Dangote Sugar Refinery Plc

Annual Report and Financial Statements

for the year ended December 31, 2022

Dangote Sugar Refinery Plc
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Index

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

Contents

General Information

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

Report of the Directors

In compliance with the Companies & Allied Matters Act, 2020, the Directors of Dangote Sugar Refinery PLC (DSR/The Company) are pleased to present this Report on the affairs of the Company and the Audited Financial Statements for the financial year ended 31st December, 2022.

1 Corporate structure and business

Dangote Sugar Refinery PLC was established in 1999 and commenced its sugar business in the year 2000 as a division within the Dangote Group held through its holding company, Dangote Industries Limited (DIL). Following a strategic decision of DIL to unbundle its various operations, DSR was incorporated as a public limited liability company in 2005. The restructuring was completed in January 2006, following the court sanction of the scheme of arrangement wherein all the assets, liabilities and undertakings of the erstwhile sugar division of DIL were transferred to DSR.

DSR was listed on the Nigerian Stock Exchange (now the Nigerian Exchange Group Plc) in March 2007 following an initial public offering of its shares in 2006. Pursuant to obtaining requisite shareholders and regulatory approvals, on September 1, 2020, DSR completed a Scheme of Arrangement, which successfully effected the merger of DSR and its former subsidiary Savannah Sugar Company Limited. The Company has approximately 101,350 Shareholders with a Shareholders' Fund of almost N180 Billion.

The principal business activity of DSR is the refining of raw sugar to produce fortified and non-fortified granulated white sugar. The Company distributes refined white sugar to consumers and industrial customers in Nigeria. DSR has its Headquarters in Lagos, Nigeria and has an installed capacity of 1.44 million metric tons (MT) per annum with expansion plans in place.

2 Backward Integration Project (BIP)

In alignment with the Federal Government of Nigeria policy guidelines, DSR continues to focus on its Backward Integration Project (BIP) by deploying and reviewing project strategies from time to time. The 10-year sugar development plan to produce 1.5 million MT Sugar per annum from locally grown sugarcane remains a germane roadmap to attainment of the Company's objectives. Currently, the Company is channeling resources towards ongoing BIP in Dangote Taraba Sugar Limited, Dangote Adamawa Sugar Limited and Nasarawa Sugar Company Limited.

The Company is significantly scaling up its investment in the sugar sub-sector in line with the requirement of the Nigeria Sugar Master Plan (NSMP) and is making massive investments in Adamawa State through the expansion of its sugar refining capacity from 3,000 Tonnes of cane per day (TCD) to 6,000 TCD, and 9,800 TCD and to 15,000 TCD. Furthermore, the Company has concluded plans to increase its sugar plantation from the current land area under cane production of about 8,700 hectares in 2022 to about 24,200 hectares within the next 7 years thus committing over $700 (USD) million to its investment in the Backward Integration Programme (BIP) to enable the Company to put in place the needed infrastructure for the eventual commencement of full-scale production.

Furthermore, the ongoing upgrading of Dangote Sugar Refinery, Numan is expected to generate 32 megawatts of electricity from installation of new turbines and 2-high pressure boiler of 90 tonnes of stem per hour when completed.

The benefits of the upgrading prospects of energy security improvement from ethanol derived from sugarcane, contribute to the reduction of greenhouse gas emissions as well as strengthen the capacity of sugar production to 9,800 metric tonnes per day.

3 Share Capital Structure Since Incorporation

Below is a summary of the authorized and issued share capital history of the Company since incorporation:

Year	Authorised (N)		Issued and fully paid (N)		Consideration		
Date	Increase	Cumulative	increase	Cumulative		Cancelled	Cumulative
2004	50,000,000	50,000,000	500,000	500,000	Cash		
2006	-	50,000,000	49,500,000	50,000,000	Scheme Shares		
2006	5,950,000,000	6,000,000,000	4,950,000,000	5,000,000,000	Bonus and Stock Split		
2008	-	6,000,000,000	1,000,000,000	6,000,000,000	Bonus		
2020	1,500,000,000	7,500,000,000	73,439,121	6,073,439,121	Scheme Shares		
2022						1,426,560,879	6,073,439,121

At the 16th Annual General Meeting held on June 15, 2022, members by a Special Resolution cancelled the unissued share capital of the Company in compliance with Section 124 and Section 868 of CAMA and Regulation 13 of the Companies Regulations 2021 (as amended).

Consequently, the Authorised Share Capital of the Company which stood at 15,000,000,000 (Fifteen Billion) Ordinary Shares of 50 Kobo each was reduced to 12,146,878,241 (Twelve Billion, One Hundred and Forty Six Million, Eight Hundred and Seventy Eight Thousand, Two Hundred and Forty One) Ordinary Shares of 50 Kobo each, by the cancellation of 2,853,121,759 (Two Billion, Eight Hundred and Fifty Three Million, One Hundred and Twenty One Thousand, Seven Hundred and Fifty Nine) Ordinary Shares of 50 Kobo each, The Memorandum and Articles of Association was amended to reflect the position.

4 Analysis of Shareholding as at 31st December 2022

Range (Units)			No of Holders	Holders %	Holders Cum	Units	Units%
1	-	1,000	33,264	33%	33,264	17,632,007	0%
1,001	-	5,000	42,959	42%	76,223	92,406,001	1%
5,001	-	10,000	10,064	10%	86,287	71,204,508	1%
10,001	-	50,000	11,453	11%	97,740	237,208,855	2%
50,001	-	100,000	1,819	2%	99,559	126,014,317	1%
100,001	-	500,000	1,451	1%	101,010	286,705,907	2%
500,001	-	1,000,000	152	0%	101,162	114,887,735	1%
1,000,001	-	5,000,000	170	0%	101,332	347,609,464	3%
5,000,001	-	10,000,000	26	0%	101,358	186,132,484	2%
10,000,001	-	50,000,000	39	0%	101,397	862,059,466	7%
50.000.001	-	100.000.000	4	0%	101.401	314.529.043	3%
100,000,001	-	1000,000,000	5	0%	101,406	1,368,042,173	11%
1,000,000,001	-	12,146,878,241	1	0%	101,407	8,122,446,281	67%
	Grand Total		**101,407**	**100%**		**12,146,878,241**	**100%**

Report of the Directors (continued)

As at December 31, 2022, the 12,146,878,241 Ordinary Shares of N0.50 each in the issued Ordinary Share Capital of Dangote Sugar Refinery (DSR) were beneficially held as follows: Shares of N0.50 each in the issued Ordinary Share Capital of DSR are beneficially held as follows:

Shareholder	No. of Ordinary Shares	Percentage (%)
Dangote Industries Limited	8,122,446,281	66.87
Alhaji Aliko Dangote	653,095,014	5.38
Other Shareholders	3,371,336,946	27.75
TOTAL	**12,146,878,241**	**100.00**

**Except as stated above, no shareholder holds more than 5% of the issued share capital of the company.*

5 Operating results

The Group and Company's Results for the year ended December 31, 2022 are set out on page 25 of this Report. Out of the profit for the year, the Directors are recommending the payment of a total dividend of N18,220,317,359.12 to the Shareholders whose names appear on the register of members at the qualification date.

The summarized results are presented below:

	Group 31/12/2022 N'000	Group 31/12/2021 N'000	Company 31/12/2022 N'000	Company 31/12/2021 N'000
Gross Profit	91,963,038	50,208,573	91,963,038	50,208,573
Profit before Income Tax	82,302,820	34,021,212	81,907,076	34,629,037
Taxation	(27,560,686)	(11,968,921)	(27,560,686)	(11,968,921)
Profit for the year	54,742,134	22,052,291	54,346,390	22,660,116
Non-controlling interest	3,957	(6,078)	-	-
Profit attributable to owners of the Parent Company	54,738,177	22,058,369	54,346,390	22,660,116

As at the date of approval of the Consolidated Financial Statements of the Company, Dangote Sugar Refinery PLC's outlook for 2022 and beyond shows there is no going concern threat to the enterprise.

6 Dividend

The Directors recommend the payment of a dividend of N1.50 per ordinary share of 50kobo from the profit for the year ended 31st December, 2022 to the Shareholders on the Register of Members at the qualification date. The proposed dividend is subject to the approval of Members at the General Meeting, and to withholding tax at the applicable rate.Management is confident that the Company will continue operational existence for more years to come.

7 Board of directors

The following persons served as the Directors of the Company during the period under review:

S/N	Director	Role
1	Alhaji Aliko Dangote (GCON)	Chairman
2	Mr. Ravindra Singhvi	Group Managing Director/CEO
3	Mr. Olakunle Alake	Non-Executive Director
4	Ms. Bennedikter Molokwu	Non-Executive Director
5	Prof. Konyinsola Ajayi (SAN)	Non-Executive Director
6	Mr. Uzoma Nwankwo	Non-Executive Director
7	Alhaji Abdu Dantata	Non-Executive Director
8	Ms. Maryam Bashir	Independent Non-Executive Director

8 Appointment of Directors

As at the last Annual General Meeting, there was no new appointment on the Board of the Company. The Company's Articles of Association, the Board Appointment Policy, the Companies and Allied Matters Act, 2020 and any applicable extant Code and Regulation govern the appointment of Directors.

9 Retirement of Directors

No Director retired from the Company during the year under review and no Director's service contract is not determinable within five years. In accordance with Article Company's Articles of Association, the Directors retiring by rotation are Alhaji Aliko Dangote (GCON), Mr. Uzoma Nwankwo and Alhaji Abdu Dantata, and being eligible, hereby offer themselves for re-election.

10 Directors' Fees

The Directors were paid a total of N16,000,000.00 (Sixteen Million Naira) as Directors fees. The Annual Fees for the Non-Executive Directors is proposed at N4million per Director. Only Non-Executive Directors are entitled to Annual fees. A resolution will be proposed to approve the payment of these amounts for the 2023 financial year.

11 Directors Code of Conduct & Ethics

The Company has a code of conduct and ethics for Directors' business which sets out the standards that Directors are expected to adhere to while conducting their fiduciary duties.

12 Corporate Governance

The Board of Directors is committed to continually ensure sustainable long-term success and implementation of corporate governance best practices within the Company. Through its oversight functions, the Board is committed to delivering value to all stakeholders in the Company whilst also driving initiative to actualise the Company's sustainability goals.

The Company is very intentional at ensuring compliance with applicable laws and regulations in Nigeria such as but not limited to the Listing Rules of the Nigerian Exchange Limited, the Securities & Exchange Commission, Corporate Governance Guidelines 2020, the Nigeria Code of Corporate Governance 2018 and any other applicable corporate governance rules promulgated from time to time.

Report of the Directors (continued)

13 Fixed Assets

Details of changes in fixed assets during the year are shown in Note 16 to the financial statements. In the opinion of Directors, the market value of the Company's properties is not less than the value shown in the financial statements.

14 Statement of Directors' responsibilities for financial statements

In compliance with the provisions of Sections 377 and 378 of the Companies and Allied Matters Act 2020, the Directors are responsible for the preparation of the Financial Statements which give a true and fair view of the state of affairs of the Group and the profit or loss for the year.

In so doing the Directors ensure that:
i. Adequate internal control procedures are instituted to safeguard the assets, prevent and detect frauds and other irregularities
ii. Proper accounting records are maintained
iii. Applicable accounting standards are adhered to.
iv. Suitable accounting policies are adopted and consistently applied.
v. Judgments and estimates made are reasonable and prudent and;
vi. The financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

15 Statement of Affairs

In the opinion of the Directors, the state of the Company's affairs is satisfactory and there has been no material change since the reporting date which would affect the financial statements as presented.

16 Direct and Indirect Interest of Directors

The direct interest of Directors in the issued share capital of the Company as stated in the Register of Directors Shareholding and as notified by the Directors, in compliance with *Sections 301 of the Companies and Allied Matters Act (CAMA) 2020* and the listing requirements of the Nigerian Exchange Limited is as follows:

S/N	DIRECTOR	31ST DECEMBER 2022		31ST DECEMBER 2021	
		Direct	Indirect	Direct	Indirect
1	Alhaji Aliko Dangote (GCON)	653,095,014	Nil	653,095,014	Nil
2	Mr. Ravindra Singhvi	Nil	Nil	Nil	Nil
3	Mr. Olakunle Alake	7,194,000	Nil	7,194,000	Nil
4	Ms. Bennedikter Molokwu	1,483,400	Nil	1,483,400	Nil
5	Prof. Konyinsola Ajayi	Nil	Nil	Nil	Nil
6	Mr. Uzoma Nwankwo	384,692	Nil	384,692	Nil
7	Alhaji Abdu Dantata	1,044,000	Nil	1,044,000	Nil
8	Ms. Maryam Bashir	Nil	Nil	Nil	Nil

17 Directors' interest in contracts

In compliance with *Section 303 of CAMA* , all contracts with related parties during the year were conducted at arm's length. Information relating to related party transactions are contained in Note 35 of the Financial Statements.

18 Employment and Employee relationship

a. Employment and Employees
Dangote Sugar Refinery PLC had a total of 3,003 staff as at December 31, 2022. The Company reviews its employment policy in line with the needs of business, and remains an equal opportunities employer, with policies that prohibit discrimination against gender, race, religion or disability to its existing and potential employees. The Company focuses on attracting and retaining outstanding talents that will add value and ensure that all stipulated high-performance indices are met.

b. Health, Safety and Environment
The Company enforces strict health and safety rules and practices in the work environment. It maintains a high standard of hygiene in all its premises by upholding excellent sanitation practices and regular fumigation exercises, which have been enhanced by the installation of pest and rodent control gadgets. Fire-fighting prevention and drills are carried out periodically, while fire-fighting equipment and alerts have been installed in the offices and plants. In addition, personal protective equipment (PPE) are provided for individual employee to enhance safety measures while at work.

Health, Safety and Environment workshops and other health awareness programs are organized for all employees from time to time to engender a safety culture on an ongoing basis.

The Company operates canteen facilities where fully paid nutritionally balanced meals are provided for staff. the Company maintained a communication line giving regular updates to staff on current health issues relating to diseases including HIV/AIDS, High Blood Pressure and other serious diseases through health talks, health assessments and information sharing.

c. Employee Training and Development
The Company remains consistent in its value proposition on human capital development for improved efficiency whilst maintaining strategic manpower advantage over competition. During the year under review, the Company invested in the training and development of its workforce through in-house and external trainings.

d. Industrial/Employees Relations
The Company places premium on ensuring effective channels of communication with its employees by keeping them informed on matters affecting them and the performance of the Company. To this end, Management maintains an open-door policy whilst also ensuring accurate and timely dissemination of information through all available communication channels with the Company. The relationship between Management and the in-house employee Unions remains very cordial. Regular dialogue takes place at informal and formal levels, and the Unions help to foster employee motivation and welfare initiatives.

Report of the Directors (continued)

e. Employment of Physically Disabled Persons
Dangote Sugar Refinery PLC is an equal opportunity employer. It acknowledges that physically challenged people can participate in, and contribute to the society in all aspects of life. It provides equal opportunities for disabled persons, ensuring that there is no discrimination against them on recruitment for employment, determination of salaries, promotion and other benefits. The Company also considers of utmost importance, the welfare and rehabilitation of staff members who may unfortunately become disabled during the course of their duties, and ensures that in addition to compensation and rehabilitation by the Company, the Nigeria Social Insurance Trust Fund (NSITF) pays a fair, guaranteed and adequate compensation to employees in case of any injury, disease, disability or death arising out of, or in the course of employment. Currently, there are 15 physically challenged employees in the Company with disabilities such as speech impairment and mobility (limb) impairment.

f. Staff Welfare
The Company has retainership agreement with several private hospitals for its employees' health management. The Company provides subsidy to employees in respect of transportation, lunch, housing and health care. Incentive schemes include awards, bonuses, promotions and salary/wage review. During the period and on a quarterly basis, the best staff in each Department were given Awards of Recognition.

g. Retirement Benefits
In line with the provisions of the Pension Reform Act of 2014, the Company operates the uniform contributory pension scheme for all employees, the scheme is funded by the employees and the Company's contribution of 10% each of the employees' monthly basic, housing and transport allowances, and remitted monthly to the employee's choice Pension Fund Administrator.

