are the same

14 Emoluments of Chairman, Directors and Employees

14.1 Chairman and Directors emoluments	**2024**	**2023**
	N'000	**N'000**
Fees:		
Chairman	-	-
Others directors	6,000	2,779
	6,000	2,779
Other Emoluments:		
Chairman	-	-
Other directors	47,708	38,753
Total emoluments	53,708	41,532

Number of directors (excluding the Chairman) whose emoluments were within certain ranges were:

	Number	**Number**
below N5,000000	6	5
N5,000,001 and above	1	1
	7	**6**

No director waived his/her right to receive emoluments.
No pension was paid to the existing and past directors
No compensation for loss of office was paid to any of the directors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

14.2 Employees

As at 31 March, 2024 the company had 461 permanent employees (2023: 735).

Employee benefits expense is made up of the following for all employees, excluding executive directors:

	2024	2023
	N'000	N'000
Basic and other payroll cost	2,731,203	4,643,648
Directors' fees and other emolument	53,708	41,532
Pension contribution- employer	240,457	307,237
Long service awards	27,096	277,116
Bonus	52,025	110,781
Medical aid - company contributions	134,900	172,222
Staff uniform	147,570	-
Furniture allowance	195,003	275,167
Leave allowance	139,254	149,271
Other short term benefit	1,800,771	913,232
	5,521,987	6,890,207

Total employees costs charged as follows:

Cost of sales	Note 7	3,267,815	4,240,807
Selling and distribution expenses	Note 9.1	1,050,386	1,095,139
Administrative expenses	Note 9.2	1,150,078	1,512,728
Directors' fees and other emolument	Note 9.2	53,708	41,532
		5,521,987	6,890,206

Average number of persons employed during the year:

	Number	Number
Administration	97	203
Factory	331	421
Management	11	6
Sales and marketing	22	105
	461	735

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

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FOR THE YEAR ENDED 31 MARCH 2024

	Number	Number
Below 1,000,000	214	233
1,000,001 - 2,000,000	80	147
2,000,001 - 3,000,000	61	159
3,000,001 - 4,000,000	35	48
4,000,001 - 5,000,000	18	26
5,000,001 - 6,000,000	17	34
6,000,001 and above	36	88
	461	735

15	Depreciation and amortisation	2024	2023
		N'000	N'000
	Depreciation on Property, plant and equipment	5,784,218	5,334,728
	Depreciation on Rights of Use Assets	47,393	142,731
	Amortisation of Intangible Assets	70,381	68,841
		5,901,992	**5,546,300**

		2024	2023
		N'000	N'000
Cost of Sales	Note 7	5,516,072	5,051,904
Selling and distribution expense	Note 9.1	76,694	104,892
Administrative expenses	Note 9.2	309,226	389,504
		5,901,991	5,546,300

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

16 Property, Plant and Equipment

Cost	Land N'000	Buildings N'000	Plant and Machinery N'000	Office Furniture& Equipment N'000	Motor Vehicles N'000	Capital WIP N'000	Total N'000
At April 1, 2022	11,026,350	43,470,457	69,714,945	644,888	2,488,917	120,156	127,465,713
Additions	-	472,400	4,497,913	89,522	119,850	783,578	5,963,263
Disposals and scrapping	-	-	-	(473)	(159,031)	-	(159,504)
Revaluation	(1,168,750)	(14,299,812)	979,829	275,160	71,921	-	(14,141,652)
At March 31, 2023	**9,857,600**	**29,643,045**	**75,192,687**	**1,009,097**	**2,521,657**	**903,734**	**119,127,820**
At April 1, 2023	**9,857,600**	**29,643,045**	**75,192,687**	**1,009,097**	**2,521,657**	**903,734**	**119,127,820**
Additions	-	114,565	1,203,113	613	-	534,486	1,852,777
Disposals and scrapings	-	-	-	-	(122,517)	-	(122,517)
Transfer	-	338,511	1,099,709	-	-	(1,438,220)	-
At March 31, 2024	**9,857,600**	**30,096,121**	**77,495,509**	**1,009,710**	**2,399,140**	**-**	**120,858,080**
Depreciation and impairment:							
At April 1, 2022	**-**	**5,760,373**	**21,000,510**	**517,603**	**1,711,500**	**-**	28,989,986
Charged for the year	**-**	637,505	4,357,520	125,508	214,195	**-**	5,334,728
Disposal	**-**	-	-	(201)	(156,253)	**-**	(156,454)
At March 31, 2023	-	**6,397,878**	**25,358,030**	**642,910**	**1,769,442**	**-**	**34,168,260**
At April 1, 2023	-	6,397,878	25,358,030	642,910	1,769,442	-	**34,168,260**
Charged for the year	-	701,444	4,782,681	113,217	186,876	-	**5,784,218**
Disposals and scrapings	-	-	-	-	(110,914)	-	**(110,914)**
At March 31, 2024	**-**	**7,099,322**	**30,140,711**	**756,127**	**1,845,404**	**-**	**39,841,564**
Carrying Amount							
At March 31, 2023	9,857,600	23,245,167	49,834,657	366,187	752,215	903,734	84,959,560
At March 31, 2024	9,857,600	22,996,799	47,354,798	253,583	553,736	-	81,016,516

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Property, Plant and equipment was revalued on the 12 May 2022 by Umoru Yakub (FRC/2014/NIESV/00000008842) of Jide Taiwo & Co (FRC/2012/00000000254) to determine the fair value of the assets.The valuation basis used was Market basis .Market basis refers to the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and sellers in arm's length transactions.

Below would have been the Carrying amount if the cost model had been adopted:

	Land	Buildings	Plant and Machinery	Office Furniture& Equipment	Motor Vehicles	Capital WIP	Total
Cost	8,310,732	18,735,807	71,151,578	889,710	2,308,484	-	101,396,311
Accumulated depreciation and impairment	-	(8,235,353)	(30,775,104)	(768,127)	(1,863,535)	-	(41,642,120)
At March 31, 2024	8,310,732	10,500,453	40,376,474	121,583	444,948	-	59,754,191

Pledged as security

As at 31 March 2024, no specific property was pledged as security for loan (2023: Nil). There are negative pledges over the Company's Property, plant and equipment and floating assets which have been given in relation to the Company's borrowings.

Capital commitments

At 31 March 2024, the Company had no contractual commitments for the acquisition of property, plant and equipment (2023: Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Capital work in progress

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

Capital work in progress comprises:	2024	2023
	N'000	N'000
Buildings	-	260,276
Plant and machinery	-	643,458
	-	**903,734**

16.1 Disposal of Property, plant and equipment

In 2024 the Company disposed off some of its motor vehicles with a total net carrying amount of N11.6 million for a cash consideration of N51.42 million. The net gain on the disposal is recognised as part of other income in the statement of profit or loss.

17 Intangible Assets

Computer software	**2024**	**2023**
Cost	**N’000**	**N’000**
Balance as at 1 April	376,141	331,073
Additions	-	45,068
Disposal	-	-
Balance as at 31 March	**376,141**	**376,141**
Amortization		
Balance as at 1 April	213,598	144,758
Charge for the year	70,381	68,841
Balance as at 31 March	283,979	213,598
Carrying Amount		
At March 31	**92,162**	**162,543**

Pledged as security
As at 31 March 2024, no specific intangible asset was pledged as security for loan (2023: Nil).

NOTES TO THE FINANCIAL STATEMENTS
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Capital commitments
At 31 March 2024, the Company had no contractual commitments for the acquisition of intangible assets (2023: Nil).

		NPA Facilities	Onitsha Warehouse	Ikoyi Flat	Child Close	Point Road	Total
18	**Rights of use -Asset**						
	Cost :	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
	As at 1 April 2022	-	-	-	-	-	-
	Additions	845,347	27,852	31,670	17,600	10,778	933,247
	As at 31 March 2023	**845,347**	**27,852**	**31,670**	**17,600**	**10,778**	**933,247**
	As at 1 April 2023	845,347	27,852	31,670	17,600	10,778	933,247
	Additions	-	-	-	-	-	-
	Modification*	-	-	(31,670)	(17,600)	(10,778)	(60,048)
	As at 31 March 2024	**845,347**	**27,852**	**-**	**-**	**-**	**873,199**
	Depreciation						
	As at 1 April 2022	-	-	-	-	-	-
	Charge for the year	101,388	13,796	15,478	5,872	6,197	142,731
	Modification*	-	-	-	-	-	-
	As at 31 March 2023	**101,388**	**13,796**	**15,478**	**5,872**	**6,197**	**142,731**
	As at 1 April 2023	101,388	13,796	15,478	5,872	6,197	142,731
	Charge for the year	25,657	9,921	7,084	3,425	1,305	47,393
	Modification*	-	-	(22,562)	(9,297)	(7,501)	(39,361)
	As at 31 March 2024	**127,046**	**23,717**	**-**	**-**	**-**	**150,763**
	Carrying Amount						
	2024	718,301	4,135	-	-	-	722,436
	2023	743,959	14,056	16,192	11,728	4,581	790,516

During the year, the Company terminated some of the ongoing lease contracts, as the business no longer require the rental spaces, hence resulting in recognition of a modification gain amounting to N21.4 million (2023: Nil)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023
19	**Inventories**	**N'000**	**N'000**
	Raw and packaging materials	31,619,218	11,583,977
	Working in progress	571,595	653,757
	Finished goods	2,017,705	1,038,714
	Consumables and Maintenance spares	4,082,757	2,538,447
	Goods in transit	14,752,328	16,241,517
		53,043,603	32,056,412
	Inventory write-downs *	(546,594)	-
		52,497,009	**32,056,412**

* The amount of write down of inventories recognised as an expenses in cost of sale amounted to N547 million (2023: Nil)

The cost of inventories recognised in cost of sales during the year was N127.43 billion (2023: N123.99 billion).

20	**Trade and Other Receivables**		
	Financial instrument:		
	Trade receivables	3,036,581	1,415,974
	Loss allowance	(675,105)	(509,629)
	Trade receivables at amortised cost	2,361,476	906,345
	Trade receivables – related parties *	8,688	244,058
	Other receivables **	30,521	107,962
	Total trade and other receivables	**2,400,685**	**1,258,365**
	Split between non-current and current portions		
	Current assets	2,400,685	1,258,365
		2,400,685	**1,258,365**
	Reconciliation of changes in trade and other receivables included in statement of cashflow:		
	Balance as at 31 March 2024	(2,400,685)	(1,258,365)
	Balance as at 1 April 2023	1,258,365	3,288,640
	Change in trade and other receivables	(1,142,320)	2,030,275
	Less impairment charge on trade and other receivables during the year	(165,476)	(92,802)
		(1,307,796)	**1,937,473**

* Related party receivables expected credit loss was assessed as not significant.

** Other receivables represent receivables from employees of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Financial instruments and non-financial instruments components of trade and other receivables

At amortised cost	2,400,685	1,258,365

Exposure to Credit Risk

Trade receivables inherently exposes the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for credit worthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureu data where available). Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers is continuously monitored.

Trade receivables arise from both wholesale and retail sales. The customer base forretail trade is large and widespread, with a result that there is no specific significant concentration of credit risk from these trade receivables. Wholesale trade, while also large and widespread is geographically spread within the country. Management therefore assesses and monitors credit risk internally along these risk concentrations (Retail, wholesale country wide).

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance and trade receivables determined as the lifetime expected credit losses on trade receivables. These life times expected credit losses are estimated using a provision matrix, which is presented below.The provisoin matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date. The Company applies the following macro economics variable: inflation and foreign exchange forecast in deriving a scalar factor as a basis of computing the Company's expected credit loss in view of the economic conditions over the expected lives of the receivables.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

The estimation techniques explained have been applied for the first time in the current financial period, as a result of the adoption of IFRS 9. Trade receivables were previously impaired only when there was objective evidence that the asset was impaired. The impairment was calculated as the difference between the carrying amount and the present value of the expected future cash flows.