19 Donations and Charitable Gifts

At Dangote Sugar Refinery PLC, we believe our impact in the communities we operate in is as important as our products and the services we render. We are committed to being thoughtful stewards of the environment and empathetic corporate citizen in the communities where we operate. We are passionate about our support for charitable and worthy causes in the areas of education, health, skills acquisition, poverty alleviation and sports amongst others. During the year under review, the beneficiaries of our CSR were as follows:

S/N	BENEFICIARY	AMOUNT
1	Donation of 12 units of writing boards to Methodist Nursery & Primary School, Apapa.2021 Annual Law Week	377,000
2	Support for cultural theatrical production for May Day Celebration	5,000,000
3	Support to Center for Destitute Empowerment International for Purchase of Property	3,000,000
4	Support for Youth empowerment and leadership training-David Adeleke Foundation	15,000,000
5	Donation to Kano Association of Bakers Competition Celebration (Quiz Competition for Secondary Schools)	250,000
6	2022 Annual Federal College of Education (TECH) Home Economics Workshop sponsorship	200,000
7	Sponsorship of 2022 Lagos State Min. of Agric World Food Day Celebration (Secondary Schools Quiz Competition)	1,470,254
8	Support to Continental Shareholders Association 60th Anniversary Celebration	100,000
9	Support for Construction of community infrastructure at Israel Adebanjo Street Chancellors of Nigeria	260,000
10	Donation to St. Saviours Senior Secondary Schools Apapa	10,000,000
11	Donation of relief materials and medical supplies to flood victims	100,000,000
12	Donation to NPA 2022 End of year/award presentation ceremony	200,000
13	Materials donations to community stakeholders	11,000,000
14	Renovation of Government Day Secondary School Exam Hall in Dilli Community	7,588,065
15	Rehabilitation of Kem Primary School, Numan	7,327,200
16	Drilling of Borehole in Army Command Secondary School, Numan	3,695,000
17	Drilling of 4 nos Hand Boreholes in Opalo, Hoki, Zekun & Mbemun in Lamurde LGA	4,482,750
18	Support to the Bachama Traditional Council on the Annual Kwete Wrestling Festival	1,000,000
19	Community support to Numan paramount rulers in the Bachama Kingdom.	1,000,000
20	Support to Hama Bare on the Bare Mbazongwo Annual cultural festival	500,000
21	Support to Hama Bata on the Farai Annual Wrestling festival	1,000,000
22	Support to Amna Shelleng on the Menjauli Annual cultural Festival	1,000,000
23	Support to Amna Kiri on the Mendaamo Annual cultural Festival	200,000
24	Support to Kwandi Nunguriya on Simlalama Lunguda annual festival	1,000,000
25	DSR Numan Secondary Schools Secondary Quiz competition	1,500,000
26	DSR Numan Secondary Schools Football Tournament	2,183,900
27	2022 Stakeholder's Engagement Forum	3,190,000
28	Renovation Dangote Sugar Primary School, DSR Numan	9,976,300
29	Donation for survey and community development projects and activities	100,000,000
30	Refurbishment of the 4 Palaces within the DSR Numan Host Communities	32,427,663
	TOTAL	**324,928,132**

**No donation was made to any political party or organization*

20 Post Balance Sheet Events

There are no post Balance Sheet events that could have effect on the state of affairs of the Company as at December 31, 2022 which have not been adequately provided for or disclosed.

Report of the Directors (continued)

21 Auditors

The Auditors, Messrs. PricewaterhouseCoopers (PwC), having indicated their willingness to continue in office, in accordance with Section 401 of the Companies & Allied Matters Act, 2020, a resolution will be proposed at the Annual General Meeting to authorize the Directors to determine their remuneration.

By Order of the Board

TEMITOPE HASSAN,
Company Secretary/Legal Adviser
FRC/2017/NBA/00000016669
3rd Floor, Greenview Development Nigeria Ltd Building
Terminal “E” NPA Complex, Apapa
Lagos, Nigeria

Dated February 28, 2023

Corporate Governance Report

Board Structure & Composition

The Board of Directors of the Company was composed of the following eight (8) members during the 2022 Financial Year:

S/N	Director	Role
1	Alhaji Aliko Dangote (GCON)	Chairman
2	Mr. Ravindra Singhvi	Group Managing Director/CEO
3	Mr. Olakunle Alake	Non-Executive Director
4	Ms. Maryam Bashir	Independent Non-Executive Director
5	Ms. Bennedikter Molokwu	Non-Executive Director
6	Prof. Konyinsola Ajayi, SAN	Non-Executive Director
7	Mr. Uzoma Nwankwo	Non-Executive Director
8	Alhaji Abdu Dantata	Non-Executive Director

Alhaji Aliko Dangote, GCON
Chairman

Mr. Ravindra Singhvi
Group Managing Director/CEO

Mr. Olakunle Alake
Non-Executive Director

Ms. Bennedikter Molokwu
Non-Executive Director

Prof. Konyinsola Ajayi, SAN
Non-Executive Director

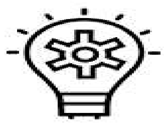
Mr. Uzoma Nwankwo
Non-Executive Director

Alhaji Abdu Dantata
Non-Executive Director

Ms. Maryam Bashir
Independent Non-Executive Director

Corporate Governance Report (continued)

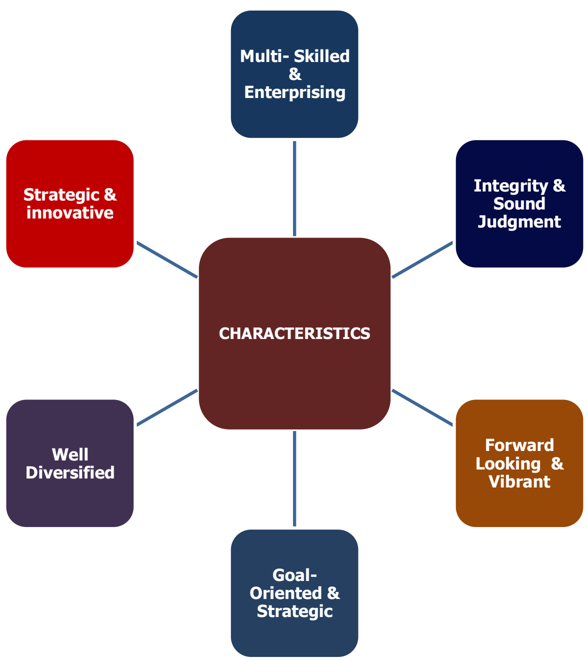
Board Characteristics & Skill Sets



Strategy — Industry & Knowledge — Leadership



Accounting & Finance — Risk Management — Legal, Regulatory & Governance



Corporate Governance Report (continued)

Changes in the Structure & Composition of Board

The Board exercises leadership, enterprise, integrity and judgment in its oversight and control of the Company. No member has unfettered powers of decision making and there is no cross-membership on the Board of competing companies.

The Board is moving closer to a gender balance with 25% of the members being female; no member of the Board has attained 70years of age.

There were no changes to the composition and structure of the Board during the period.

The Roles & Responsibilities of the Board

The Board is the highest governing body in the Company with oversight of the strategic goals of the Company. The Board considers the long-term and short-term strategies of the Company and monitors the implementation by Management.

The primary responsibilities of the Board are the performance, oversight of affairs and direction of the Company. It is responsible for defining the Company's strategic goals and deploying the relevant personnel for the attainment of these goals. In addition, the Board has supervisory oversight in ensuring that the Company's affairs are run in compliance with the law, its Articles of Association and principles of good corporate governance.

The Board defines the vision, goals, objectives and strategic priorities of the Company, monitors the integrity of financial and internal control policies and management information systems. It presents the audited financial statements to the Shareholders and ensures the accuracy and efficiency of the accounting and financial management.

The Roles of the Officers of the Board

CHAIRMAN

Aliko Dangote (GCON)

The Chairman provides overall leadership and direction to the Board. His primary responsibility is to ensure effective operation of the Board such that it works towards achieving the Company's strategic objectives and enhancing shareholder value.

GROUP MANAGING DIRECTOR/CEO

Ravindra Singhvi

The Group Managing Director/CEO is the Head of Management and is responsible for the day-to-day operations of the Company. He has a broad understanding of the Company's business and delegates duties to Management and Management Committees to ensure the achievement of the Company's goals and strategic objectives

COMPANY SECRETARY

Temitope Hassan (FCIS)

The Company Secretary is accountable to the Board as a whole and advises the Board through the Chairman and the Group Managing Director on all matters of governance and ethics, including their duties and responsibilities.

Corporate Governance Report (continued)

The Role of the NED, INED & ED

INDEPENDENT NONEXECUTIVE DIRECTOR (INED)	NON-EXECUTIVE DIRECTOR (NED)	EXECUTIVE DIRECTOR (ED)
• The Independent Director provides objective and independent advice and guidance to the Board on various issues, and ensures that the interests of all stakeholders, including those of minority shareholders, are well considered in decisions taken by the Board.	• The Non-Executive Directors bring to bear their knowledge and expertise on issues of strategy and performance on the Board. The Non-Executive Directors are not involved in the day-to-day management of the Company, but have unfettered access to the Company Secretary, the Internal Auditor, and other senior Management Staff.	• Executive Directors support the Chief Executive Officer in the operations and management of the Company. Executive Directors have a broad understanding of the Company's business in addition to having the requisite skills, knowledge, experience and qualification required for their specific roles and responsibilities

Appointment to the Board
The Board Governance Committee (BGC) has the primary responsibility for initiating Board appointments. The criteria for the appointment of members to the Board are laid down in the Board Succession Planning and Board Appointment Policies which is through a formal, transparent and rigorous process.

New members to the Board are selected based on their wealth of experience, relevant leadership skills, and competence amongst others. The process of Board appointments is well defined and helps to ensure continuity in the operations of the Company thereby enhancing stakeholders' confidence. The process is concluded when the nominees are duly approved by Shareholders at the Annual General Meeting.

Induction of New Board Members
The Company has in place a robust Induction and Onboarding Programme to familiarize newly appointed Directors with their role, duties and responsibilities; the Company's business and operations; and the nature of the sugar refinery industry amongst others. The Induction programme includes meetings with key officers of the Company, and a tour of the Refinery, Backward Integration Project sites, and the Subsidiaries. Newly appointed Directors are also provided with a library of useful reports, policies, and relevant extant laws and regulations amongst others to help them in their new roles.

Continuing Education for Directors
The Board of Directors held two (2) Retreat during the period. The Board Retreats were useful for addressing issues that arise outside of a normal Board meeting, and provided opportunities for discussion, creative thinking and strategic planning. Special resources such as surveys, guest experts and evaluations were available including a talk on the very crucial and relevant topic – "Engaging the Board on ESG' by the Global CEO of Global Reporting Initiatives, Mr. Eelco Van de Enden. Furthermore, Strategy Sessions were held during the Retreats and training on "Strategic Thinking' and Health Talks.

The Retreats also provided time to assess the Board's performance and set Governance and Sustainability goals and generally boosted the Board's engagements.

Board Oversight of the Backward Integration Projects

Board Members visited the BIPs in Numan during the period as part of the Board's oversight for the Backward Integration Projects (BIPs). It thereafter approved an up-scaling of its social intervention programs around host communities in Adamawa and Nasarawa States with 32,000 hectares and 78,000 hectares respectively where its BIPs are located.

To improve the BIP performance, the Company made its Sugarcane Outgrower Schemes Program more robust by providing more land, seeds, fertilizer and other inputs to host community farmers as strategy to meet up target set out by the National Sugar Development Masterplan.

The Annual General Meeting of the Company

The Annual General Meeting (AGM) to consider the Annual Report and the Financial Statements for the year ended December 31, 2021 was held on June 15, 2022 at the Eko Hotel and Suites, Victoria Island, Lagos. Attendance at the Meeting was by Proxy only.

To ensure a robust selection of Proxies, ten (10) persons were approved as Proxies for Shareholders of the Company and were empowered to vote on behalf of Shareholders subject to their consent. The list of designated Proxies was communicated to the Shareholders in the Notice of the Meeting.

The Company by announcement requested that the duly executed Proxy Form should be lodged at the office of the Company's Registrars, Veritas Registrars Limited, or sent to the Registrars by email not later than 48hours before the time appointed for the AGM while the Company made arrangements at its cost, for the stamping of the duly executed The Company by announcement requested that the duly executed Proxy Form should be lodged at the office of the Company's Registrars, Veritas Registrars Limited, or sent to the Registrars by email not later than 48hours before the time appointed for the AGM while the Company made arrangements at its cost, for the stamping of the duly executed Proxy Forms submitted to the Company's Registrars within the stipulated time.

The Meetings were streamed live online to enable shareholders and other stakeholders who were unable to physically attend the meetings to follow the proceedings. The link for the live streaming of the Meeting was made available on the Company's website at www.dangotesugar.com.ng. Shareholders were given the opportunity to submit their questions to the Company prior to the date of the Meetings.

Corporate Governance Report (continued)

At the AGM, ten (10) items were proposed - 6 Ordinary and 4 Special Businesses including changes to the Memorandum and Articles of the Company and the cancellation of 2,853,121,759 (Two Billion, Eight Hundred and Fifty Three Million, One Hundred and Twenty One Thousand, Seven Hundred and Fifty Nine) unissued Ordinary Shares of 50 kobo each, in compliance with Section 124 and Section 868 of the Companies and Allied Matters Act, 2020 and Regulation 13 of the Companies Regulations 2021 (as amended). Consequently, the Authorized Share Capital of the Company is 12,146,878,241 (Twelve Billion, One Hundred and Forty Six Million, Eight Hundred and Seventy Eight Thousand, Two Hundred and Forty-One) Ordinary Shares of 50 kobo each.

Explanatory notes were provided to Shareholders for their understanding of the Special resolutions proposed.

The approval of the Corporate Affairs Commission (CAC) was sought and obtained to hold the Annual General Meeting in line with the guidelines on holding of General Meetings of public companies using proxies.

Shareholder's Rights & Investor Relations
General Meetings are important platforms for the Board to engage shareholders to facilitate greater understanding of the Company's business, governance and performance. However, given the COVID-19 pandemic, the platform for the engagement was limited to the electronic platform at the Company's AGM held on June 15, 2022, while some representatives of Shareholders (Proxies) attended the AGM on behalf of other members.

The AGM was conducted in the best manner possible taking cognizance of the restrictions by the pandemic. Shareholders were encouraged to send their comments and questions to the Company Secretary ahead of the AGM, and responses were provided to every question received. Although not all the Directors were physically present at the Meeting, the Chairman of the Statutory Audit Committee was present, and the other Shareholder members of the Committee were present.

The AGM was conducted in an open manner and sufficient time was allocated to shareholders present as they participated fully and contributed effectively at the Meeting. The venue of the Meeting was accessible to shareholders, and the Notice of Meeting was published on May 11, 2022 in two (2) leading newspapers more than 21 days before the Meeting. Copies of the Annual Reports, Audited Financial Statements and all other information pertaining to the resolutions to be voted upon; including voting or proxy instructions and relevant papers were dispatched to shareholders along with the Notice of Meeting. All relevant information about the Meeting and the Audited Financial Statements were also hoisted on the Company's website and published on the issuers' Portal of the Nigerian Exchange Limited (NGX)

The Board ensured that dealings of the Company with Shareholder Associations are transparent and in the best interest of the Company and that all Shareholders are treated fairly and equitably, and adequate information is provided to facilitate their investment decisions.

Investor Relations
The Company publishes investor newsletters and its annual results, quarterly forecasts and interim results on its website at www.dangotesugar.com.ng Other relevant investor information such as questions about shareholding or share certificates, (including the replacement of lost certificates or the consolidation of several certificates into one), or guidance to notify a change of address or to mandate dividend) are provided by the Company's Investor Relations Team. Investors are encouraged to send emails to InvestorRelationsDSR@dangote.com or contact our Registrars for answers to their enquiries.

Update on Compliance the Internal Control over Financial Reporting (S.60-63 of the Investment & Securities Act (ISA))
The Directors and Reporting Officers are required to implement relevant internal controls over financial reporting, and Auditors are required to review the same and issue a statement on the existence, adequacy and effectiveness or otherwise.

The Securities & Exchange Commission (SEC) requires the implementation of the Framework to be completed and public companies to be compliant by December 31, 2023. To this end, a Framework has been developed to assist the Directors and reporting Officers with their responsibilities.

The implementation is currently being done as group with the other entities in the Dangote Industries Limited Group. An independent Consultant, Messrs. Deloittes has been engaged as the Project Implementation Partners to help to equip the relevant Officers with the practical understanding of Internal Control over Financial Reporting (ICFR) based on the implementation guidelines of the Securities & Exchange Commission (SEC) to ensure a systematic onboarding by August 2023 well ahead of the compliance timelines of the SEC.

Conflict of Interest & Insider Related Transactions
The Board has a policy of openness and transparency. Conflict of Interest situations are well addressed by the Conflict of Interest and Related Party Transaction Policy. Insiders are precluded from buying and selling any security in breach of their fiduciary duty and other relationship of trust and confidence while in possession of material, privileged, non-public and price-sensitive information about the Company.

• The Company's 'Closed Periods' are triggered in compliance with the Rules of the Nigerian Exchange Limited.
• Insiders are precluded from engaging in unlawful or improper transfers of assets and profits for their personal benefits or for the benefit of related parties.
• Disclosure of all transactions between related parties, (natural persons or company) are made to the Board, and controls triggered to ensure that the transactions are carried out at arms-length and on normal market terms.

Whistle Blowing Policy
The Company has an effective whistle-blowing framework pursuant to which its employees and stakeholders can raise their concerns relating to any illegality or unethical behavior, fraud, malpractice or any other activity or event which is against the interest of the Company or society as a whole. The Statutory Audit Committee at its quarterly meetings reviews the whistle-blowing reports and procedure in line with the approved Whistle-Blowing Policy.

The whistle-blowing facility is managed by an independent Ethics Line Provider, Messrs. KPMG and has the assurance of confidentiality which is required to protect the identity and interest of the Whistle-blower. The Board ensures that the Whistle-blower is not subject to any detriment on the grounds of the disclosure made in good faith.

Information on the whistle blowing procedure is available to staff and stakeholders and is published in conspicuous places in the Company's premises and circulated to staff online via the Company's intranet.

Corporate Governance Report (continued)

Code of Conduct & Ethics
The Company's Code of Business Conduct and Ethics commits the Board, Management, employees, contractors, suppliers and the Company's controlled entities to the highest standards of professional and ethical behaviour, business conduct and sustainable business practices.