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Trade receivables - third parties	**Weighted average expected credit loss**	**2024 Gross carrying Amount at default N'000**	**2024 Loss allowance (lifetime ECL) N'000**	**2023 Gross carrying Amount at default N'000**	**2023 Loss allowance (lifetime ECL) N'000**
Expected Credit Loss Rate:					
Less than 30 days	7%	2,353,605	(167,789)	957,712	(110,798)
31-90 days past due	39%	347,047	(135,940)	104,508	(45,430)
91-180 days past due	73%	12,359	(9,054)	1,550	(1,198)
181-365 days past due	99%	24,384	(24,200)	14420	(14,420)
More than 365 days past (	100%	338,122	(338,121)	337,783	(337,783)
		3,075,517	(675,105)	1,415,974	(509,629)

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for Trade receivables:

	2024 N'000	**2023 N'000**
Opening balance	(509,629)	(416,827)
Allowance on trade receivables and other receivables	(165,476)	(92,802)
	(675,105)	(509,629)

The increase in the loss allowance during the year was largely as a result of the increase in receivables and by implication the gross amount of trade receivables increased.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

The expected credit risk for the trade receivables by type of counter party is as follows:

Trade receivables by counter-party	2024	2023
Wholesale customer	2,204,226	992,035
Retail customers	832,355	423,939
	3,036,581	**1,415,974**

During the year, the total amount of trade and other receivables written off is nil (2023: nil).

21 Prepayments

Deposit FX forward	-	33,430,631
Deposit for Letter of Credit *	5,507,503	-
Prepaid Import Duty	619,722	2,744,782
Advance Payment to Vendors	779,144	1,042,620
Prepaid expenses**	260,719	513,386
	7,167,088	**37,731,419**

* Deposits for Letter of Credit are deposits with bank for foreign currencies required to settle the invoices of foreign vendors. These deposits no interest.

** Prepaid expenses includes prepaid insurance premium, prepaid advert expenses, prepaid employees benefits and advance payment for short term leases.

22 Cash and Cash Equivalents

Cash and cash equivalent consist of:

Cash on hand	-	3
Bank balances	4,729,126	7,734,874
Short-term deposit *	340,926	306,285
	5,070,052	8,041,162

The expected credit loss for cash and cash equivalent items were computed but the results were immaterial and therefore not recognized

* Short term deposits represent temporary excess of liquidity invested in low-risk short-term bank deposits with a maturity of 1 - 3 months depending the immediate cash requirements of the Company. Included in the short-term deposits is unclaimed dividend returned by the Company's Registrar in line with the Securities and Exchange Commission directive, which is subject to restrictions until certain conditions are met.

There are no material difference between the fair value and the carrying amount of cash and cash equivalent.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

23		2024	2023
	Borrowings		
	Held at amortised cost:	**N'000**	**N'000**
	Secured		
	Term loan*	33,570,210	76,434,012
		33,570,210	76,434,012
	Split between non-current and current portions:		
	Non-current liabilities	28,883,005	33,861,097
	Current liabilities	4,687,205	42,572,915
		33,570,210	76,434,012

**Bank loans are secured by legal mortgage over company's property, plant and equipment with negative pledge

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

The carrying amounts borrowings are as follows:

	Carrying amount 2024 N'000	Carrying amount 2023 N'000
CBN Intervention Fund (ii)	27,376,168	26,455,518
Bank of Industry Limited (iii)	-	-
Fidelity Bank Plc RSSF (iv)	2,153,387	3,952,115
Polaris Bank Limited RSSF (v)	483,373	1,396,064
Fidelity Bank Plc RSSF (vi)	1,737,180	5,771,511
Usance - Imort finance facility	-	-
	31,750,109	**37,575,208**

Movement		**2024**	**2023**
		N'000	**N'000**
Balance at at 1 April 2023		76,434,012	61,828,429
Addition during the year		-	30,000,000
Accrued interest		11,144,064	9,939,163
Net foreign exchange loss	Note 9.3	17,857,238	1,727,115
Interest payment		(10,832,744)	(14,751,812)
Principal payment		(61,032,360)	(12,308,883)
Balance as at 31 March 2024		**33,570,210**	**76,434,012**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

i. The loan from Bank of Industry Limited (BOI) was granted to the Company to finance the new Pasta Factory located at Sagamu. The loan has a restructured tenor extended to February 2023, with 12 months moratorium on principal repayment between January and December 2018. This facility is domiciled with Polaris Bank Limited. The loan has a tenor of 7 years, with interest rate priced at 9%.

ii. The Company obtained a loan of N10billion from Fidelity Bank Plc, under the Central Bank ofNigeria (CBN) Real Sector Support Fund (RSSF) Programme to finance the Sagamu expansionproject. The loan was released in two tranches. The first tranche was granted in April, 2017 with original expected payment date of 11th January, 2024 while the second tranche was granted in August, 2017 with expected repayment date of 24th May, 2024. The loans have a tenor of seven (7) years each inclusive of two (2) years moratorium on principal repayment beginning from the date of first disbursement. Interest rate on the loan is priced at 9%.

iii. A loan of N5 billion was obtained from Skye Bank Plc, under the Central Bank of Nigeria (CBN) Real Sector Support Fund (RSSF) Programme to finance the Sagamu expansion project. The loan was granted in October, 2017 with expected repayment date of 10th October, 2024. The loans has a tenor of seven (7) years inclusive of two (2) years moratorium on principal repayment beginning from the date of first disbursement. Interest rate on the loan is 9%.

iv. A loan of N5 billion was obtained from Fidelity bank Plc, under the Central Bank of Nigeria (CBN) Real Sector Support Fund (RSSF) Programme to finance the Sagamu expansion project. This is currently being covered in the same offer letter with (iv) above.