The Board is responsible for monitoring adherence to the Code of Business Conduct and Ethics to ensure that breaches are effectively sanctioned. The Directors annually attest to the Code of Conduct for Directors and the Anti-Bribery & Corruption Policy which has a zero tolerance for all forms of fraud including but not limited to bribery and corruption, asset misappropriation and financial statements fraud.

Commitment to Reducing Gender Gaps

Dangote Sugar Refinery Plc, as part of the Dangote Group joined the Nigeria2Equal Gender Program implemented by the International Finance Corporation (IFC), the private sector arm of the World Bank, in partnership with The Nigerian Exchange Limited (NGX). The Program is the first multi-stakeholder country project focused on reducing gender gaps across leadership, employment, and entrepreneurship in the Nigerian private sector companies.

The Company is committed to the following initiatives in collaboration with the Dangote Group:

• To Promote Women's Leadership & Employment – providing support childcare for working parents, promoting respectful workplaces free of bullying and all forms of harassment, and provide training on leadership skills.

• To Promote Women's Entrepreneurship - Supporting the education of the girl-child and girl-child entrepreneurship. Scholarships were given during the period, and academic and sporting competitions were supported.

• Championship & Advocacy - Identify and participate in initiatives to promote gender equality.

The Company demonstrates and supports gender equality through its gender non-discrimination policies. To promote gender parity or equality in the workplace, the Company demonstrates gender equity in its actions, recruitment and selection processes, training and development, promotion and compensation policy. It has a zero tolerance to all forms of sexual harassment in the workplace, as well as appropriate and well laid out mechanisms for victims of sexual harassment to seek justice.

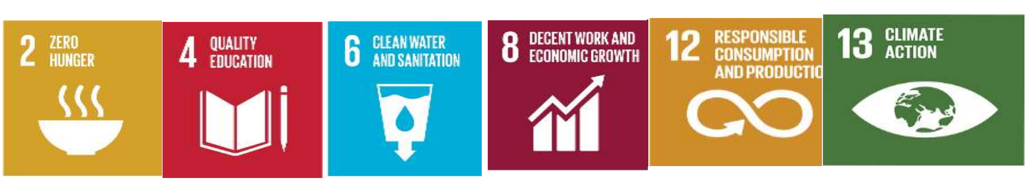
Annual Board Evaluation & Corporate Governance Evaluation
The Board is required to establish a system to undertake a formal and rigorous evaluation of its own performance, that of its Committees, and individual Directors as well as a review of its Corporate Governance practices annually. The aim of the assessment is to provide the Board with the opportunity to reflect and obtain feedback on its performance.

In line with the provisions of the Nigerian Code of Corporate Governance 2018 (NCCG), the Company engaged an independent Consultant, Messrs. DCSL Corporate Services Limited to conduct the Board and Corporate Governance Evaluation for the year ended December 31, 2022. A Report on the Evaluation is published in this Annual Report and presented to Shareholders.

Tenure of the Independent Non-Executive Director
By January 31, 2023, Ms. Maryam Bashir would have completed her tenure as Independent Non-Executive Director on the Board having served for nine (9) years on the Board. She would thereafter continue on the Board in the capacity of Non-Executive Director, given that she would no longer be independent in line with the provisions Nigerian Code of Corporate Governance 2018.

Our Approach to Sustainability
The Company launched a 3-year Sustainability Implementation & Performance Enhancement Roadmap for 2021-2023. The baseline year (2020) was for setting up building blocks for the Company's sustainability vision while the Year 1 (2021) was for solidifying the sustainability vision. The Year 2 (2022) is for entrenching our sustainability vision while the Year 3 (2023) is for consolidating the Sustainability journey by embracing five of the United Nation's Sustainable Development Goals.

The Company recently added SDG 13 (Climate Action) to the list of Sustainable Development Goals (SDGs) that it had adopted. This brings to six (6) the total number of Goals it intends to accomplish.



The Company is currently on track in its 3-year Sustainability Implementation & Performance Enhancement Roadmap. With the services of a Sustainability Consultant, the 2021 Sustainability Report was completed to GRI standard. GRI Content Index signifying GRI certification was obtained in March 2022.

Board Meetings

The Board of Directors held five (5) meetings during the period. At Board meetings, the Board received reports on the implementation of its strategic initiatives and the financial performance of the Company and its subsidiaries and other matters for the Board's notification and/or approval. The agenda for each meeting and the supporting Board papers are sent to Directors at least seven (7) days before the meeting to give them sufficient time to review the Papers and request for additional information, where necessary.

Corporate Governance Report (continued)

Directors had access to Management through the Company Secretariat and obtained independent advice from Consultants at the expense of the Company where required.

At the commencement of the year, Board Members attested to their compliance with the various governance codes and policies and updated the Company Secretariat with information on changes. During the period, the Board held two (2) Strategy Sessions to assists it in defining its direction and establish realistic goals and objectives.

Board of Directors Meetings Attendance (5 Meetings)

S/N	DIRECTORS	ATTENDANCE					
		Feb 28	April 27	July 27	Oct 26	Dec 9	%
1	Alhaji Aliko Dangote, GCON (Chairman)	√	√	√	√	√	100
2	Mr. Olakunle Alake	√	√	√	√	√	100
3	Alhaji Abdu Dantata	√	√	√	√	√	100
4	Ms. Bennedikter Molokwu	√	√	√	√	√	100
5	Ms. Maryam Bashir	√	√	√	√	√	100
6	Prof. Konyinsola Ajayi, SAN	√	√	√	√	√	100
7	Mr. Uzoma Nwankwo	√	√	√	√	√	100
8	Mr. Ravindra Singhvi	√	√	√	√	√	100

Board Committees
The Committees of the Board as at December 31, 2022 were as follows:

• Board Governance Committee
• Board Finance Committee
• Board Risk Management & Assurance Committee

Board Governance Committee (BGC)

The primary purpose of the Board Governance Committee is to exercise oversight on all governance matters and to ensure that the procedures for appointments to the Board are formal and transparent.

During the period, the Committee carried out its role and duties including oversight of governance matters, policies and practices, and oversight of the human resources strategy amongst others. The Committee engaged the services of an external Consultant to conduct the Board and Corporate governance Evaluation, it reviewed the Company's Organogram and Succession Plan for critical office holders amongst others. At each meeting of the Committee, the Company's compliance with governance codes and best practices was reviewed. The main functions of the Committee are as follows:

Ensures that a Succession Plan/Policy exist for critical roles on the Board, Senior Executives of the Company and its subsidiary companies Executive Management

Reviews the structure, size and composition of the Board annually, and makes recommendations on proposed changes

Advises the Board on staff welfare matters in accordance with relevant laws and regulations

Ensures that periodic evaluation of the Board and the Company's corporate governance practices is conducted

Ensures that the Company has a formal programme for the induction and training of Directors

Establishes an effective system for monitoring compliance with the various corporate governance codes and practices

The schedule of the composition of the Committee and meeting attendance is as follows:

Board Governance Committee Composition & Meeting Attendance (4 Meetings)

S/N	DIRECTORS	ATTENDANCE				
		Feb 11	April 21	July 19	Oct 18	%
1	Ms. Bennedikter Molokwu (Chairman)	√	√	√	√	100
2	Prof. Konyinsola Ajayi (SAN)	√	√	√	√	100
3	Mr. Uzoma Nwankwo	√	√	√	√	100
4	Ms. Maryam Bashir	√	√	√	√	100
5	Mr. Olakunle Alake	√	√	√	√	100

Corporate Governance Report (continued)

Board Finance Committee (BFC)

The Board Finance Committee is established to assist the Board in fulfilling its oversight responsibilities with respect to strategic, financial and corporate development matters. The Committee's key performance indicators include monitoring capital projects, capital expenditures and the Company's major investments and subsidiaries. During the year, the Committee extensively reviewed the Backward Integration Projects and the on-going expansions projects and monitored the Capital Expenditure Budget to ensure efficient deployment of resources. The Committee's major terms of reference include the following:

- Reviews the Company's financial policies, capital structure, matters affecting the capital like mergers and acquisitions
- Monitors the Company's financial performance against set targets
- Recommends strategic projects to the Board
- Monitors the financial performance of the Company's Subsidiaries
- Reviewing the financial and business plan of the Company
- Provides guidance in the management of the Company's Sustainability and Corporate Social Responsibility (CSR) activities

The schedule of the composition of the Committee and meeting attendance is as follows:

Board Finance Committee Composition & Meeting Attendance (6 Meetings)

S/N	Directors	Attendance						
		Feb 22	April 20	July 21	Oct 21	Nov 25	Dec 10	%
1	Mr. Uzoma Nwankwo (Chairman)	√	√	√	√	√	√	100
2	Ms. Bennedikter Molokwu	√	√	√	√	√	√	100
3	Mr. Olakunle Alake	√	√	√	√	√	√	100
4	Alhaji Abdu Dantata	√	√	√	√	√	√	100
5	Ms. Maryam Bashir	√	√	√	√	√	√	100
6	Mr. Ravindra Singhvi	√	√	√	√	√	√	100
7	prof. Konyinsola Ajayi, SAN	√	*	√	√	√	√	83

Board Risk Management & Assurance Committee (BRMAC)

The Board Risk Management and Assurance Committee is established to ensure oversight by the Board of Directors regarding the risk appetite and risk tolerance levels of the Company and provide assurance of the process and system of internal control.

During the period, the Committee reviewed the Risk Management, Internal Audit and Legal Risk Reports and monitored the implementation of the key recommendations of the external assessment of the Internal Audit and Internal Control functions. It requested Management to conduct special reviews where required.

The Committee's major terms of reference include the following:

Corporate Governance Report (continued)

- Review of the effectiveness of the Risk Management framework and ensuring that appropriate controls are in place to address identified risks
- Review the effectiveness of the Internal Audit and Internal Control and assess the qualifications and independence of the external auditors
- Ensure the preparation, completeness, accuracy of financial statements and proper disclosure of financial information
- Review significant accounting and reporting issues, proposed adjustments and areas of judgment
- Review of the Company's compliance with applicable laws and regulatory requirements
- Review the Company's IT data governance framework & legal risks

The schedule of the composition of the Committee and meeting attendance is as follows:

Board Risk Management & Assurance Committee - Composition & Meetings (4 Meetings)

S/N	Directors	Attendance				
		Feb 22	April 21	July 22	Oct 21	%
1	Ms. Maryam Bashir (Chairman)	√	√	√	√	100
2	Mr. Uzoma Nwankwo	√	√	√	√	100
3	Ms. Bennedikter Molokwu	√	√	√	√	100
4	Mr. Olakunle Alake	√	√	√	√	100
5	Prof. Konyinsola Ajayi, SAN	√	√	√	√	100
6	Alhaji Abdu Dantata	√	*	√	√	75

Statutory Audit Committee (SAC)

The Statutory Audit Committee was established in accordance with the provisions of the Companies & Allied Matters Act 2000 (CAMA) and its functions are as prescribed under Section 404(7) of the Act. The Statutory Audit Committee has responsibility for the following:

1. Ascertain whether the accounting and reporting policies of the Company are in accordance with the legal requirements and agreed ethical practices.
2. Review the scope and planning of audit requirements.
3. Review the findings on management matters in conjunction with the external auditors and Management responses thereon.
4. Keep under review the effectiveness of the Company's system of accounting and internal control.
5. Make recommendations to the Board in regard to the appointment, removal and remuneration of the external auditors of the Company.
6. Authorize the internal auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee.

Corporate Governance Report (continued)

The Committee is composed of two (2) Non-Executive Directors and three (3) Ordinary Shareholders elected at the Company's Annual General Meeting in line with CAMA. The Chairman of the Committee is an Ordinary Shareholder.

In line with *S.11.4.8 of the Nigerian Code of Corporate Governance 2018* , the Statutory Audit Committee invited the External Auditors and the Head of Internal Audit for discussions (without the presence of Management), to facilitate an exchange of views and concerns that may not be appropriate for open discussion. The exchange was useful for the Committee's oversight role.

In November 2022, the Statutory Audit Committee in furtherance of continuous capacity enhancement, it participated in a training by the Lagos Business School (LBS) on the responsibilities of the Audit Committee which features relevant and interesting topics such as Key Financial Issues for Audit Committees, Global Issues and New Trends Impacting Audit - Digitization, I.T & Fraud Audit, The Role of the Audit Committee in Preventing Financial Reporting and Corporate Governance failures and Business Continuity & Crisis Management.

The schedule of the Committee composition and meeting attendance is as follows:

Statutory Audit Committee - Composition & Meetings Attendance (4 Meetings)

S/N	Members	Attendance				
		Feb 25	April 22	July 22	Oct 24	%
1	Mr. Olusegun Olusanya (Chairman)	√	√	*	√	75
2	Hadjia Muheebat Dankaka	√	*	√	√	75
3	Mallam Dahiru Ado	√	√	√	√	100
4	Mr. Uzoma Nwankwo	√	√	√	√	100
5	Ms. Maryam Bashir	√	√	√	√	100

Remuneration of Directors
The Board ensures that the Company remunerates fairly, responsibly, and transparently in line with its Remuneration Policy. Only Non-Executive Directors are paid Annual Fees as well as Sitting Allowances for attendance at Board and Committee meetings, they are however not entitled to be paid any performance-based compensation. The schedule of Annual Fees and Sitting Allowances payable to Non-Executive Directors for the year ended December 31, 2022 is as follows:

S/N	ANNUAL FEES	N
1	Non-Executive Directors	4,000,000
2	Independent Non-Executive Directors	4,000,000

S/N	SITTING ALLOWANCES	N
1	Board of Director's Meetings (for NEDs)	400,000
2	Board Committee Meetings (for NEDs)	400,000

Statement on Compliance with the Securities & Exchange Commission's Code of Corporate Governance for Public Companies, 2011 & Nigerian Code of Corporate Governance 2018

The Directors are responsible for ensuring compliance with the extant Codes of Corporate Governance. The Board has reviewed both the *Nigerian Code of Corporate Governance 2018 and the Securities & Exchange Commissions' Code of Corporate Governance for Public Companies 2011* and is satisfied that the Company has achieved significant improvement in its compliance with their provisions.

In recognition of its continuous innovation for business expansion, enhanced productivity, and creation of new job opportunities, thereby fighting poverty and hunger and various interventions in charitable causes, Dangote Sugar Refinery Plc emerged the Best Company in 'Food Security', at the 16th Edition of the Sustainability Enterprise & Responsibility Awards, "SERAS CSR Awards Africa 2022", held in Lagos on 4th December 2022.

The Board will continue to closely monitor the Company's compliance with best governance practices with a view to improving its governance practices.

During the period, there were no regulatory sanctions, fines or penalties on the Company.

By Order of the Board

TEMITOPE HASSAN
Company Secretary/Legal Adviser
FRC/2017/NBA/00000016669
3rd Floor, Greenview Development Nigeria Ltd Building
Terminal "E" NPA Complex, Apapa
Lagos, Nigeria

Lagos, February , 2023

Report of the Audit Committee for the Year Ended December 31, 2022

To the Members of Dangote Sugar Refinery Plc,

In compliance with *Section 404(7) of the Companies and Allied Matters Act, 2020* , we have reviewed the consolidated and separate Financial Statements of Dangote Sugar Refinery PLC for the year ended 31st December, 2022 and hereby state as follows:

a We have exercised our statutory functions under *Section 404(7) of the Companies and Allied Matters Act, 2020;*

b We deliberated with the external Auditors, who confirmed that necessary cooperation was received from Management in the course of their statutory audit and we are satisfied with Management's responses on the Auditors' Memorandum of recommendations, and with the effectiveness of the Company's system of accounting and internal control;

c The accounting and reporting policies of the Company for the year ended 31st December, 2022 are in accordance with legal requirements and agreed ethical practices, and the scope and planning of both the external and internal audits were adequate in our opinion;

d In our opinion, the scope and planning of the audit for the year ended 31st December, 2022 were adequate, and the Management Responses to the Auditors ' findings were satisfactory.

Mr. Olusegun Olusanya
Chairman, Audit Committee
FRC/2018/ICAN/00000018192

Dated this 28th Day of February, 2023

Members of the Audit Committee are:

1 Mr. Olusegun Olusanya – Chairman/Shareholder
2 Mallam Dahiru Ado - Shareholder
3 Hadjia Muheebat Dankaka (OON) - Shareholder
4 Ms Maryam Bashir – Independent Non-Executive Director
5 Mr. Uzoma Nwankwo – Non-Executive Director

Statement of Directors' Responsibilities

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 Group and Company at the end of the year and of their profit or loss.
The responsibilities include ensuring that the Group:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and Company and comply with the requirements of the Companies and Allied Matters Act;

b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other regularities; and

c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements 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 judgements and estimates, in conformity with International Financial Reporting Standards (IFRS) and both the requirements of the Financial Reporting Council of Nigeria Act and the Companies and Allied Matters Act.

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 Group and Company and of their profit. 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.

Going Concern

The Directors have made an assessment of the Group's and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not remain a going concern for at least twelve months from the date of this statement..

The consolidated and separate financial statements of the Group and Company for the year ended December 31, 2022 were approved by the Directors on February 28, 2023.