Exposure to currency risk

The carrying amount of borrowings are denominated in Naira. However, refer to Note 32 for Financial instruments and financial risk management.

	2024	2023
Naira amount	**N'000**	**N'000**
Naira	33,570,210	76,434,012

Foreign currency per Naira		
USD	N1309	N561

Exposure to interest rate risk

Refer to note 35 for details of interest rate risk management for investments in Financial instruments and financial risk management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

24 Deferred income

This relates to expected income from government grant in nearest future.

Government grants- current portion	1,114,100	1,426,037
Government grants- non-current portion	2,229,027	3,343,125
	3,343,126	**4,769,162**

Movement		
Balance as at 1 April 2023	4,769,162	-
Additions	-	6,060,055
Recognized profit or loss	(1,426,037)	(1,290,893)
Balance as at 31 March 2024	**3,343,125**	**4,769,162**

The deferred income relates to government grants arising from the benefit received from below-market-interest rate government assisted loans (BOI, CACS, PAIF and RSSF loans) granted to date. The income is recognised in profit or loss at an amount proportionate to the additional finance costs incurred from amortisation of the loan.

25 Lease Liability

	2024 N'000	2023 N'000
As at 1 April 2023	824,624	-
Lease Liability	-	846,348
Interest Expense	119,673	122,549
Modification	(42,042)	-
Payment	(45,673)	(144,273)
As at 31 March 2024	**856,582**	**824,624**
Analyzed into:		
Non-current liabilities	730,023	574,624
Current liabilities	126,559	250,000
	856,582	**824,624**

25.1 Reconciliation of gain on modification of leases recognised in statement of cashflow

Impact of modification of right of use assets	Note 18	(20,687)
Impact of modification on lease liability	Note 25	42,042
Gain on modification of leases		**21,355**

26 Deferred tax

Deferred tax liability	5,342,953	3,821,668

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Analysis of deferred tax (assets)/liabilities

31 March, 2024

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
	At Apr-23			At Mar-24
Deferred tax liabilities in relation to:	**N'000**	**N'000**	**N'000**	**N'000**
Property, plant and equipment	5,235,833	7,810,808	-	13,046,641
Revaluation loss on PPE	(1,414,165)	-	-	(1,414,165)
Unutilised tax credits	-	(4,365,738)	-	(4,365,738)
Tax losses	-	(1,565,953)	-	(1,565,953)
Allowance for bad debt	-	(313,564)	-	(313,564)
Lease liability	-	(282,672)	-	(282,672)
Right of use assets	-	238,404	-	238,404
	3,821,668	**1,521,285**	**-**	**5,342,953**

31 March, 2023	Opening Balance	Recognised in profit or loss	Recognised in other compre-hensive income	Closing Balance
Deferred tax liabilities in relation to:	**N'000**	**N'000**	**N'000**	**N'000**
Property, plant and equipment	15,128,762	(9,892,929)	-	5,235,833
Revaluation loss on PPE	-	-	(1,414,165)	(1,414,165)
	15,128,762	**(9,892,929)**	**(1,414,165)**	**3,821,668**

Movement in Deferred tax liabilities		
Balance as at 1 April 2023	3,821,668	13,714,597
Charge/(credit) for the year recognised in profit or loss	1,521,285	(9,892,929)
Balance as at 31 March 2024	**5,342,953**	**3,821,668**

The tax assessments and computations for the year ended 31 March 2024 were performed by Olukunle Ogunbamowo, FRC/2013/ICAN/00000000818 of Messrs Deloitte & Touche, FRC/2022/COY/091021.

	2024	**2023**
27 Trade and Other Payables	**N'000**	**N'000**
Financial instruments:		
Trade payables	2,871,324	2,130,530
Trade payables (Related parties)	45,225,154	17,854,197
Unclaimed dividend (27.1)	340,926	306,285
Accrued expenses	22,230,458	19,315,883
	70,667,863	39,606,895

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Non-financial instruments:		
Output Vat payables	550,874	226,458
Payee payables	265,197	250,219
Witholding Tax Payable -State	62,125	53,783
Pension and sundry taxes	87	87
	71,546,145	40,137,442

Reconciliation of changes in trade and other payables included in statement of cashflow:		
Balance as at 31 March 2024	(40,137,442)	(20,033,178)
Balance as at 1 April 2023	71,546,145	40,137,442
Change in trade and other receivables	31,408,703	20,104,264
Less foreign exchange loss recognised during the year Note 9.3	(7,145,263)	(2,369,327)
	24,263,440	**17,734,937**

27.1. The unclaimed dividend represents amount returned by the Company's Registrar in line with the Securities and Exchange Commission directive that all unclaimed dividend in the custody of the Registrars should be returned to the paying Company 12 months after the date of approval of dividend at a general meeting.

27.2 Contract Liability	10,509,057	4,701,370
Movement		
Balance as at 1 April 2023	4,701,370	6,857,415
Advance payment made during the year	11,497,734	6,786,643
Amount recognised as revenue during the year	(5,690,047)	(8,942,688)
Balance as at 31 March 2024	10,509,057	4,701,370

Contract liability represents the advance payments made by customers for goods to be supplied. Revenue is recognised at the point the control of the products are transferred to the customers.