Signed on behalf of the Board of Directors By:

Alh. Aliko Dangote, GCON	**Mr. Ravindra Singh Singhvi**
Chairman	Group Managing Director/CEO
FRC/2013/IODN/00000001766	FRC/2021/003/000000/22565

Statement of Corporate Responsibility for the Financial Statements

In compliance with Sections 405 of the Companies and Allied Matters Act (CAMA) 2020, we certify that:

a) We have reviewed the audited financial statements, and based on our knowledge:

i) the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading;

ii) the audited financial statements and all other financial information included in the statements fairly present, in all material the financial condition and results of operation of the company as of and for, the periods covered by the audited financial statements.

b) We are responsible for establishing and maintaining internal controls and we have:

i) designed internal controls to ensure that material information relating to company and its subsidiary is made known to us during the year ended 31 December 2022;

ii) evaluated the effectiveness of the company's internal controls within 90 days prior to the date of the audited financial statements;
and

iii) we certify that the company's internal controls are effective of that date.

c) We disclosed to the auditors and audit committee:

i) that there are no significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data; and has identified for the company's auditors, any material weaknesses in internal controls; and

ii) that there are no fraud that involves management or other employees who have a significant role in company's internal control;

d) That there are no significant changes in internal controls or in other factors that significantly affected internal controls subsequent to the date of evaluation, including any corrective actions with regard to significant deficiencies and material weakness.

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

Dated this 28th day of February, 2023

Mr. Oscar Mbeche
Group Chief Finance Officer
FRC*
* "Waiver granted by FRCN"
Dated this 28th day of February, 2023

Independent auditor's report

To the Members of Dangote Sugar Refinery Plc

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Dangote Sugar Refinery Plc ("the company") and its subsidiaries (together "the group") as at 31 December 2022, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

What we have audited

Dangote Sugar Refinery Plc's consolidated and separate financial statements comprise:

- the consolidated and separate statements of profit or loss for the year ended 31 December 2022;
- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

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 consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of biological assets (N6.9 billion)	
Biological assets comprise growing sugar cane held for harvesting purposes. In accordance with IAS 41 - Agriculture, they are valued at fair value less cost to sell. We focused on the valuation of the biological assets due to the materiality of the balance. Furthermore, the determination of the fair value estimates is complex and involves a significant amount of judgement.	We adopted a substantive approach to testing this balance by obtaining and performing audit procedures on the directors' valuation of the biological assets. We reviewed the Group's model for calculating the fair value of biological assets by assessing the model against the criteria in IAS 41-Agriculture and IFRS 13 - Fair value measurement.
The directors have developed a model using the multi-period excess earnings method (MPEEM) under the income approach for the valuation of growing sugar cane. In order to generate a stream of cash flows to be used in this model, the directors calculate tonnage using information on hectares of farmland planted, the age of growing sugar cane per hectare and the yield rate per hectare. The cane price is then applied on the tonnage and discounted to arrive at the fair value of the sugar cane. The cane price is based on the industry out-grower price.	We tested the farm information used in the valuation model (such as the yield rate per hectare, hectare of farmland planted and age of growing cane per hectare) by comparing with data from the farm and factory reports. Furthermore, we assessed information on yield rate by comparing it against our expectation based on relevant industry data available. We tested the tonnage used in the valuation model by applying the yield rate per hectare on the hectare of farmland planted. We checked the determination of cane price by comparing to the industry out-grower price for the year. We assessed the reasonableness of the discount rate used by comparing to the independent calculation done by our valuation experts.
The directors exercise significant judgement in determining the yield rate per hectare, the discount rate, cost of sales, selling and distribution expenses, administrative expenses and contributory assets charges. This is considered a key audit matter in the consolidated and separate financial statements. See notes 2.18, 3 and 17 to the consolidated and separate financial statements.	We assessed the reasonableness of costs of sales, selling and distribution expenses, administrative expenses and contributory assets charges by comparing to historical information and amounts determined based on current work standard. We tested the mathematical accuracy of the valuation model used by the directors. We assessed the reasonableness of disclosures in the consolidated and separate financial statements.

Other information

The directors are responsible for the other information. The other information comprises General Information, Report of the Directors, Corporate Governance Report, Report of the Audit Committee, Statement of Directors' Responsibilities, Statement of Corporate Responsibility for the Financial Statements, Statement of value added and Five-year Financial Summary (but does not include the consolidated and separate financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the Dangote Sugar Refinery Plc 2022 Annual Report, which are expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the other sections of the Dangote Sugar Refinery Plc 2022 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group'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 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 Group'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 consolidated and separate 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate 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.

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Report on other legal and regulatory requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;

iii) the company's statement of financial position and statement of profit or loss are in agreement with the books of account and returns.

Yinka Yusuf

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

2 March 2023

Engagement Partner: Yinka Yusuf
FRC/2013/ICAN/00000005161

Consolidated and separate statements of profit or loss

	Note(s)	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Continuing operations					
Revenue	5	403,245,988	276,054,781	403,245,988	276,054,781
Cost of sales	7	(311,282,950)	(225,846,208)	(311,282,950)	(225,846,208)
Gross profit		**91,963,038**	**50,208,573**	**91,963,038**	**50,208,573**
Other income	11	1,435,482	333,142	533,276	332,142
Selling and distribution expenses	8	(741,408)	(906,496)	(741,408)	(906,496)
Administrative expenses	8	(10,310,342)	(10,630,962)	(9,357,639)	(9,970,729)
Impairment gains on financial assets	23.3	63,537	15,323	63,537	15,323
Operating profit	14	**82,410,307**	**39,019,580**	**82,460,804**	**39,678,813**
Finance income	9	6,379,475	1,419,193	6,379,475	1,419,191
Finance cost	10	(9,802,295)	(6,629,734)	(10,248,536)	(6,681,140)
Finance costs - net		**(3,422,820)**	**(5,210,541)**	**(3,869,061)**	**(5,261,949)**
Change in fair value of biological assets	17	3,315,333	212,173	3,315,333	212,173
Profit before tax		**82,302,820**	**34,021,212**	**81,907,076**	**34,629,037**
Taxation	12.1	(27,560,686)	(11,968,921)	(27,560,686)	(11,968,921)
Profit for the year		**54,742,134**	**22,052,291**	**54,346,390**	**22,660,116**
Profit attributable to:					
Owners of the parent		54,738,177	22,058,369	54,346,390	22,660,116
Non-controlling interest		3,957	(6,078)	-	-
		54,742,134	**22,052,291**	**54,346,390**	**22,660,116**
Earnings per share					
Basic and diluted earnings per share (Naira)	15	**4.51**	**1.82**	**4.47**	**1.87**

The accompanying notes on pages 29 to 71 form an integral part of the consolidated and separate financial statements.

Consolidated and separate statements of financial position as at December 31, 2022

	Note(s)	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Assets					
Non-current assets					
Property, plant and equipment	16	157,761,632	144,678,056	93,696,015	83,829,184
Investment in subsidiaries	20	-	-	297,000	297,000
Deposit for shares	21	-	-	64,025,068	57,084,152
Total non-current assets		**157,761,632**	**144,678,056**	**158,018,083**	**141,210,336**
Current assets					
Inventories	22	44,264,068	55,999,543	43,387,050	54,153,133
Biological assets	17	6,942,660	4,655,554	6,942,660	4,655,554
Trade and other receivables	23	107,434,891	50,155,533	106,797,356	46,302,270
Other assets	18	304,179	138,633	297,929	137,151
Asset held for sale	19	868,642	868,642	868,642	868,642
Cash and cash equivalents	24	174,858,294	103,009,804	174,658,116	102,055,783
Total current assets		**334,672,734**	**214,827,709**	**332,951,753**	**208,172,533**
Total assets		**492,434,366**	**359,505,765**	**490,969,836**	**349,382,869**
Equity					
Attributable to owners of Parent company					
Share capital	25	6,073,439	6,073,439	6,073,439	6,073,439
Share premium	25	6,320,524	6,320,524	6,320,524	6,320,524
Retained earnings	26	158,845,237	116,253,935	159,635,722	117,436,206
		171,239,200	**128,647,898**	**172,029,685**	**129,830,169**
Non-controlling interest	27	(12,790)	(16,747)	-	-
		171,226,410	**128,631,151**	**172,029,685**	**129,830,169**
Liabilities					
Non-Current Liabilities					
Deferred tax liabilities	13	13,238,074	10,431,964	13,238,074	10,431,964
Lease liability	31.1	-	1,134,857	-	1,134,857
Borrowings	28	531,563	764,448	531,563	764,448
		13,769,637	**12,331,269**	**13,769,637**	**12,331,269**
Current Liabilities					
Current tax liabilities	12.3	25,542,640	10,449,071	25,542,640	10,449,071
Lease liability	31.1	981,142	1,220,023	933,022	1,171,582
Borrowings	28	243,719	220,039	243,719	220,039
Trade and other payables	30	273,746,758	201,382,132	271,527,073	190,108,668
Employee benefits	29	762,567	766,265	762,567	766,265
Other liabilities	31	6,161,493	4,505,815	6,161,493	4,505,806
Total current liabilities		**307,438,319**	**218,543,345**	**305,170,514**	**207,221,431**
Total liabilities		**321,207,956**	**230,874,614**	**318,940,151**	**219,552,700**
Total equity and liabilities		**492,434,366**	**359,505,765**	**490,969,836**	**349,382,869**

The consolidated and separate financial statements on pages 25 to 71, and other national disclosures on pages 72 to 75 were approved by the board of directors on February 28, 2023 and were signed on its behalf by:

Alh. Aliko Dangote, GCON	**Mr. Ravindra Singh Singhvi**	**Mr. Oscar Mbeche**
Chairman	Group Managing Director/CEO	Group Chief Finance Officer
FRC/2013/IODN/00000001766	FRC/2021/003/000000/22565	FRC*
`		* "Waiver granted by FRCN"

The accompanying notes on pages 29 to 71 form an integral part of the consolidated and separate financial statements.

Consolidated and separate statements of changes in equity

Company	Note	Share Capital	Share Premium	Retained Earnings	Total
		N'000	N'000	N'000	N'000
Balance as at 1 January 2021		**6,073,439**	**6,320,524**	**112,908,938**	**125,302,901**
Profit for the year		-	-	22,660,116	22,660,116
Adjustment to the net difference arising on merger	26	-	-	87,469	87,469
Transaction with owners:					
Dividend paid		-	-	(18,220,317)	(18,220,317)
Balance as at 31 December 2021		**6,073,439**	**6,320,524**	**117,436,206**	**129,830,169**
Profit for the year		-	-	54,346,390	54,346,390
Transaction with owners:					
Dividend paid		-	-	(12,146,874)	(12,146,874)
Balance as at 31 December 2022		**6,073,439**	**6,320,524**	**159,635,722**	**172,029,685**

Group	Note	Share Capital	Share Premium	Retained Earnings	Attributable to owners of parent company	Non-controlling interest	Total
		N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January 2021		**6,073,439**	**6,320,524**	**112,328,414**	**124,722,377**	**(10,669)**	**124,711,708**
Profit for the year		-	-	22,058,369	22,058,369	(6,078)	22,052,291
Adjustment to the net difference arising on merger	26	-	-	87,469	87,469	-	87,469
Transaction with owners:							
Dividend paid		-	-	(18,220,317)	(18,220,317)	-	(18,220,317)
Balance as at 31 December 2021		**6,073,439**	**6,320,524**	**116,253,934**	**128,647,897**	**(16,747)**	**128,631,151**
						-	-
Profit for the year		**-**	**-**	54,738,177	54,738,177	3,957	54,742,134
Transaction with owners:							
Dividend paid		-	-	(12,146,874)	(12,146,874)	-	(12,146,874)
Balance as at 31 December 2022		**6,073,439**	**6,320,524**	**158,845,237**	**171,239,200**	**(12,790)**	**171,226,410**

The accompanying notes on pages 29 to 71 form an integral part of the consolidated and separate financial statements.

Dangote Sugar Refinery Plc.
Annual Report and Financial Statements for the year ended December 31, 2022

Consolidated and separate statements of cash flows

	Note(s)	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Cash flows for operating activities					
Profit before taxation		**82,302,820**	**34,021,212**	**81,907,076**	**34,629,037**
Adjustments for non-cash income and expenses:					
Depreciation of property, plant and equipment	16	9,731,508	9,271,973	8,814,028	8,624,547
Impairment of financial assets	23.3	(63,537)	(15,323)	(63,537)	(15,323)
Government grant	11	(65,109)	(75,403)	(65,109)	(75,403)
Release of gratuity	29	-	(2,555)	-	(2,555)
Loss/(Profit) on sale of assets	11	(174,602)	16,162	(174,602)	16,162
PPE Cost written off less depreciation written off	16	-	6,862	-	6,862
PPE Cost impaired less depreciation impaired	16	-	7,312	-	7,312
Interest income	9	(6,379,475)	(1,419,193)	(6,379,475)	(1,419,191)
Interest expense (lease payments and bank loan)	10	242,444	320,809	241,700	317,082
Exchange loss	31.1	-	211,741	-	211,741
Fair value gain on biological assets	17	(3,315,333)	(212,173)	(3,315,333)	(212,173)
Changes in working capital					
(Increase)/decrease in Inventory		11,735,473	7,000,759	10,766,092	(2,584,509)
Net usage of biological assets		1,028,227	19,068	1,028,227	19,068
(Increase)/decrease in trade and other receivables		(57,215,821)	12,920,132	(60,431,549)	(6,915,053)
Increase in other assets		(165,546)	(91,944)	(160,778)	(92,534)
Increase in other liabilities		1,616,409	1,655,893	1,616,409	1,655,893
Increase in trade payables		75,774,247	65,939,444	84,828,027	73,956,116
Cash generated from operations		**115,051,705**	**129,574,776**	**118,611,176**	**108,127,079**
Finance cost paid		-	-	-	-
Tax paid	12.3	(9,661,007)	(1,546,529)	(9,661,007)	(1,546,529)
Gratuity paid	29	(3,698)	(202,208)	(3,698)	(202,208)
Net cash generated from operating activities		**105,387,000**	**127,826,039**	**108,946,471**	**106,378,342**
Cash flows from investing activities					
Purchase of property, plant and equipment	16.1	(26,151,896)	(51,347,183)	(22,037,671)	(14,889,515)
Proceeds on disposal of property, plant and equipment	11.1	203,162	55,646	203,162	55,646
Interest received	9	6,379,475	1,419,193	6,379,475	1,419,191
Net cash used in investing activities		**(19,569,259)**	**(49,872,344)**	**(15,455,034)**	**(13,414,678)**
Cash flows from financing activities					
Dividends paid	26	(12,146,874)	(18,220,317)	(12,146,874)	(18,220,317)
Refund of gratuity	29	-	1,437	-	1,437
Unclaimed dividend received	24.1	39,269	88,337	39,269	88,337
Deposit for shares	21	-	-	(6,940,916)	(15,509,415)
Interest paid	28	(63,783)	(64,906)	(63,783)	(64,906)
Lease Liabilities paid - Interest	31.1	(113,552)	(182,969)	(112,808)	(179,242)
Lease Liabilities paid - Principal	31.1.0	(1,409,997)	(1,158,330)	(1,389,678)	(1,150,712)
Repayment of borrowings	28	(274,314)	(267,584)	(274,314)	(267,584)
Net cash used in financing activities		**(13,969,251)**	**(19,804,332)**	**(20,889,104)**	**(35,302,402)**
Net increase in cash and cash equivalents		71,848,490	58,149,363	72,602,333	57,661,262
Cash and cash equivalents at beginning of year		103,009,804	44,860,441	102,055,783	44,394,521
Cash and cash equivalents at end of the year	24	**174,858,294**	**103,009,804**	**174,658,116**	**102,055,783**

The accompanying notes on pages 29 to 71 form an integral part of the consolidated and separate financial statements.

1 General information

Dangote Sugar Refinery Plc (the Company) (DSR) was incorporated as a Public Limited Liability company on 4 January 2005, commenced operation on 1 January 2006 and became quoted on the Nigerian Stock Exchange in March 2007. Its current shareholding is 67% by Dangote Industries Limited and 33% by the Nigerian public.

The ultimate controlling party is Greenview International Corporation, Cayman Island.

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

The consolidated financial statements of the Group for the year ended 31 December 2022 comprise the Company and its subsidiaries - Dangote Taraba Sugar Limited, Dangote Adamawa Sugar Limited and Nasarawa Sugar Company Limited.

1.1 The principal activity

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

1.2 Going Concern status

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

1.3 Operating environment

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

1.4 Financial period

These financial statements cover the financial year from 1 January 2022 to 31 December 2022 with comparative for the year ended 31 December 2021.

2 Significant Accounting Policies

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

2.1 Statement of compliance

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) of IASB (together "IFRS") that are effective at 31 December 2022 and requirements of the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council (FRC) Act 2011 of Nigeria.

2.2 Basis of preparation

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

2.3 Consolidation of subsidiaries

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

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The results of subsidiaries acquired or disposed of during the year are included in the Group statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal as appropriate.

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

2.4 Revenue recognition

a) *Accounting policy*

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

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

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

Sale of goods

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

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

Freight Income

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

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

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

2.4 Revenue recognition (continued)

Disaggregation of revenue from contract with customers

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

2.5 Interest income recognition

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.6 Taxation

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

Current tax

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

Current income tax is the expected amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA) using statutory tax rates of 30% at the reporting sheet date. Education tax is calculated at 2.5% of the assessable profits in accordance with the Tertiary Education Tax Act.