28 Long service award

The Company operates a long service award scheme where employees are rewarded after a specific number of years in service. Employees are entitled to the benefits after being in service for 5, 10, 15, 20, and 25 years. The amounts given are based on the number of years in service.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out by Takalani Sikhavhakhavha, FRC registration number: FRC/2023/PRO/NAS/004/802144 of Deloitte and Touche. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Carrying value

The amount included in the statement of financial position arising from the Company's obligations in respect of its long service awards is as follows:

	N'000	N'000
Long service awards	145,322	277,116

Movements in the account during the year was as follows:

At beginning of the year	277,116	-
Net transfer	(26,145)	-
Net expense / (credit) recognised in profit or loss	(68,038)	277,116
Benefits paid during the year	(37,610)	-
At the end of the year	**145,322**	**277,116**

Net expense / (credit) recognised in profit or loss

Current service cost	30,812	277,116
Interest cost	36,929	-
Actuarial losses/(gains)	(135,779)	-
	(68,038)	**277,116**

Key financial assumptions used

The principal assumptions for the purpose of the actuarial valuations were as follows:

	Valuation at 2024	**2023**
Discount rate (per annum)	18.70%	14.31%
Expected rate(s) of salary increases (per annum)	14.00%	13.00%
Average rate of inflation (per annum)	13.00%	12.00%
Benefit inflation rate (per annum)	6.50%	6.50%
Average duration of the plan (years)	5.27	6.36

Demographic assumptions

Mortality and withdrawal from service

The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK due to unavailability of published reliable demographic data in Nigeria.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Sample age	**Number of deaths in year out of 10,000 lives**	**Withdrawal from Service (Age band)**	**Withdrawal from Service (Rate)**
25	7	</=30	5.0%
30	7	31 - 39	3.0%
35	9	40 - 44	2.0%
40	14	45 - 50	1.5%
45	26	51 - 55	1.1%
		56 - 59	2.5%

Sensitivity analysis
Reasonable

		N'000
Base		145,322
Discount rate	+0.5%	142,114
	-0.5%	148,668
Salary increase rate	+0.5%	146,933
	-0.5%	143,855
Benefit escalation rate	+0.5%	149,043
	-0.5%	141,739
Mortality experience	Age rated up by 1 year	145,116
	Age rated down by 1 year	145,484

		N'000
Base		277,116
Discount rate	+1%	261,146
	-1%	294,797
Salary increase rate	+1%	290,468
	-1%	265,040
Benefit escalation rate	+1%	280,089
	-1%	274,233
Mortality experience	Age rated up by 1 year	276,124
	Age rated down by 1 year	278,011

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

29	**Derivative liability**		
	Foreign currency future contract - forwards*	-	270,883

* The Forward contracts was concelled during the year resulting in the reversal fair value of derivative liability recognised in net operating gains or losses. The company did not enter any other derivative contract.

30	**Income taxes**	**2024**	**2023**
30.1	**Income tax expense**	**N'000**	**N'000**
	Current		
	Corporate Tax	-	-
	Tertiary Education Tax	-	101,142
		-	101,142
	Deferred		
	Originating and reversing temporary differences	1,521,285	(9,892,929)
		1,521,285	**(9,791,787)**
30.2	Minimum Tax	**738,451**	**628,679**

Minimum tax was computed for the Company because it has no total taxable profits. During the year, the Company computed minimum tax based on 0.50% (2023: 0.5%) of the gross turnover of the Apapa Segment because the Sagamu Segment is still under pioneer status and this amounted to N738 million (2023: N629 million). while tertiary education tax is calculated at nil (2023: 3%) of the estimated assessable profit for the year, during the year, the Company reported assessable loss therefore there is no tertiary education tax (2023: N101 million).

		2024	**2023**
30.2	**Current Tax Payables**	**N'000**	**N'000**
	At 1 April	787,411	814,749
	Minimum Tax	738,451	628,679
	Charges for the year	-	101,142
		1,525,862	1,544,570
	Payment during the year	(729,821)	(757,159)
		796,041	**787,411**
	Cash flow reconciliation of tax paid		
	Balance at beginning of the year	(787,411)	(814,749)
	Current tax for the year recognised in profit/loss	(738,451)	(729,821)
	Balance at end of the year	796,041	787,411
		(729,821)	(757,159)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

30.3 Reconciliation of the Tax Expenses - Effective Tax Rate

Reconciliation between accounting profit and tax expense		
Loss before tax	(8,598,493)	(9,535,675)
Tax at the applicable tax rate of 30% (2023: 30%)	-	-
Tax effect of adjustments on taxable income;		
Effect of concessions (research and development and other allowances)	(62,978)	-
Effect of expenses that are not deductible in determining taxable profit	331,853	1,268,146
Effect of income that is exempt from taxation	(255,223)	(54,441)
Balancing charge	-	7,901
Adjustement recognised due to difference in tax rates	102,199	-
Impact of Tertiary Education tax	-	101,142
Derecognition of previously recognised deductible temporary	1,405,434	-
Previously unrecognised deductible temporary difference now recognis	-	(11,114,535)
Income tax expense recognized in profit or loss	1,521,285	(9,791,787)

31 Share Capital

Issued		
7,930,197,658 ordinary shares of 50k each	3,965,099	3,965,099

31.1 Share premium	6,462,041	6,462,041

31.2 Retained earnings

Balance at April 1, 2023	3,161,039	2,904,927
(Loss)/Profit for the year	(10,119,778)	256,112
Balance at March 31, 2024	**(6,958,738)**	**3,161,039**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

32 Financial Commitments

The Directors are of the opinion that all known liabilities and commitments have been taken into account in the preparation of the financial statements under review. These liabilities are relevant in assessing the Company's state of affairs as at 31 March 2024.

33 Pending Litigation

The Company is involved in litigation in the ordinary course of business as at 31 March 2024. The outcome of which had not been determined at year-end.

The directors believe that any liability that may arise on conclusion of the reviews is not likely to be material. However, the amount of the ultimate liability if any, cannot be reliably estimated as at the reporting date. Accordingly, no provision has been made in these financial statements. The directors have not made further disclosures about the nature of the regulatory reviews as doing so would amount to disclosing information that could prejudice or harm the Company's position on the matters.