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are recognised in other comprehensive income or directly in equity respectively. Where current tax and deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

2.7 Property, plant and equipment

i. Recognition and measurement

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

2.7 Property, plant and equipment (Continued)

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

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

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

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

ii. Subsequent costs

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

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

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

iii Derecognition of PPE

A gain or loss on disposal is recognised as the difference between the disposal proceeds and the carrying amount of the asset at the date of disposal. This gain or loss is included in the statement of profit or loss – the disposal proceeds should not be recognised as revenue.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Plant and machinery	Straight line	15 -50 years
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	4 years
Tools and equipment	Straight line	4 years
Computer equipment	Straight line	3 years
Aircraft	Straight line	25 years
Bearer plants	Straight line	6 years

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

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

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

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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

2.8 Pensions and Other post-employment benefits

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

2.8.1 Employee benefits

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

Short-term employee benefits

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

Long-term employee benefits (Defined contribution plan)

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

2.9 Government grants

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

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

2.10 Leases

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

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

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

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

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

2.10 Leases (Continued)

Leases in which the Group is a lessee

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

Leases in which the Group is a Lessor

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

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

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

2.11 Inventories

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

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

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

2.12 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

2.13 Financial instruments

i) Classification and measurement

Financial assets

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

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

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

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

2.13 Financial instruments (Continued)

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

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

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

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

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

2.13 Financial instruments (continued)

Derecognition
Financial assets

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

Financial liabilities

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

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

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

2.14 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held, if any. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

2.15 Functional and presentation currency

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

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

Foreign currency transactions and translation

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

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

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

2.16 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

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

2.17 Segment information

An operating segment is a component of an entity:

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

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

- for which discrete information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Managing Director of Dangote Sugar Refinery Plc

2.18 Biological assets

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

Recognition of assets

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

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

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

The basis of fair value determination of growing canes have been included in Note 17.

2.19 Business combination under common control

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

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

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

3 Critical judgements and sources of estimation uncertainty

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

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

i) Significant estimates

Impairment of financial assets

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

Sensitivity of estimates used in IFRS 9 ECL

Estimation uncertainty in measuring impairment loss

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

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

Trade receivables
a. Expected cash flow recoverable:

		GDP growth rate		
		-10%	Held constant	10%
		N'000	**N'000**	**N'000**
Inflation Rate	-10%	1792	4228	6663
	Held constant	-2435	-	2435
	10%	(6663)	(4228)	-1792

3 Significant judgements and sources of estimation uncertainty (continued)

ii) Critical judgements

Fair values of biological assets

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

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

The directors exercise significant judgement in determining the yield rate per hectare, the discount rate, cost of sales, selling and distribution expenses, administrative expenses and contributory assets charges. See note 17.

4 New standards and amendments

a) New standards and amendments – applicable 1 January 2022

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2022:

Title	Key requirements	Effective date
Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16	The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. The amendments does not have any significant impact on the Group's financial statements.	1 January 2022
Reference to the Conceptual Framework – Amendments to IFRS 3	Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and nterpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date. The amendments does not have any significant impact on the Group's financial statements.	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The amendments does not have any significant impact on the Group's financial statements.	1 January 2022

4 New standards and amendments (continued)

Annual Improvements to IFRS Standards 2018–2020	The following improvements were finalised in May 2020: • IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities. • IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leaseholdimprovements, to remove any confusion about the treatment of lease incentives. • IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis. These improvements do not have significant impact on the Group's financial statements.	1 January 2022

(b) New standards and interpretations not yet adopted.

The following standards and interpretations had been issued but were not mandatory for annual reporting periods ended on 31 December 2022.

IFRS 17 Insurance Contracts	IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of: • discounted probability-weighted cash flows • an explicit risk adjustment, and • a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life surers.There is a modification of the general measurement model called the 'variable fee approach' for certain ontracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.Targeted amendments made in July 2020 aimed to ease the implementation of the standard by reducing implementation costs and making it easier for entities to explain the results from applying IFRS 17 to investors and others. The amendments also deferred the application date of IFRS 17 to 1 January 2023.Further amendments made in December 2021 added a transition option that permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17. The classification overlay applies to all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17. It allows those assets to be classified in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS 9. The classification can be applied on an instrument-by-instrument basis.	1 January 2023 (deferred from 1 January 2021)
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. ** Since approving these amendments, the IASB has issued an exposure draft proposing further changes and the deferral of the amendments until at least 1 January 2024.	1 January 2023 (deferred from 1 January 2021)

4 New standards and amendments (continued)

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	1 January 2023
Definition of Accounting Estimates – Amendments to IAS 8	The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with: • right-of-use assets and lease liabilities, and • decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.	1 January 2023
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and JointVentures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the non monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. ** In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.	n/a **

These standards and amendments are not expected to have material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

5 Revenue

	GROUP	GROUP	COMPANY	COMPANY
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	N'000	N'000	N'000	N'000
Revenue from the sale of sugar - 50kg	390,985,952	269,058,884	390,985,952	269,058,884
Revenue from the sale of sugar - Retail	7,886,641	4,753,693	7,886,641	4,753,693
Revenue from the sale of molasses	2,147,585	1,190,464	2,147,585	1,190,464
Freight income	2,225,810	1,051,740	2,225,810	1,051,740
	403,245,988	**276,054,781**	**403,245,988**	**276,054,781**

All revenue is earned at a point in time.

6 Segment information

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

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

6.1 Segmental revenue and results

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

	Group and Company	
	31/12/2022	31/12/2021
	N'000	N'000
Nigeria:		
Lagos	173,039,994	126,605,319
North	178,811,926	113,152,624
West	34,622,781	25,330,695
East	16,771,287	10,966,143
	403,245,988	**276,054,781**

	Segment Revenue		Segment Cost of Sales		Segment Gross Profit	
Group and Company	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	N'000	N'000	N'000	N'000	N'000	N'000
Nigeria:						
Lagos	173,039,994	126,605,319	(127,068,080)	(98,885,081)	45,971,913	27,720,238
North	178,811,926	113,152,624	(143,417,598)	(96,110,175)	35,394,328	17,042,449
West	34,622,781	25,330,695	(27,132,946)	(20,627,319)	7,489,835	4,703,376
East	16,771,287	10,966,143	(13,664,326)	(10,223,633)	3,106,962	742,510
	403,245,988	**276,054,781**	**(311,282,950)**	**(225,846,208)**	**91,963,038**	**50,208,573**

6 Segment information (Continued)

6.2 Segment assets and liabilities

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

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

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

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

The table below provides information on the segment assets and liabilities as well as a reconciliation to total assets and liabilities as per the balance as at 31 December 2022.

	Total Segment Assets		Total Segment liabilities	
	31/12/2022 N'000	31/12/2021 N'000	31/12/2022 N'000	31/12/2021 N'000
Group				
Nigeria:				
Lagos	333,317,516	212,241,053	191,500,745	111,674,586
North	159,116,850	147,264,712	116,469,137	108,768,065
Sub-total	**492,434,366**	**359,505,765**	**307,969,882**	**220,442,651**
Unallocated deferred tax	-	-	13,238,074	10,431,964
Total	**492,434,366**	**359,505,765**	**321,207,956**	**230,874,615**

	Total Segment Assets		Total Segment liabilities	
	31/12/2022 N'000	31/12/2021 N'000	31/12/2022 N'000	31/12/2021 N'000
Company				
Nigeria:				
Lagos	398,375,875	270,346,657	192,237,042	112,400,576
North	92,593,961	79,036,212	113,465,035	96,720,160
Sub-total	**490,969,836**	**349,382,869**	**305,702,077**	**209,120,736**
Unallocated deferred tax	-	-	13,238,074	10,431,964
Total	**490,969,836**	**349,382,869**	**318,940,151**	**219,552,700**

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

Information about major customers

The company has one customer whose sales make up 16% of total revenue. Total revenue from the customer within the year is N68.96 bilion and revenue from the customer is included in the Lagos region.

6 Segment information (Continued)

Distributors

The Group sells unfortified sugar mainly to pharmaceutical, food and beverage manufacturers, while Vitamin A-fortified sugar is sold to distributors who sell to small wholesalers, confectioners and other smaller value-adding enterprises who provide the distribution network to the Nigerian retail market. The Group sells a small amount of sugar directly to retail customers. Retail packaging comes in various sizes of 250g, 500g and 1kg under the brand name “Dangote Sugar”. Sales to distributors account for 70% of the Group's revenue.

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

7 Cost of sales	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Raw material	256,326,637	183,373,949	256,326,637	183,373,949
Direct labour cost	6,656,813	5,362,783	6,656,813	5,362,783
Direct overheads	26,353,968	20,780,392	26,353,968	20,780,392
Depreciation	5,465,238	5,426,798	5,465,238	5,426,798
Freight expenses	16,480,294	10,902,286	16,480,294	10,902,286
	311,282,950	**225,846,208**	**311,282,950**	**225,846,208**

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

Depreciation charge on trucks	2,829,306	2,583,744	2,829,306	2,583,744

8 **Administrative expenses**				
Management fees	958,431	1,014,259	958,431	1,014,259
Assessment rates and municipal charges	26,110	37,194	26,110	37,194
Auditors fees and remuneration	85,000	76,000	78,283	69,750
Cleaning and fumigation	74,651	94,713	74,651	94,713
Legal, consulting and professional fees	206,789	175,482	205,817	175,482
Consumables	12,253	8,726	12,253	8,726
Depreciation	1,436,964	1,261,431	519,484	614,004
Impairment* (note 16)	-	7,313	-	7,313
Donations	324,928	1,151,789	324,928	1,151,789
Scholarship and sponsorships	16,692	9,752	16,692	9,751
Employee costs (note 36)	4,080,854	3,581,191	4,080,854	3,581,191
Entertainment	8,408	2,509	8,408	2,509
Insurance	385,867	407,437	385,867	407,437
Bank charges	263,062	155,454	260,879	148,900
Magazines, books, print and and periodicals	29,611	32,455	29,611	32,455
Utilities	235,643	175,731	235,643	175,731
Petrol and oil	53,935	51,637	53,935	51,637
Repairs and maintenance	373,457	337,919	348,106	337,919
Secretarial fees	39,717	241,854	39,717	241,854
Security expense	457,469	391,680	457,469	391,680
Staff welfare	44,794	412,865	44,794	412,865
Subscriptions	16,334	16,576	16,334	16,576
Sustainability Expenses	19,366	2,698	19,366	2,698
Telephone and fax	191,615	204,040	191,615	204,040
Training	60,599	28,751	60,599	28,751
Travel-local	769,600	683,114	769,600	683,114
Travel-overseas	138,193	68,392	138,193	68,391
	10,310,342	**10,630,962**	**9,357,639**	**9,970,729**

*Impairment in prior year 2021 of N7,313,000 is net of cost impaired of N9,000,000 and depreciation impaired of N1,687,000 per note 16

No non-audit services were rendered by the external auditors in the year.

Selling and Distribution expenses				
Selling and marketing expenses	741,408	906,496	741,408	906,496
	741,408	**906,496**	**741,408**	**906,496**

Notes to the Consolidated and Separate Financial Statements

		GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
9	**Finance income**				
	Interest income on bank deposits	6,379,475	1,419,193	6,379,475	1,419,191
		6,379,475	**1,419,193**	**6,379,475**	**1,419,191**

Interest is earned on bank deposits at an average rate of 5.9 % p.a. on short term (30days) bank deposits. (2021: 3.5% p.a.)

10	**Finance cost**				
	Exchange loss in the ordinary course of business net of exchange gain	1,889,423	1,992,231	2,336,430	2,047,363
	Finance cost on letter of credit	7,670,428	4,316,694	7,670,406	4,316,695
	Interest on lease payments	113,552	182,969	112,808	179,242
	Interest on bank loan	128,892	137,840	128,892	137,840
		9,802,295	**6,629,734**	**10,248,536**	**6,681,140**

11	**Other income**				
	Insurance claim income	39,577	35,597	39,577	35,597
	Sale of scrap	16,590	46,570	16,590	46,570
	Grant income	65,109	75,403	65,109	75,403
	Rental income	193,455	188,011	193,455	188,011
	Provision no longer required	197,011	3,555	1,943	2,555
	inventory adjustment variance	707,138	-	-	-
	Profit/(Loss) on sale of asset (Note 11.1)	174,602	(16,162)	174,602	(16,162)
	Miscellaneous income	42,000	168	42,000	168
		1,435,482	**333,142**	**533,276**	**332,142**

11.1 Profit/(Loss) on sale of asset is arrived at as below:

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Cost of assets disposed	(854,563)	(758,988)	(854,563)	(758,988)
Accumulated depreciation of assets disposed	826,003	687,180	826,003	687,180
Net book value disposed	**(28,560)**	**(71,808)**	**(28,560)**	**(71,808)**
Sales proceed received in consideration	203,162	55,646	203,162	55,646
Profit/(Loss) on sale of assets	**174,602**	**(16,162)**	**174,602**	**(16,162)**

12	**Taxation**				
12.1	**Major components of the tax expense**				
	Current Tax				
	Income tax based on profit for the year	22,587,806	9,340,367	22,587,806	9,340,367
	Education tax expense	2,162,675	1,098,661	2,162,675	1,098,661
	Police trust fund	4,095	1,731	4,095	1,731
		24,754,576	**10,440,759**	**24,754,576**	**10,440,759**
	Deferred tax (Credit)/expense				
	Deferred tax (credit)/expense recognised in the current year	1,832,477	846,748	1,832,477	846,748
	Adjustments recognised in the current period in relation to the deferred tax of prior periods	973,632	681,414	973,632	681,414
		27,560,686	**11,968,921**	**27,560,686**	**11,968,921**

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

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
12.2 Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense				
Accounting profit before tax	82,302,820	34,021,212	81,907,076	34,629,037
Income tax expense calculated at 30% of PBT	24,572,124	10,388,711	24,572,124	10,388,711
Tertiary education tax expense calculated at 2.5% of assessable profits	2,162,675	1,098,660	2,162,675	1,098,660
Effect of income that is exempt from taxation	(450,746)	(439,367)	(450,746)	(439,367)
Effect of investment allowance	(59,506)	-	(59,506)	-
Effect of expenses that are not deductible in determining taxable profit	292,468	323,461	292,468	323,461
Effect of Tax incentives	-	(41,954)	-	(41,954)
Effect of tax adjustments (minimum tax, defered tax))	-	1,731	-	1,731
Effect of tax adjustments (police trust fund levy)	4,095	-	4,095	-
Adjustments recognised in the current period in relation to the deferred tax of prior periods	973,632	681,414	973,632	681,414
Adjustment recognised due to difference in tax rate	85,229	(43,737)	65,943	(43,737)
Income tax expense recognised in profit or loss	**27,579,972**	**11,968,921**	**27,560,686**	**11,968,921**

12.3 Current tax liabilities

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
At January 1	10,449,071	1,554,841	10,449,071	1,554,841
Charge for the year	24,754,576	10,440,759	24,754,576	10,440,759
Payment made during the year	(9,661,007)	(1,546,529)	(9,661,007)	(1,546,529)
Balance end of the year	**25,542,640**	**10,449,071**	**25,542,640**	**10,449,071**

13 Deferred tax balances

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2021: 30%). The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction and the law allows net settlement.

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

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Deferred tax liabilities				
Deferred tax liabilities are attributable to the following:				
Property plant and equipment @ 30%	(12,866,209)	(11,913,613)	(12,866,209)	(11,913,613)
Property plant and equipment @ 10%	(121,878)	(121,878)	(121,878)	(121,878)
Provisions	827,496	870,036	827,496	870,036
Exchange difference @ 32%	-	802,447	-	802,447
Fair value adjustment	(1,077,483)	(68,956)	(1,077,483)	(68,956)
	(13,238,074)	**(10,431,964)**	**(13,238,074)**	**(10,431,964)**

13 Deferred tax balances (Continued)

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

13.1 Deferred tax reconciliation

	Opening balance	Movement recognised in the year-SPL	Movement recognised in the equity	Closing balance
	N'000	N'000	N'000	N'000
Company and Group as at 31 December 2022				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	11,913,613	952,596	-	12,866,209
Property, plant and equipment @ 10%	121,878	-	-	121,878
Provisions	(870,036)	42,540	-	(827,496)
Exchange difference	(802,447)	802,447		-
Fair value adjustment	68,956	1,008,527	-	1,077,483
	10,431,964	**2,806,110**	**-**	**13,238,074**
Company and Group as at 31 December 2021				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	(9,665,999)	(2,247,614)	-	(11,913,613)
Property, plant and equipment @ 10%	(121,878)	-	-	(121,878)
Exchange rate	-	802,447		802,447
Fair value adjustment	-	(68,956)	-	(68,956)
Provisions	884,076	(14,040)	-	870,036
	(8,903,801)	**(1,528,163)**	**-**	**(10,431,964)**

14 Operating profit

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

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Depreciation of property, plant and equipment (note 16)	9,731,508	9,271,973	8,814,028	8,624,547
(Profit)/loss on sale of property, plant and equipment (note 11)	(174,602)	16,162	(174,602)	16,162
Defined contribution plans (note 36)	449,219	286,302	449,219	395,345
Auditors remuneration	85,000	76,000	78,283	69,750

15 Earnings per share

Basic and diluted earnings per share

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

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

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Profit for the year	54,738,177	22,058,369	54,346,390	22,660,116
Earnings used in the calculation of basic earnings per share from continuing operations	**54,738,177**	**22,058,369**	**54,346,390**	**22,660,116**
Weighted average number of ordinary shares for the purpose of basic earnings per share	**12,146,878**	**12,146,878**	**12,146,878**	**12,146,878**
Basic and diluted earnings per share from continuing operations (Naira)	4.51	1.82	4.47	1.87

16. Property, Plant and Equipment

Group	Bearer Plant	Land	Building	Plant & Machinery	Furniture & Fittings	Motor Vehicles	Computer Equipment	Aircraft	Tools & Equipment	Capital Work In Progress	Total
COST:	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
											-
Balance, 1/1/2021	**7,641,217**	**5,663,744**	**20,419,321**	**37,906,658**	**405,300**	**25,703,878**	**293,982**	**899,828**	**8,791,048**	**40,593,579**	**148,318,556**
Additions during the year	3,475		915,686	4,535,237	16,212	603,498	64,008	-	293,676	45,783,225	52,215,018
Prior year addition recognised		87,469									87,469
Reclassifications	1,872,281	-	657,415	1,162,998	750	4,386,782	3,410	-	118,318	(8,201,954)	-
Written off	-	-	-	-	-	(4,240)	-	-	-	(10,014)	(14,254)
Impaired	-	-	-	-	-	(9,000)	-	-	-	-	(9,000)
Disposal	-	-	-	(128,196)	(14,116)	(555,527)	(5)	-	(61,144)	-	(758,988)
Balance, 31/12/2021	**9,516,973**	**5,751,213**	**21,992,422**	**43,476,696**	**408,146**	**30,125,392**	**361,395**	**899,828**	**9,141,898**	**78,164,836**	**199,838,799**
Addition	-	-	2,754,697	3,235,504	29,830	5,184,585	73,010	-	133,322	14,777,209	26,188,157
Reclassifications	5,262,059	-	502,281	673,611	2,724	15,248	1,498	-	57,682	(6,515,103)	-
Adjustment (Note 16.2)	-	-	-	-	-	-	-	-	-	(3,353,987)	(3,353,987)
Disposal	-	-	-	-	-	(854,563)	-	-	-	-	(854,563)
Balance, 31/12/2022	**14,779,032**	**5,751,213**	**25,249,400**	**47,385,811**	**440,700**	**34,470,662**	**435,903**	**899,828**	**9,332,902**	**83,072,956**	**221,818,406**
DEPRECIATION:											
Balance, 1/1/2021	**4,733,737**	**66,245**	**4,255,137**	**17,215,180**	**297,100**	**12,933,388**	**249,439**	**254,910**	**6,579,892**	**-**	**46,585,030**
Charge for the year	1,770,568	-	1,137,632	1,576,770	41,546	3,493,692	37,291	35,993	1,178,481	-	9,271,973
Written off/(back)	-	-	-	5,155	-	(11,077)	(1,470)	-	-	-	(7,392)
Impaired	-	-	-	-	-	(1,688)	-	-	-	-	(1,688)
Reclassification	-	-	-	34,032	144	(32,000)	-	-	(2,176)	-	-
Disposal	-	-	-	(128,196)	(13,852)	(483,983)	(5)	-	(61,143)	-	(687,180)
Balance, 31/12/2021	**6,504,305**	**66,245**	**5,392,770**	**18,702,941**	**324,937**	**15,898,333**	**285,255**	**290,904**	**7,695,054**	**-**	**55,160,743**
Charge for the year	1,633,389	24,514	1,246,379	1,703,154	58,518	3,939,928	46,162	35,993	1,043,471	-	9,731,508
Written off	-	-	-	-	-	(9,473)	-	-	-	-	(9,473)
Disposal	-	-	-	-	-	(826,003)	-	-	-	-	(826,003)
Balance, 31/12/2022	**8,137,694**	**90,759**	**6,639,149**	**20,406,095**	**383,455**	**19,002,785**	**331,417**	**326,897**	**8,738,525**	**-**	**64,056,775**
NET BOOK VALUE:											
Balance, 31/12/2021	**3,012,669**	**5,684,968**	**16,599,653**	**24,773,755**	**83,209**	**14,227,059**	**76,140**	**608,924**	**1,446,844**	**78,164,836**	**144,678,056**
Balance, 31/12/2022	**6,641,338**	**5,660,454**	**18,610,251**	**26,979,716**	**57,245**	**15,467,876**	**104,486**	**572,931**	**594,377**	**83,072,956**	**157,761,632**

The depreciation expenses have been charged as follows:	**N'000**
Depreciation charge per Cost of sales	5,465,238
Depreciation charge per Freight expenses	2,829,306
Depreciation charge per Administrative expenses	1,436,964
	9,731,508

16. Property, Plant and Equipment

Company	Bearer Plant	Land	Building	Plant & Machinery	Furniture & Fittings	Motor Vehicles	Computer Equipment	Aircraft	Tools & Equipment	Capital Work In Progress	Total
COST:	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Balance, 1/1/2021	**7,641,217**	**5,058,991**	**17,039,923**	**35,748,335**	**405,508**	**24,492,305**	**285,711**	**899,828**	**6,989,958**	**24,308,408**	**122,870,186**
Additions during the year	3,475		879,771	235,463	16,212	238,806	58,399	-	269,422	14,052,639	15,754,187
Prior year addition recognised		87,469									87,469
Reclassifications	1,872,280.99	-	657,415	1,162,998	750	4,386,782	3,410	-	118,318	(8,201,954)	-
Written off	-	-	-	-	-	(4,240)	-	-	-	(10,014)	(14,254)
Impaired	-	-	-	-	-	(9,000)	-	-	-	-	(9,000)
Disposal	-	-	-	(128,196)	(14,116)	(555,527)	(5)	-	(61,144)	-	(758,988)
Balance, 31/12/2021	**9,516,973**	**5,146,460**	**18,577,109**	**37,018,599**	**408,354**	**28,549,127**	**347,515**	**899,828**	**7,316,555**	**30,149,078**	**137,929,600**
Additions during the year	-	-	81,338	1,118,915	29,830	4,943,352	72,344	-	133,322	15,674,832	22,053,932
Reclassifications	5,262,059	-	502,281	673,611	2,724	15,248	1,498	-	57,682	(6,515,103)	-
Adjustment (Note 16.2)	-	-	-	-	-	-	-	-	-	(3,353,987)	(3,353,987)
Disposal	-	-	-	-	-	(854,563)	-	-	-	-	(854,563)
Balance, 31/12/2022	**14,779,032**	**5,146,460**	**19,160,728**	**38,811,125**	**440,908**	**32,653,164**	**421,357**	**899,828**	**7,507,559**	**35,954,821**	**155,774,983**
DEPRECIATION:											
Balance, 1/1/2021	**4,733,737**	**66,245**	**4,008,633**	**18,576,900**	**319,978**	**13,719,965**	**246,038**	**254,910**	**4,245,722**	**-**	**46,172,130**
Charge for the year	1,770,568	-	1,078,816	1,376,030	41,493	3,148,616	33,742	35,993	1,139,288	-	8,624,547
Written off/(back)	-	-	-	5,155	-	(11,077)	(1,470)	-	-	-	(7,392)
Impaired	-	-	-	-	-	(1,688)	-	-	-	-	(1,688)
Reclassification	-	-	-	34,032	144	(32,000)	-	-	(2,176)	-	-
Disposal	-	-	-	(128,196)	(13,852)	(483,983)	(5)	-	(61,143)	-	(687,180)
Balance, 31/12/2021	**6,504,305**	**66,245**	**5,087,448**	**19,863,922**	**347,763**	**16,339,834**	**278,305**	**290,904**	**5,321,691**	**-**	**54,100,416**
Charge for the year	1,633,389	-	1,135,579	1,362,400	31,702	3,543,484	42,445	35,993	1,029,034	-	8,814,028
Written off	-	-	-	-	-	(9,473)	-	-	-	-	(9,473)
Disposal	-	-	-	-	-	(826,003)	-	-	-	-	(826,003)
Balance, 31/12/2022	8,137,694	66,245	6,223,027	21,226,322	379,465	19,047,842	320,750	326,897	6,350,725	-	**62,078,968**
NET BOOK VALUE:											
Balance, 31/12/2021	**3,012,669**	**5,080,218**	**13,489,660**	**17,154,678**	**60,591**	**12,209,293**	**69,210**	**608,925**	**1,994,864**	**30,149,078**	**83,829,184**
Balance, 31/12/2022	**6,641,338**	**5,080,216**	**12,937,701**	**17,584,804**	**61,443**	**13,605,321**	**100,608**	**572,932**	**1,156,834**	**35,954,821**	**93,696,015**

The depreciation expenses have been charged as follows:	**N'000**
Depreciation charge per Cost of sales	5,465,238
Depreciation charge per Freight expenses	2,829,306
Depreciation charge per Administrative expenses	519,484
	8,814,028

16 Property, Plant and Equipment (continued)

Purchase of PPE per schedule and cashflow	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
16.1 Purchase of PPE per schedule (note 16)	26,188,157	52,215,018	22,053,932	15,754,187
Addition to lease liabilities (note 31.1)	(36,261)	(867,835)	(16,261)	(864,671)
Purchase of PPE per cashflow statement	**26,151,896**	**51,347,183**	**22,037,671**	**14,889,516**

16.2 Property plant and equipment adjustment represents correction journals used to correct already existing entries in the Capital work in progress as a result of Vendors reconciliations .The other entries from the Capital work in progress adjustments are in the Vendors Accounts

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

	GROUP Land	GROUP Building	COMPANY Land	COMPANY Building
COST:				
Balance as at 1/1/2021	107,748	2,990,994	107,748	2,890,205
Additions during the year	121,117	746,718	121,117	743,554
Balance, 31/12/2021	**228,865**	**3,737,712**	**228,865**	**3,633,759**
Additions during the year	-	36,261	-	16,261
Balance, 31/12/2022	**228,865**	**3,773,973**	**228,865**	**3,650,020**
DEPRECIATION:				
Balance as at 1/1/2021	66,245	1,202,347	66,245	1,163,616
Depreciation charge for the year	72,643	731,844	72,643	703,319
Balance, 31/12/2021	**138,888**	**1,934,191**	**138,888**	**1,866,935**
Depreciation charge for the year	40,183	828,974	40,183	769,488
Balance, 31/12/2022	**179,071**	**2,763,165**	**179,071**	**2,636,423**
NET BOOK VALUE:				
Balance, 31/12/2021	**89,977**	**1,803,520**	**89,977**	**1,766,824**
Balance, 31/12/2022	**49,794**	**1,010,808**	**49,794**	**1,013,597**

17 Biological assets

Carrying value at the beginning of the year	4,655,554	4,462,449	4,655,554	4,462,449
Net (usage)/addition	(1,028,227)	(19,068)	(1,028,227)	(19,068)
Fair value adjustments	3,315,333	212,173	3,315,333	212,173
Carrying amount at the end of the year	**6,942,660**	**4,655,554**	**6,942,660**	**4,655,554**

Description of biological assets and activities

Biological assets comprise of growing cane. The growing cane represents biological assets which are expected to be harvested as agricultural produce, intended for production of sugar. The biological assets have been measured at fair value less cost to sell. As at 31 Dec 2022, the group has a total of 8,092 hectares of growing canes.

Basis for measurement of fair value

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

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

Key assumptions and inputs	**31/12/2022**	**31/12/2021**	**31/12/2022**	**31/12/2021**
Industry out-grower price. (N per ton)	17,874	12,502	17,874	12,502
Average yield per hectare (tonnes)	81.90	85.57	81.90	85.57
Discount rate (%)	15.46%	15.65%	15.46%	15.65%

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

Sensitivity to changes in key assumptions and inputs

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

	31/12/2022 N'000	31/12/2021 N'000
Industry out-grower price		
impact of change		
-10%	(760,742)	(515,314)
+10%	760,742	515,314
Average yield per hectare (tonnes)		
impact of change		
-10%	(717,498)	(504,511)
+10%	717,498	491,805
Discount rate		
impact of change		
-10%	30,688	17,636
+10%	(30,037)	(17,246)
Gross profit		
impact of change		
-10%	(744,289)	(504,551)
+10%	744,289	504,551

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

Financial risk management strategies for biological assets

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

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

		GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
18	**Other assets**				
	Prepaid insurance	150,551	63,737	144,426	63,631
	Prepaid housing allowances	39,407	19,068	39,407	19,068
	Prepaid medicals	64,145	48,515	64,145	48,515
	Others	50,076	7,313	49,951	5,937
		304,179	**138,633**	**297,929**	**137,151**

		GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
19	**Asset held for sale**	868,642	868,642	868,642	868,642

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

The Management of DSR assess that the land's value has not been impaired or diminished since the last valuation carried out on 19th August 2021 by international Land Economists, KNIGHT FRANK LLP, as the opportunities presented in the valuation remain valid. The threat of Corona virus and political stability of the country, Algeria, where the land is located has also improved since the valuation. The DSR Management therefore assess the fair value of the land remains the same as the value presented in the valuation report by KNIGHT FRANK LLP.

The conversion rate between Algerian Dinar and the US dollar as at 31st December 2022 was Algerian Dinar 1,000:US Dollar $7.370 (31 December 2021: AD 1,000: US Dollar $ 7.404)which shows that there has not been any significant devaluation of the Algerian local currency against the USD $, and as explained above under the Basis of Management assessment, the local land value has also not depreciated or devalued.

20 Investment in subsidiaries

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

Company			Carrying amount	
Name of Company	**Held by**	**% interest**	**December 2022 N'000**	**December 2021 N'000**
Dangote Taraba Sugar Limited	Dangote Sugar Refinery Plc	99	99,000	99,000
Dangote Adamawa Sugar Limited	Dangote Sugar Refinery Plc	99	99,000	99,000
Nasarawa Sugar Company Limited	Dangote Sugar Refinery Plc	99	99,000	99,000
			297,000	297,000

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

21 Deposit for shares

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

Total funding to date	**Company 31/12/2022 N'000**	**Company 31/12/2021 N'000**
Nasarawa Sugar Company Limited	35,602,607	32,017,218
Dangote Adamawa Sugar Limited	26,524,563	23,171,501
Dangote Taraba Sugar Limited	1,897,898	1,895,433
	64,025,068	**57,084,152**

Funding during the year is as follows:	**31/12/2022 N'000**
Nasarawa Sugar Company Limited	3,585,390
Dangote Adamawa Sugar Limited	3,353,062
Dangote Taraba Sugar Limited	2,465
	6,940,916

22 Inventories

	GROUP 31/12/2022 N'000	**GROUP 31/12/2021 N'000**	**COMPANY 31/12/2022 N'000**	**COMPANY 31/12/2021 N'000**
Raw materials	11,032,640	10,009,094	10,921,054	10,009,094
Raw material in transit	37,330	6,308	37,330	6,308
Work-in-process	2,418,224	1,664,963	2,418,224	1,664,963
Finished goods	5,060,699	18,644,956	5,060,699	18,644,956
Finished goods in transit	1,879,649	482,224	1,879,649	482,224
Production supplies	18,679,161	21,776,102	17,888,377	19,931,898
Chemicals and consumables	5,029,616	3,492,458	5,054,968	3,490,252
Packaging materials	470,825	267,514	470,825	267,514
	44,608,144	**56,343,619**	**43,731,126**	**54,497,209**
Allowance for obsolete inventory	(344,076)	(344,076)	(344,076)	(344,076)
	44,264,068	**55,999,543**	**43,387,050**	**54,153,133**
Movement in provision for obsolete inventory				
As at 1 January	(344,076)	(344,076)	(344,076)	(344,076)
As at 31 December	**(344,076)**	**(344,076)**	**(344,076)**	**(344,076)**
Amount of inventory charged as expense in the year:	-	-	-	-

No inventory was pledged as security for any liability.