34 Related Parties

The directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company areconsidered as related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Relationships

Parent Company	Flour Mills of Nigeria Plc
Name of related party	**Nature of relationship**
Honeywell Flour Mills Plc	Fellow subsidiary
Bagco (Division of FMN Plc)	Fellow subsidiary
Golden Transport (Division of FMN Plc)	Fellow subsidiary
Apapa Bulk Terminal Limited	Fellow subsidiary
Golden Sugar Company Nigeria Limited	Fellow subsidiary
Premier Feed Mills Company Limited	Fellow subsidiary
Nigerian Eagles Flour Mills Limited	Fellow subsidiary
Crestview Towers Limited	Fellow subsidiary
Agri Palm Limited	Fellow subsidiary
Agri Estates Limited	Fellow subsidiary
Sunflag Farms Limited	Fellow subsidiary
Shao Golden Farms Limited	Fellow subsidiary
Premium Edible Oil Products Limited	Fellow subsidiary
Premium Cassava Products (Division of Golden Sugar Ltd)	Fellow subsidiary
Best Chickens Limited	Fellow subsidiary
Sunti Golden Sugar Estates Limited	Fellow subsidiary
Golden Agri Inputs Limited	Fellow subsidiary
Eastern Premier Feeds Limited	Fellow subsidiary

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Related Parties Transactions
The company enters into transactions with some companies in which the Ex-Chairman, Dr. Oba Otudeko has significant interest (related parties) in the normal course of business and at normal market prices.

The details of transactions and balances outstanding at the end of year are as follows:

The following transactions were carried out with related parties during the year:

	2024	2023
Purchase of goods and services	**N'000**	**N'000**
Flour Mills of Nigeria Plc	2,033,282	5,509,228
Bagco (Division of FMN Plc)	3,396,308	782,505
Golden Transport (Division of FMN Plc)	992,171	228,181
	6,421,760	**6,519,914**
Sale of goods and services		
Premier Feed Mills Company Limited	122,100	-
	122,100	**-**
Interest expense		
Flour Mills of Nigeria Plc	1,606,277	501,014
	1,606,277	**501,014**
Interest income		
Flour Mills of Nigeria Plc	114,932	-
	114,932	**-**

Related party transactions disclosed is inclusive of the relevant Value Added Tax applicable on the transactions.

Due from related parties

	Nature of Transaction	Transactions during the year N'000	Closing balances N'000
Due from related parties			
Northern Nigeria Flour Mills	Sales of goods	(237,204)	-
Premier Feed Mills Company Limited	Sales of goods	3,835	3,835
Nigeria Eagle Flour Mills Ltd	Sales of goods	(2,001)	4,853
		(235,370)	**8,688**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Due to related parties

	Nature of Transactio n	Transactions during the year N'000	Closing balances N'000
Due to related parties			
Flour Mills of Nigeria Apapa	Purchase of goods	27,333,726	45,176,668
Apapa Bulk Terminal Limited	Purchase of goods	145	817
Premium Edible Oils Limited	Purchase of goods	(3,189)	-
Premier Feed Mills Company Limited	Purchase of goods	(540)	-
Northern Nigeria Flour Mills	Purchase of goods	47,669	47,669
Nigeria Eagle Flour Mills Ltd	Purchase of goods	(6,854)	-
		27,370,957	**45,225,154**

(b) Transactions with Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director of the Company.

Key management personnel compensation comprises of the following:

Compensation of key management personnel		
Short term benefits	50,580	38,836
Post-employment benefits (Pension) Defined contribution plan	3,128	2,696
	53,708	**41,532**

35 Significant Judgment and Key Sources of Estimation

In preparing its financial statements, the Company has made significant judgments, estimates and assumptions that impact on the carrying value of certain assets and liabilities, income and expenses as well as other information reported in the notes. The Company periodically monitors such estimates and assumptions and make sure that they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

The judgments made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in the financial statements, and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financialyear are addressed below.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Allowance for expected credit loss
The Company periodically assesses its trade and other receivables for probability of credit losses. Management considers several factors including past credit record, current financial position and credibility of management. Estimation and assumptions are made in determining the allowances made for credit losses.

The amount of impairment loss recognized for financial assets carried at amortized cost is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Net realizable value of inventories
Inventories are stated at the lower of cost and net realizable value. The cost of inventories is written down to their estimated realizable value when their cost may no longer be recoverable, such as when inventories are damaged or become wholly or partly obsolete or their selling prices have declined. In any case, the realizable values represent the best estimate of the recoverable amount, based on the most reliable evidence available at the reporting date and inherently involve estimates regarding the future expected realizable value. The benchmarks for determining the amount of write-downs to net realizable value include ageing analysis, technical assessment and subsequent events.

In general, such an evaluation process requires significant judgment and may materially affect the carrying amount of inventories at the reporting date.

Deferred tax estimation
Recognition of deferred tax assets and liabilities involves making a series of assumptions. As far as deferred tax assets are concerned, their realization ultimately depends on taxable profits being available in the future. Deferred tax assets are recognized only when it is probable that taxable profits will be available against which the deferred tax asset can be utilized and it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the Company making assumptions within its overall tax-planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability.

36 Financial instruments and risk management

Capital risk management
The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

NOTES TO THE FINANCIAL STATEMENTS
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The company manages capital structure and makes adjustments to it in light of changesin economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividends paid to the shareholders, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The company monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

The capital structure and gearing ratio of the company at the reporting date was as follows:

		2024	2023
		N’000	N’000
Borrowings	23	33,570,210	76,434,012
Lease liabilities	25	856,582	824,624
Total borrowings		34,426,792	77,258,636
Cash and cash equivalents	22	(5,070,052)	(8,041,162)
Net borrowings		**29,356,740**	**69,217,474**
Equity		22,856,511	32,976,289
Gearing ratio		**1:1.28**	**1:2.10**

Financial risk management

Overview
The company is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports quarterly to the board of directors on its activities.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

NOTES TO THE FINANCIAL STATEMENTS
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The company audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the risk committee.

Liquidity risk
The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at banking institutions.