23 Trade and other receivables

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Trade receivables	4,651,950	14,261,870	4,651,950	14,261,870
Allowance for doubtful debts and impairments	(131,462)	(469,939)	(131,462)	(469,939)
	4,520,488	**13,791,931**	**4,520,488**	**13,791,931**
Staff loans and advances	384,473	130,919	377,992	127,143
Allowance for impaired staff advances	(69,289)	(95,885)	(69,289)	(95,885)
Allowance for impaired staff loans (Note 23.2)	(23,950)	(23,950)	(23,950)	(23,950)
Other financial assets	83,031,542	21,314,383	82,572,232	20,141,687
Advance payment to contractors	2,796,730	8,143,889	2,624,986	5,468,628
Insurance claim receivable	373,388	373,388	373,388	373,388
Allowance for impaired Insurance claim	(373,388)	(373,388)	(373,388)	(373,388)
Negotiable Duty Credit Certificates (Note 23.1)	623,592	707,085	623,592	707,085
Other receivables	13,105,852	1,011,803	13,105,852	1,010,272
Receivable from Olam Group	602,997	602,997	602,997	602,997
Allowance for impaired receivables from Olam Group	(602,997)	-	(602,997)	-
Amount due from related parties (Note 35)	3,303,865	5,138,831	3,303,865	5,138,831
Allowance for impaired -related parties Trade(Note 23.2)	-	(389,301)	-	(389,301)
Allowance for impaired -related parties Non-Trade(Note 23.2)	(238,412)	(177,168)	(238,412)	(177,168)
	107,434,891	**50,155,533**	**106,797,356**	**46,302,270**

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

Included in the advance payment to contractors for 2022 fiscal year is N315,944,294 made to related parties for Company (Group: N315,944,294)(31 December 2021: Company -N761,559,173 and Group- N777,526,173)

23.1 Negotiable duty credit certificate

The Company has received certificates for N707 million termed as Negotiable Duty Credit Certificate (NDCC).However, N83.5 Million matured during the year which reduced the balance to N623.6 Million.The NDCC is an instrument of the government for settling of the EEG receivables. The NDCC is used for the payment of Import and Excise duties in lieu of cash. The recently issued Government promissory notes that relates to the last tranches of export carried out by the company are being converted to cash based on the maturity dates indicated on the instruments. However, the old NDCC which ought to be utilized for payment of import and exercise duty in lieu of cash is yet to be enjoyed just like other players within the industry

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

23.2 Allowance for impairment of financial assets

Group and Company	Other Receivables	Impairment losses				
		Trade	Related party Trade-related	Related party Non-trade related	Staff loans	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1/1/2021	236,239	260,729	373,541	554,610	23,950	1,449,069
Increase/(decrease) in allowance for credit losses for the year	137,149	209,210	15,760	(377,442)	-	(15,323)
Balance as at 31/12/2021	373,388	469,939	389,301	177,168	23,950	1,433,746
Net impact on retained earnings in current year	137,149	209,210	15,760	(377,442)	-	(15,323)
Balance as at 1/1/2022	373,388	469,939	389,301	177,168	23,950	1,433,746
Increase/(decrease) in allowance for credit losses for the year	602,997	(338,477)	(389,301)	61,244	-	(63,537)
Balance as at 31/12/2022	976,385	131,462	-	238,412	23,950	1,370,209
Net impact on retained earnings in current year	602,997	(338,477)	(389,301)	61,244	-	(63,537)

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

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Balance at the beginning of the year	1,433,747	1,449,070	1,433,747	1,449,070
Impairment (gain) recognised in profit or loss	(63,537)	(15,323)	(63,537)	(15,323)
Balance at the end of the year	**1,370,210**	**1,433,747**	**1,370,210**	**1,433,747**

24 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, short term deposits and treasury bills with a 90 day tenure. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Cash in hand	4,047	5,400	2,400	2,400
Bank balances	20,782,004	21,329,257	20,583,473	20,378,236
Short term deposits	151,682,243	79,335,147	151,682,243	79,335,147
Nigerian Treasury bill	2,390,000	2,340,000	2,390,000	2,340,000
	174,858,294	**103,009,804**	**174,658,116**	**102,055,783**

24.1 Unclaimed dividend

In line with Security Exchange Commission Regulation, The total sum of NGN 39,269,313.80 (Thirty Nine Million, Two Hundred and sixty Nine Thousand, three Hundred and Thirteen, Eight Kobo) was received from the registrars in 2022. (N88,337,000 in 2021)This amount represents 90% of Year 2020 unclaimed dividend that has aged above 15 months. This entire sum is included within the investment in treasury bills (note 24 above).

25 Share capital and Premium

The balance in the share capital account was as follows:

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Authorised:				
Balance at January 1 (15,000,000,000 Ordinary shares of N0.50 each)	7,500,000	7,500,000	7,500,000	7,500,000
Cancellation during the year	(1,426,561)	-	(1,426,561)	-
Balance at December 31	**6,073,439**	**7,500,000**	**6,073,439**	**7,500,000**
Allotted, called up issued and fully paid:				
Balance at January 1 (12,146,878,239 Ordinary shares of N0.50 each)	6,073,439	6,073,439	6,073,439	6,073,439
Balance at December 31	**6,073,439**	**6,073,439**	**6,073,439**	**6,073,439**
Share premium				
12,000,000,000 ordinary shares of N0.5 each issued at N0.5267	**6,320,524**	**6,320,524**	**6,320,524**	**6,320,524**

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

	31/12/2022 N'000	31/12/2021 N'000	31/12/2022 N'000	31/12/2021 N'000
26 Retained earnings				
Balance at January 1	116,253,935	112,328,413	117,436,206	112,908,938
Adjusment to net difference arising on merger*	-	87,469	-	87,469
Profit for the year	54,738,177	22,058,369	54,346,390	22,660,116
Dividend paid during the year	(12,146,874)	(18,220,317)	(12,146,874)	(18,220,317)
Balance at December 31	**158,845,237**	**116,253,935**	**159,635,722**	**117,436,206**

*Adjusment to net difference arising on merger relates to the recognition of land (plot 246, Cadastral Zone) at Abuja as per asset valuation report by Diya Fatimilehin & Co. The asset was earlier omitted from the books. This amount has been passed directly to equity for the merger number for prior period.

Dividend recognised as distribution to owners in year 2021 is at N1.00 per every ordinary share held (2020: N1.10 per share).

27 Non-controlling interest				
Balance brought forward	(16,747)	(10,669)	-	-
Share of profit/(loss) for the year	3,957	(6,078)	-	-
Total	**(12,790)**	**(16,747)**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements

		GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
28	**Borrowings**				
	Held at amortised cost				
	Bank loan	775,282	984,487	775,282	984,487
		775,282	**984,487**	**775,282**	**984,487**
	Non-current liabilities	531,563	764,448	531,563	764,448
	Current liabilities	243,719	220,039	243,719	220,039
		775,282	**984,487**	**775,282**	**984,487**
	Movement of bank Loans				
	Balance brought forward	984,487	1,179,137	984,487	1,179,137
	Accrued interest	128,892	137,840	128,892	137,840
	Interest payment on bank loans	(63,783)	(64,906)	(63,783)	(64,906)
	Principal repayment	(274,314)	(267,584)	(274,314)	(267,584)
		775,282	**984,487**	**775,282**	**984,487**

In 2016, the Group received a 10-year agric loan of N2 Billion from Zenith Bank Plc, towards the expansion of its agricultural activities with two years moratorium on principal, at an interest of 9% per annum payable quarterly. The interest rate was reduced to 5% in Q2 2020 as part of COVID 19 palliative. However, it was subsequently reviewed back to 9% in Q3 2022. It is secured on fixed and floating assets of Dangote Sugar Refinery, Numan

29 Employee benefits

Defined benefit plan

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

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

Movement in gratuity	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Balance as at 1 January	766,265	969,591	766,265	969,591
Refund	-	1,437	-	1,437
Released provision (Benefit paid previously)	-	(2,555)	-	(2,555)
Benefits paid from plan	(3,698)	(202,208)	(3,698)	(202,208)
Balance as at 31 December	**762,567**	**766,265**	**762,567**	**766,265**

Defined contribution plan

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

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

		GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
30	**Trade and other payables**				
	Trade payables	7,560,691	11,845,969	7,191,248	4,618,972
	Letters of Credit	218,242,613	154,412,777	217,301,321	151,587,769
	Dividend Payable	1,556,243	1,556,243	1,556,243	1,556,243
	Accruals and sundry creditors	21,291,777	18,900,029	21,067,297	18,681,322
	Other credit balances	11,268,253	3,281,357	11,244,335	2,993,695
	Due to related parties (Note 35)	13,827,181	11,385,757	13,166,629	10,670,667
		273,746,758	**201,382,132**	**271,527,073**	**190,108,668**

		GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
31	**Other Liabilities**				
	Advance payment for goods (contract liabilities)	6,161,493	4,505,815	6,161,493	4,505,806
31.1	**Lease Liability**	981,142	2,354,881	933,022	2,306,439

Lease liabilities

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Opening balance as at 1 January	2,354,879	2,433,632	2,306,439	2,380,739
Additions	36,261	867,835	16,261	864,671
Interest expense	113,552	182,969	112,808	179,242
Exchange Difference	-	211,741	-	211,741
Payments made during the year	(1,523,550)	(1,341,299)	(1,502,486)	(1,329,954)
Closing balance as at 31 December	**981,142**	**2,354,878**	**933,022**	**2,306,439**
Current	981,142	1,220,023	933,022	1,171,582
Non-current	-	1,134,857	-	1,134,857
	981,142	**2,354,880**	**933,022**	**2,306,439**

31.1.0 Principal payment of lease interest per cashflow is derived as below:

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Payments made during the year	(1,523,550)	(1,341,299)	(1,502,486)	(1,329,954)
Interest expense	113,552	182,969	112,808	179,242
	(1,409,997)	**(1,158,330)**	**(1,389,678)**	**(1,150,712)**

31.1.1 Amounts recognised in the statement of profit or loss

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Depreciation charge on right of use assets				
Land	40,183	72,643	40,183	72,643
Buildings	828,974	731,844	769,488	703,319
	869,157	**804,487**	**809,671**	**775,962**
Interest expense (included in finance cost)	113,552	182,969	112,808	179,242
Foreign exchange difference	-	211,741	-	211,741
Expense related to short term leases (included in administrative expenses)	-	20,486	-	20,486

31.1.2 Liquidity risk (maturity analysis of lease liabilities)

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Lease liability - Undiscounted cashflows				
0-3 months	103,658	460,882	103,658	460,882
3-12 months	75,664	914,698	75,664	904,020
1-2 years	-	943,396	-	943,396
	179,322	2,318,976	179,322	2,308,298

31.1.3 Leases where the Group is a lessor.

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

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

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Other income				
Rental income on operating lease (Note 11)	193,455	188,011	193,455	188,011

32 Risk management

Capital risk management

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

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

The Group's risk management committee reviews the capital structure of the Group on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group is not geared as at 31 December 2021 (see below).

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

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position as at 31 December 2021) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the as at 31 December 2021 plus net debt.

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

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Total borrowings				
Borrowings (Note 28)	775,282	984,487	775,282	984,487
Less: Cash and cash equivalent (Note 24)	174,858,294	103,009,804	174,658,116	102,055,783
Net Cash	174,083,012	102,025,317	173,882,834	101,071,296
Total Equity	171,226,410	132,323,299	172,029,685	132,864,201
Gearing ratio	0.5%	0.7%	0.5%	0.7%

Financial risk management

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

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

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the board. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk management

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

32 Risk management (continued)

Group

At 31 December 2022	Less than one year N'000	More than one year N'000	Total N'000
Borrowings	243,719	531,563	775,282
Letters of Credit	218,242,613	-	218,242,613
Lease liability	981,142	-	981,142
Trade and other payables	55,504,145	-	55,504,145
	274,971,619	**531,563**	**275,503,182**
At 31 December 2021			
Borrowings	220,039	764,448	984,487
Letters of Credit	154,412,777	-	154,412,777
Lease liability	1,220,023	1,134,857	2,354,880
Trade and other payables	46,969,356	-	46,969,356
	202,822,195	**1,899,305**	**204,721,500**

Company

At 31 December 2022	Less than one year N'000	More than one year N'000	Total N'000
Borrowings	243,719	531,563.00	775,282
Letters of Credit	217,301,321	-	217,301,321
Lease liability	933,022	-	933,022
Trade and other payables	54,225,751	-	54,225,751
	272,703,814	**531,563**	**273,235,377**
At 31 December 2021			
Borrowings	220,039	764,448	984,487
Letters of Credit	151,587,769	-	151,587,769
Lease liability	1,171,582	1,134,857	2,306,439
Trade and other payables	38,520,899	-	38,520,899
	191,500,289	**1,899,305**	**193,399,594**

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

Credit risk

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

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

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

Concentration of risk

16% of the trade receivables are due from a single customer whose credit history is good. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are otherwise diverse including both corporate entities and lots of individual end users. The requirement for impairment is analysed at each reporting date on an individual basis for corporate and individual customers.

32 Risk management (continued)

Deposits with banks and other financial institutions

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

Maximum exposure to credit risks

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

Financial instrument	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Trade receivables	4,520,488	13,791,931	4,520,488	13,791,931
Other receivables	13,770,474	1,999,271	13,763,993	1,993,965
Deposit for open Letters of Credit with the banks.	83,031,542	21,314,383	82,572,232	20,141,687
Amount due from related party	3,065,453	4,572,362	3,065,453	4,572,362
Cash and cash equivalents	174,858,294	103,009,804	174,658,116	102,055,783
	279,246,251	**144,687,751**	**278,580,282**	**142,555,728**

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

Impairment of financial assets

The company's financial assets that are subject to IFRS 9 expected credit loss model are:

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

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

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

The expected loss rates as at 31 December 2022 are as follows:

Age of trade receivables	0-30 days N'000	31-60 days N'000	61-90 days N'000	91-365 days N'000	Over 365 days N'000	Total N'000
Gross carrying amount	4,076,512	468,543	13,132	84,333	9,431	4,651,950
Default rate	1%	8%	46%	48%	100%	
Lifetime ECL	(36,139)	(39,169)	(5,976)	(40,746)	(9,431)	(131,462)
Total	**4,040,372**	**429,374**	**7,156**	**43,587**	**-**	**4,520,488**

The expected loss rates as at 31 December 2021 are as follows:

Age of trade receivables	0-30 days N'000	31-60 days N'000	61-90 days N'000	91-365 days N'000	Over 365 days N'000	Total N'000
Gross carrying amount	13,581,919	486,313	46,644	-	146,994	14,261,870
Default rate	2%	6%	11%	15%	100%	
Lifetime ECL	(289,137)	(28,695)	(5,113)	-	(146,994)	(469,939)
Total	**13,292,782**	**457,618**	**41,531**	**-**	**-**	**13,791,931**

32 Risk management (continued)

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

· The contract is approved by the parties.

· Collectability is probable.

b) Amounts due from related parties

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

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

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

i) Amounts due from related parties (trade related)

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

The expected loss rates as at 31 December 2022 are as follows:

Age of receivables	0-30 days	31-60 days	61-90 days	91-365 days	Over 365 days	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount	-	-	-	-	-	-
Default rate	56%	57%	57%	78%	100%	
Lifetime ECL	-	-	-	-	-	-
Total	-	-	-	-	-	-

The expected loss rates as at 31 December 2021 are as follows:

Age of receivables	0-30 days	31-60 days	61-90 days	91-365 days	Over 365 days	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount	7,993	-	6,150	75,368	315,095	404,606
Default rate	52%	58%	59%	88%	100%	
Lifetime ECL	(4,178)	-	(3,615)	(66,413)	(315,095)	(389,301)
Total	**3,815**	**-**	**2,535**	**8,955**	**-**	**15,305**

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

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

December 31 2022

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	N'000	N'000	N'000	N'000
Gross EAD*	5,094,611	-	-	5,094,611
Loss allowance as at 31 December 2022	(238,412)	-	-	(238,412)
Net EAD	**4,856,199**	**-**	**-**	**4,856,199**

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32 Risk management (continued)

December 31 2021

	Stage 1 12-month ECL N'000	Stage 2 Lifetime ECL N'000	Stage 3 Lifetime ECL N'000	Total N'000
Gross EAD*	4,734,225	-	-	4,734,225
Loss allowance as at 31 December 2021	(177,168)	-	-	(177,168)
Net EAD	**4,557,057**	**-**	**-**	**4,557,057**

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

	Amounts due from related parties (non-trade related)
Probability of Default (PD)	The rating of each related party receivable is used to determine the PD. All facilities except Dangote Cement have been assigned a B- rating with an associated year 1 PD of 0.64%. Dangote Cements rating of AA+ rating was mapped to Fitch's rating of B with an associated year 1 PD of 0.43%.
Loss Given Default (LGD)	The LGD was applied on unsecured exposures. The LGD was determined using the Moody's average corporate senior bond recovery rate of 37%.
Exposure at Default (EAD)	EAD is an estimation of the extent to which a financial entity may be exposed to a counterparty in the event of a default and at the time of the counterparty's default. The EAD at every point in time is the balance from the previous month accumulated with interest and deducted for contractual repayments.
Forward Looking Information	In incorporating forward looking information, various macroeconomic variables such as GDP, Exchange rate, inflation rate, have been considered to determine how default rates should move over time.
Probability weightings	The Z score was used to calculate the probability of having a best, downturn and optimistic scenarios by comparing Nigeria GDP historical experience from 2006 - 2016. 89% weight was assigned to best case, 2% for optimistic and 9% for downturn.

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

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

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

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

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

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

32 Risk management (continued)

c) Staff loans

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

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

The following analysis provides further detail about the calculation of ECLs related to these assets. The Company considers the model and the assumptions used in calculating these ECLs as key sources of estimation uncertainty. See notes 3 and 23.2 for further details.

December 31 2022	**Stage 1** **12-month ECL** **N'000**	**Stage 2** **Lifetime ECL** **N'000**	**Stage 3** **Lifetime ECL** **N'000**	**Total** **N'000**
Gross EAD*	-	63,476	2,150	65,626
Loss allowance as at 1 January 2022	-	(21,800)	(2,150)	(23,950)
Net EAD	**-**	**41,676**	**-**	**41,676**

December 31 2021	**Stage 1** **12-month ECL** **N'000**	**Stage 2** **Lifetime ECL** **N'000**	**Stage 3** **Lifetime ECL** **N'000**	**Total** **N'000**
Gross EAD*	-	63,476	2,150	65,626
Loss allowance as at 1 January 2021	-	(21,800)	(2,150)	(23,950)
Net EAD	**-**	**41,676**	**-**	**41,676**

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

	Staff Loans
Probability of Default (PD)	The rating of each staff is used to determine the PD. All facilities except for expired facilities have been assigned a C rating with an associated year 1 PD of 3.35%. Expired staff loans has been assigned a rating of D with an associated year 1 PD of 100%.
Loss Given Default (LGD)	The LGD was applied on unsecured exposures. The LGD was determined as 100% for all staff loans.
Exposure at Default (EAD)	EAD is an estimation of the extent to which a financial entity may be exposed to a counterparty in the event of a default and at the time of the counterparty's default. The EAD at every point in time is the balance from the previous month accumulated with interest and deducted for contractual repayments.
Forward Looking Information	In incorporating forward looking information, the staff attrition rate was used as a proxy for the default rate. The attrition rate was forecasted by growing the attrition rate for the last historical point with the average growth rate for the historical period.
Probability weightings	The Z score was used to calculate the probability of having a best, downturn and optimistic scenarios by comparing Nigeria GDP historical experience from 2010 - 2020. 89% weight was assigned to best case, 2% for optimistic and 9% for downturn.