There have been no significant changes in the liquidity risk management policies andprocesses since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2024		**Carrying Amount**	**Gross Nominal Amount**	**Less than 1 month**	**1 to 3 months**	**3 months to 1 year**	**1 to 5 years**
		N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Borrowings	23	33,570,210	52,858,394	-	2,213,250	7,796,243	42,848,901
Trade and other payables	27	70,667,863	70,667,863	-	-	70,667,863	-
Lease liabilities	25	856,582	1,023,809	-	-	126,559	897,250
		105,094,655	**124,550,066**	**-**	**2,213,250**	**78,590,665**	**43,746,151**

2023		**Carrying Amount**	**Gross Nominal Amount**	**Less than 1 month**	**1 to 3 months**	**3 months to 1 year**	**1 to 5 years**
Non-current liabilities		**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Borrowings	23	76,434,012	101,757,339	-	-	49,297,756	52,459,583
Trade and other payables	27	39,606,895	39,606,895	-	-	39,606,895	-
Derivative liabilities	29	270,883	270,883	-	-	270,883	-
Lease liabilities	25	824,624	1,102,661	-	-	126,559	976,102
		117,136,414	**142,737,778**	**-**	**-**	**89,302,093**	**53,435,685**

NOTES TO THE FINANCIAL STATEMENTS
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Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rate, exchange rates and other prices.The Company negotiates long term credit facilities and obtains subsidised loans from the Government in order to reduce the risk associated with high cost of borrowing. The Company also takes advantage of the Central Bank of Nigeria intervention funds and grants from the Federal Government at below market rate in order to mitigate this risk.

The Company's activities expose it primarily to financial risks of changes in foreign currency exchange rates and interest rates. Market risks exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured.

Foreign currency risk

The Company is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary.

The Company is mainly exposed to fluctuation in the exchange rate of the American Dollar (USD).

Effective closing rate as at 31 March 2024 is N1,309.39/US Dollar (2023: N561/US Dollar). Average rate for the year is N935.20/US Dollar (2023: N631.34/US Dollar).

Foreign currency exposure at the end of the reporting period

The net carrying amounts, in Naira, of the exposure to the American Dollars. The amounts have been presented in Naira by converting the foreign currency amounts at the closing rate at the reporting date:

	2024 USD	2023 USD
Cash and cash equivalent	17,369	33,496
Trade payables	(21,670)	(25,703)
Short-term finance (Usance)	(23,855)	(23,855)
Net exposure	(28,156)	(16,062)

Foreign currency sensitivity analysis

The following information presents the sensitivity of the company to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreignexchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

At 31 March 2024 if the dollar exchange rate had been 5% (2023: 5%) higher or lower during the period, with all other variables held constant, loss for the year would have been impacted as follows;.

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Sensitivity Analysis	2024	2023
	N'000	N'000
+15%	(5,530)	(1,352)
-15%	5,530	1,352

Interest rate risk management

Interest rate risk is the risk that the fair value or the future cashflow of a financial instrument will flunctuate due to the changes in market interest rates. In managing interest rate risk, the company ensures the significant portion of its interest rate exposure is at a fixed rate. The Company at year end have outstanding fixed interest rate facilities and it is therefore not exposed to interest rate risk

Fair value sensitivity for fixed rate instruments

The Company does not account for any fixed rate financial liability at fair value through profit or loss (FVTPL). Therefore a change in interest does not affect profit or loss.

Price risk

The Company is exposed to commodity price risk. The risk arises from the Company's raw meterials and Spare parts requirement to meet its Production requirements. The Company Monitors commodity price movement and make advance purchase of raw materials before use to Mitigate significant Price flunctuation .

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

37 Accounting classification and fair values

The following table shows the carrying amount and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31-Mar-24		Carrying amount			Fair value			
In thousands of Naira	Note	**Financial assets measured at amortised cost**	**Financial liabilities measured at amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at amortised cost								
Trade and other receivables	20	2,400,685		2,400,685		-	2,400,685	2,400,685
Cash and cash equivalents	22	5,070,052		5,070,052	5,070,052	-	-	5,070,052
		7,470,737		7,470,737				
Financial liabilities not measured at fair value								
Borrowings	23	-	33,570,210	33,570,210	-	33,570,210	-	33,570,210
Trade and other payables (excluding statutory deductions)	27	-	70,667,863	70,667,863	-	-	-	-
Lease liability	25		824,624	824,624		824,624		824,624
		-	105,062,697	105,062,697	-	34,394,834	-	34,394,834

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

31-Mar-23		Carrying amount			Fair value			
In thousands of Naira	Note	**Financial assets measured at amortised cost**	**Financial liabilities measured at amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at amortised cost								
Trade and other receivables	20	1,258,365	-	1,258,365	-	-	1,258,365	1,258,365
Cash and cash equivalents	22	8,041,162	-	8,041,162	8,041,162	-	-	8,041,162
		9,299,527	-	9,299,527	8,041,162	-	1,258,365	9,299,527
Financial liabilities not measured at fair value								
Derivative liabilities	29		270,883	270,883		270,883		270,883
Borrowings	23		76,434,012	76,434,012	-	76,434,012	-	76,434,012
Trade and other payables (excluding statutory deductions)	27		39,606,895	39,606,895	-	-	-	-
Lease liability	25		856,582	856,582		856,581.85		856,582
			117,168,372	117,168,372	-	77,561,477	0	77,561,477

Fair value hierarchy

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Company can access at measurement date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

The fair value of financial instruments traded in active markets (quoted equity) is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis

The quoted market price used for financial assets held by the Company is the bid price at the reporting date. These instruments are included in level 1. There were no transfers between levels during the year.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

The fair value of financial instruments that are not traded in an active market (loans and borrowings) is determined by using discounted cash flow valuation techniques. This valuation technique maximize the use of observable market data by using the market related interest rate for discounting the contractual cash flows. There are no significant unobservable inputs. There were no transfers between levels during the year. The basis of measurement has remained the same between current and prior years. The discount rate used to determine the fair value of loans is 19% (2023 :19%).

Long-term fixed-rate and variable-rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the estimated losses of these receivables.

38 Going concern

The Company recorded a loss for the year ended 31 March 2024 of N10.1 billion (2023: N256 million profit). As at the same date the Company's current liabilities exceeded its current assets by N21.6 billion as at 31 March 2024 (2023: 11.1 billion).

As at 31 March 2024, a significant portion of the payables is due to ralated parties. Consequently, the parent company, Flour Mills of Nigeria Plc has issued a letter of support with a commitment to support the Company in meeting its obligations as at when due.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

The Directors of the Company has a reasonable expectation that the Company will continue in operational existence for foreseable future given the commitment of the parent company as described above. Accordingly the financial statement s have been prepared on the basis of accounting policies apllicable to going concern.

39 Events after the Reporting Period

There were no significant event after the reporting date which could have a material effect on the finacial position of the Company as at 31 march 2024 and its financial performance for the year then ended, that have not been adequately provided for, or disclosed in the financial statements.

40 Change in Classification

During the year the Company changed the Classification of Foreign exchange loss from administrative expenses to finance cost. Additionally, the (reversal)/loss on derivative instruments were reclassified from Administrative expense to Other operating gains/(losses), in order to enhance the relevance of information provided to the users of the financial information.

Comparative amount in the statement of profit or loss were reclassified for consistency. Foreign exchange loss reclassified and included finance cost amounted to N25 billion (2023: N4.1 billion) and (Reversal)/loss on derivative reclassified and included in Other operating gains/losses amounted to N271 million gain (2023: 271 million loss)

Other National Disclosures

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 MARCH, 2024

"Value added" is the measure of wealth the group has created in its operations by "adding value" to the cost of products and services. The statement below summarises the total wealth created and shows how it was shared by employees and other parties who contributed to its creation. Also set out below is the amount retained and re-invested in the company for the replacement of assets and the further development of operations.

	2024		2023	
	N'000	%	N'000	%
Turnover	188,311,035		147,350,739	
Other operating income	2,281,989		1,579,503	
Bought - in materials and services;				
-Foreign	(140,601,683)		(125,991,557)	
-Local	(35,163,666)		(9,347,461)	
Total Value Added	**14,827,675**	**100**	**13,591,224**	**100**
Value Distributed				
To Pay Employees				
Employees cost	5,521,987	37	6,890,207	51
To Pay Providers of Fund				
Finance costs	11,263,737	76	10,061,713	74
To Pay Government				
Income tax	738,451	5	729,821	5
Retained for future expansion and wealth creation:				
Depreciation, amortization and impairments	5,901,992	40	5,546,300	41
Deferred tax	1,521,285	10	(9,892,929)	(73)
Retained earnings	(10,119,778)	(68)	256,112.30	2
Total Value Distributed	**14,827,675**	**100**	**13,591,224**	**100**

Value added represents the additional wealth which the company has been able to create by its own and employees efforts.

FIVE YEARS FINANCIAL SUMMARY
FOR THE YEAR ENDED 31 MARCH, 2024

Statement of Financial Position

	2024	2023	2022	2021	2020
Assets	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Non-current assets	81,831,114	85,912,619	97,247,878	101,457,979	105,369,928
Current assets	67,134,834	79,087,358	51,448,153	45,936,677	36,891,364
Total assets	**148,965,948**	**164,999,977**	**148,696,031**	**147,394,656**	**142,261,292**
Liabilities					
Non-current liabilities	37,330,330	41,877,630	35,030,414	27,485,415	31,461,351
Current liabilities	88,779,107	90,146,058	68,217,954	61,940,563	53,639,919
Total liabilities	**126,109,437**	**132,023,688**	**103,248,368**	**89,425,978**	**85,101,270**
Equity					
Share capital	10,427,140	10,427,140	10,427,140	10,427,140	10,427,140
Reserves	19,388,109	19,388,109	32,115,596	32,115,596	32,905,177
Retained earnings	(6,958,738)	3,161,039	2,904,927	15,425,942	13,827,705
Total equity	**22,856,511**	**32,976,289**	**45,447,663**	**57,968,678**	**57,160,022**
Total equity & liabilities	**148,965,948**	**164,999,977**	**148,696,031**	**147,394,656**	**142,261,292**

Statement of Profit or Loss and Other Comprehensive Income

	2024	2023	2022	2021	2020
Revenue	188,311,035	147,350,739	136,427,507	109,594,730	80,450,397
(Loss)/profit before taxation	(7,860,042)	(8,906,996)	(172,141)	1,576,746	1,270,237
Taxation	(738,451)	(628,679)	(9,585,482)	(450,826)	(629,712)
Police trust fund dev. levy	-	-	-	(56)	(33)
(Loss)/profit for the year	**(8,598,493)**	**(9,535,675)**	**(9,757,623)**	**1,125,864**	**640,492**
Per share data (kobo)					
Earnings per share (Basic)	(127.61)	3.23	(123.04)	14.20	8.18
Net assets per share	288.22	415.83	573.10	730.99	722.00
Dividend proposed per share	-	-	-	7	4
Dividend paid per share	-	-	7	7	6

Per share data are based on the number of issued and fully paid ordinary shares of 7,930,197,658 at the end of each financial year, (2023: 7,930,197,658).

Share Capital History

Year	Authorised(N'000)		Issued and fully paid up (N'000)		
	Increase	**Cumulative**	**Increase**	**Cumulative**	**Consideration**
1990	-	10,000	-	2	cash@ N1 each
1991	-	10,000	-	2	cash@ N1 each
1992	-	10,000	-	2	cash@ N1 each
1993	-	10,000	-	2	cash@ N1 each
1994	-	10,000	-	2	cash@ N1 each
1995	40,000	50,000	49,998	50,000	cash@ N1 each
2001	160,000	210,000	160,000	210,000	cash@ N1 each
2003	790,000	1,000,000	790,000	1,000,000	cash@ N1 each
2008	1,000,000	2,000,000	999,999	1,999,999	Acquisition of Honey well Superfine Foods Limited
2008	-	2,000,000	-	1.999.999	Share split of N1to N0.50
2008	2,000,000	4,000,000	1,500,000	3,500.00	Bonus issue of 3 to 4 shares
2009	-	4,000,000	465,100	3,965,099	Public issue @ N8.50 each