32 Risk management (continued)

d) Cash and cash equivalents
The Company also assessed the cash and cash equivalents to determine their expected credit losses. Based on this assessment, they identified the expected losses on cash as at as at 31 December 2020 and 31 December 2021 to be insignificant, as the loss rate is deemed immaterial. Cash are assessed to be in stage 1.

e) Deposit for Open Letters of Credit with the banks
The Company also assessed its deposits for open letters of credit with banks to determine their expected credit losses. Based on this assessment, they identified the expected losses on this financial asset as at 31 December 2020 and 31 December 2021 to be insignificant, as the loss rate is deemed immaterial. Deposit for open Letters of Credit with the banks are assessed to be in stage 1.

Cash at bank and short-term bank deposits
*Counterparties with external credit rating (Fitch)*****

	GROUP	**GROUP**	**COMPANY**	**COMPANY**
	31/12/2022	**31/12/2021**	**31/12/2022**	**31/12/2021**
	N'000	**N'000**	**N'000**	**N'000**
B-	121,243,361	48,638,898	121,043,183	48,270,750
B	11,856,778	52,686,893	11,856,778	52,104,163
BB-	1,365	-	1,365	-
BBB	8,190,912	462,362	8,190,912	462,362
BBB+	16,477,562	-	16,477,562	-
A	733,785	987,268	733,785	987,268
A+	7,207,952	-	7,207,952	-
AA	8,441,049	-	8,441,049	-
AAA	705,530	228,840	705,530	228,840
No rating	-	5,543	-	2,400
	174,858,294	**103,009,804**	**174,658,116**	**102,055,783**

****B+, B and B-: Highly speculative, indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

BBB: Good credit quality, denotes expectations of default risk are currently low, The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

A & A-: High credit quality, denotes expectations of low default risk, capacity for payment of financial commitments is considered strong, but may more vulnerable to adverse business or economic conditions than is the case for higher ratings.

AAA: Highest credit quality, denotes the lowest expectations of default risk, exceptionally strong capacity for payment of financial commitments.

Interest rate risk management

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

32 Risk management (continued)

Foreign currency risk management

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

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

	31/12/2022			31/12/2021		
Company	**Euro (€) N'000**	**GBP (£) N'000**	**USD ($) N'000**	**Euro (€) N'000**	**GBP (£) N'000**	**USD ($) N'000**
Cash and cash equivalents	-	5,738	14,779,740	-	-	48,098
Letters of Credit	(1,186)	(1,417)	(214,236)	(662,050)	(950,393)	(129,833,639)
Trade payables	(215,838)	(167,708)	(188,983,087)	(94,381)	(319,063)	(1,224,702)
Amount due from/(to) related parties	309,295	(588,129)	408,859	(292,997)	(716,611)	122,064
Net exposure	**92,271**	**(751,516)**	**(174,008,724)**	**(1,049,428)**	**(1,986,067)**	**(130,888,179)**
Group						
Cash and cash equivalents	-	5,738	14,779,741	-	-	48,098
Letters of Credit	(1,186)	(1,417)	(214,911)	(662,120)	(953,446)	(132,655,524)
Trade payables	(239,378)	(261,794)	(189,622,418)	(117,922)	(423,858)	(25,505,977)
Amount due from/(to) related parties	309,295	(588,129)	408,859	(292,997)	(716,611)	122,064
Net exposure	**68,731**	**(845,602)**	**(174,648,729)**	**(1,073,039)**	**(2,093,915)**	**(157,991,339)**

The Group's exposure to foreign currency risk is largely concentrated in the US Dollar. The Group reviews its foreign currency exposure, including commitments on an ongoing basis. The Company expects its foreign exchange contracts to hedge foreign exchange exposure.

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	31/12/2022 N	**31/12/2021 N**	**31/12/2022 N**	**31/12/2021 N**
Euro (€)	479.64	506.97	491.76	467.51
GBP (£)	555.51	523.83	554.59	556.42
USD ($)	448.05	417.67	461.10	435.00

Sensitivity analysis on foreign currency

A Thirty Nine percent (39%) weakening of the Naira against the Dollar at 31 December 2022 (31 December 2021: 15%*) would have decreased the profit before tax and retained earning by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and Company considered to be reasonably possible at the end of the reporting period. There are challenges faced in sourcing for adequate quantity of foreign currencies from the official markets resulting in slowdown of business operations when foreign currencies required to purchase production materials are not available. The analysis assumes that all other variables, in particular interest rates, remain constant.

*A fifteen percent (15%) weakening of the Naira, against the Euro, Dollar and GBP was used at 31 December 2021

	Effect of 39% increase on profit before tax			
	GROUP 31/12/2022 N'000 N'000	**GROUP 31/12/2021 N'000 N'000**	**COMPANY 31/12/2022 N'000 N'000**	**COMPANY 31/12/2021 N'000 N'000**
Euro (€)	20,596	(160,956)	27,651	(157,414)
GBP (£)	(285,774)	(314,087)	(253,977)	(297,910)
USD ($)	(49,073,291)	(23,698,701)	(48,893,461)	(19,633,227)

A five percent (5%) strengthening of the Naira against the Dollar at 31 December 2022 (31 December 2021: 15%*) would have increased profit before tax and retained earnings by the amounts shown below. Historically, the likelihood of Naira appreciating against other foreign currencies have been reasonably not significant. The analysis assumes that all other variables, in particular interest rates, remain constant.

*A fifteen percent (15%) strengthening of the Naira, against the Euro, Dollar and GBP was used at 31 December 2021

	Effect of 5% decrease on profit before tax			
	GROUP 31/12/2022 N'000	**GROUP 31/12/2021 N'000**	**COMPANY 31/12/2022 N'000**	**COMPANY 31/12/2021 N'000**
Euro (€)	2,641	(157,414)	3,545	(157,414)
GBP (£)	(36,638)	(314,087)	(32,561)	(297,910)
USD ($)	(6,291,448)	(23,698,701)	(6,268,392)	(19,633,227)

32 Risk management (continued)

Financial risk management strategies for biological assets

The group is exposed to risks arising from environmental and climatic changes.The group's has a wide variety of canes which allows a high degree of mitigation against adverse climatic conditions such as disease outbreaks. The group has strong environmental policies and procedures in place to comply with environmental and other laws.

33 Financial assets by category

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

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Assets				
Trade and other receivables	104,387,957	41,677,947	103,922,166	40,499,945
Cash and cash equivalents	174,858,294	103,009,804	174,658,116	102,055,783
	279,246,251	**144,687,751**	**278,580,282**	**142,555,728**

34 Financial liabilities by category

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Liabilities				
Borrowings	775,282	984,487	775,282	984,487
Lease liabilities	981,142	2,354,880	933,022	2,306,439
Trade and other payables	273,746,758	201,382,132	271,527,073	190,108,668
	275,503,182	**204,721,499**	**273,235,377**	**193,399,594**

35 Related party information

35.1 Related parties and Nature of relationship and transactions

Related parties	Nature of relationship and transactions
NASCON Allied Industries Plc	Fellow subsidiary from which the Company purchases raw salt as input in the production process
Bluestar Shipping Lines Limited	Fellow subsidiary Company that provides clearing and stevedoring services
Dangote Taraba Sugar Limited	Subsidiary- Backward integrated project
Dangote Adamawa Sugar Limited	Subsidiary- Backward integrated project
Nasarawa Sugar Company Limited	Subsidiary- Backward integrated project
Dangote Global Services Limited	Fellow subsidiary- Payment for foreign procurements
Dangote Oil and Gas Company Limited	Fellow subsidiary - Supply of AGO and LPFO
Dangote Industries Limited	Parent company that provides management support and receives 7.5% of total reimbursables as management fees
Dancom Technologies Limited	Fellow subsidiary - Supply of IT services
MHF Properties Limited	Fellow subsidiary - Property rentals.
Greenview Development Nig. Limited	Fellow subsidiary - Property rentals.
Kura Holdings Limited	Fellow subsidiary - Travel services
Aliko Dangote Foundation	Under common control- Incures expenses on each other's behalf
Dangote Sinotruk West Africa Limited	Fellow subsidiary- Supply of fleet trucks
Dangote Cement Plc	Fellow subsidiary - exchange of diesel and LPFO
Dangote Fertiliser Limited	Fellow subsidiary- Supply of fleet trucks
Dangote Packaging Limited	Fellow subsidiary- Supplies empty for bagging of finished

35 Related party information (continued)

		GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
35.2	**Related party transactions and balances**				
i)	**Sales of goods and services**				
	Dangote Rice Limited	-	700	-	700
	Dangote Industries Limited	133,031	23,304	133,031	23,304
	Bluestar Shipping Lines Limited	216	-	216	-
	Dangote Packaging Limited		700		700
	NASCON Allied Industries Plc	509,259	244,667	509,259	244,667
	Greenview Development Nig. Limited	104,183	100,122	104,183	100,122
	Aliko Dangote Foundation	126,830	82,200	126,830	82,200
	Dangote Cement Plc	100,976	72,774	100,976	72,774
		974,495	**524,467**	**974,495**	**524,467**
ii)	**Purchase of goods and services**				
	Dangote Cement Plc	7,944,524	5,829,807	7,944,524	5,829,807
	Greenview Development Nig. Limited	6,682,916	5,365,226	6,682,916	5,365,226
	Dangote Packaging Limited	4,973,946	3,954,525	4,973,946	3,954,525
	Kura Holdings Limited	141,292	24,340	141,292	24,340
	Bluestar Shipping Lines Limited	604,890	580,225	604,890	580,225
	Dangote Fertiliser Limited	4,005,557	-	4,005,557	-
	Dangote Oil and Gas Company Limited	2,505,808	-	2,505,808	-
	Dangote Global Services Limited	783,253	515,176	783,253	515,176
	NASCON Allied Industries Plc	461,068	279,134	461,068	279,134
	Dancom Technologies Limited	135,292	130,554	135,292	130,554
	MHF Properties Limited	31,090	1,116	31,090	1,116
	Dangote Sinotruk West Africa Limited	391,360	261	391,360	261
	Dangote Industries Limited	6,192,598	4,038,434	6,192,598	4,038,434
		34,853,594	**20,718,797**	**34,853,594**	**20,718,797**
iii)	**Management fees**				
	Dangote Industries Limited	958,431	1,014,259	958,431	1,014,259
		958,431	**1,014,259**	**958,431**	**1,014,259**

35 Related party information (continued)

iv) **Amount owed by related parties**	**GROUP 31/12/2022 N'000**	**GROUP 31/12/2021 N'000**	**COMPANY 31/12/2022 N'000**	**COMPANY 31/12/2021 N'000**
Dangote Global Services Limited	530,604	1,097,948	530,604	1,097,948
NASCON Allied Industries Plc	128,461	152,465	128,461	152,465
Greenview Development Nig. Limited	521,470	288,603	521,470	288,603
Bluestar Shipping Lines Limited	39,652	-	39,652	-
Dangote Oil and Gas Company Limited	-	181,081	-	181,081
Dangote Fertiliser Limited	-	1,107,193	-	1,107,193
AG Dangote Construction Limited	959,130	959,130	959,130	959,130
Aliko Dangote Foundation	110,042	81,667	110,042	81,667
Dangote Cement Plc	1,014,506	1,270,744	1,014,506	1,270,744
Dangote Industries Limited	-	-	-	-
Gross amount due from related parties (Note 23)	**3,303,865**	**5,138,831**	**3,303,865**	**5,138,831**
Allowance for impaired -related parties Trade(Note 23.2)	-	(389,301)	-	(389,301)
Allowance for impaired -related parties Non-Trade(Note 23.2)	(238,412)	(177,168)	(238,412)	(177,168)
Net amount due from related parties	3,065,453	4,572,362	3,065,453	4,572,362

v) **Amount owed to related parties**				
Dangote Cement Plc	7,673,487	7,116,217	7,016,166	6,749,076
Dangote Packaging Limited	431,175	602,842	431,175	602,842
Kura Holdings Limited	3,446	30,325	3,446	30,325
Dangote Fertiliser Limited	1,011,888	-	1,011,888	-
Bluestar Shipping Lines Limited	-	1,119,791	-	774,547
Dangote Oil and Gas Company Limited	(253,514)	-	(253,514)	-
Dangote Refinery	11,894	-	11,894	-
Dancom Technologies Limited	26,807	17,263	23,576	14,558
MHF Properties Ltd	87	-	87	-
Dangote Nigeria Limited Clearing	-	693	-	693
Dangote Sinotruk West Africa Limited	-	176,360	-	176,360
Dangote Industries Limited	4,921,911	2,322,266	4,921,911	2,322,266
	13,827,181	**11,385,757**	**13,166,629**	**10,670,667**

The balance on lease liabilities due to related parties include the following:

vi) Lease Liability				
Greenview Development Nig. Limited	799,117	1,917,628	799,117	1,917,628
MHF Properties Limited	13,030	19,557	13,030	19,557

35 Related party information (continued)

35.3 Sales of goods to related parties were made at the Company's usual market price without any discount to reflect the quantity of goods sold to related parties.

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

Dangote Industries Limited (DIL) in recognition of the requirement of transfer pricing regulations that all transactions between connected taxable persons shall be carried out in a manner that is consistent with arm's length principle has come up with basis of computing its management fees and royalty taking into cognizance certain principles.

Royalty payment are made in addition to management fees and is payable at the rate of 0.5% of the total revenue.

35.4 Loans to and from related parties

There are no related party loans as at 31 December 2022.

35.5 Key Management Personnel

List of Directors of Dangote Sugar Refinery Plc

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

List of key management staff

		2022	2021
1	Group Managing Director/CEO	Mr. Ravindra Singhvi	Mr. Ravindra Singhvi
2	Group Chief Finance Officer	Mr. Oscar Mbeche	Mrs. Adebola Falade
3	Company Secretary/Legal Adviser	Mrs. Temitope Hassan	Mrs. Temitope Hassan
4	Acting General Manager, Refinery	Mr. Christopher Okoh	Engr. Thiru Rajasekar
5	Chief Internal Auditor	Mr.Babafemi Gbadewole	Mr.Babafemi Gbadewole
6	Head, Supply Chain	Mr. Ganiyu Bakare	Mr Adesola Ogunaike
7	General Manager, Sales and marketing	Mr. Saddiq Bello	Mr. Saddiq Bello
8	General Manager, Human Resources and Admin.	Mr. Hassan Salisu	Mr. Hassan Salisu
9	Head, Risk Management	Mr. Ayokunle Ushie	Mr. Ayokunle Ushie
10	Chief Executive Numan	Mr. Chinnaya Sylvian	Mr. Chinnaya Sylvian
11	Head, DSR Logistics and Transport	Mr. Olusegun Idowu	N/A
12	Head, HSSE	Mr. Itoro Unaam	N/A
13	Head, Internal Control	Mr. Godfrey Ojo	N/A
14	Head, Corporate Affairs	Ms. Ngozi Ngene	N/A
15	Director Strategy/BIP Support	Hajiya Mariya Dangote	N/A

35 Related parties (Cont'd)

35.6 Compensation to key management staff

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Short-term employee benefits	746,619	452,330	746,619	452,330
	746,619	**452,330**	**746,619**	**452,330**

36 Employee costs

The following items are included within employee benefits expenses:

Direct employee costs	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000
Basic	3,258,058	2,791,767	3,258,058	2,791,767
Medical claims	197,328	24,268	197,328	24,268
Leave allowance	259,795	235,048	259,795	235,048
Short term benefits	1,523,550	1,237,557	1,523,550	1,237,557
Other short term costs	1,131,068	818,746	1,131,068	818,746
Pension	287,014	255,398	287,014	255,398
	6,656,813	**5,362,783**	**6,656,813**	**5,362,783**

Indirect employee costs	31/12/2022 N'000	31/12/2021 N'000	31/12/2022 N'000	31/12/2021 N'000
Basic	1,108,588	962,694	1,108,588	962,694
Medical claims and allowance	47,785	10,042	47,785	10,042
NSITF and ITF levies	90,026	104,290	90,026	104,290
Short term benefits	2,085,990	1,742,607	2,085,990	1,742,607
Other short term costs	586,260	621,611	586,260	621,611
Pension	162,205	139,947	162,205	139,947
	4,080,854	**3,581,191**	**4,080,854**	**3,581,191**

Total employee costs				
Direct employee cost	6,656,813	5,362,783	6,656,813	5,362,783
Indirect employee cost	4,080,854	3,581,191	4,080,854	3,581,191
	10,737,667	**8,943,974**	**10,737,667**	**8,943,974**

Average number of persons employed during the year was:

	31/12/2022 Number	31/12/2021 Number	31/12/2022 Number	31/12/2021 Number
Management	149	129	133	115
Senior Staff	608	585	595	570
Junior Staff	2,309	2116	2,275	2104
	3,066	**2,830**	**3,003**	**2,789**

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

	GROUP 2022 Number	GROUP 2021 Number	COMPANY 2022 Number	COMPANY 2021 Number
N200,000 - N600,000	538	589	538	589
N600,001 - N700,000	84	68	84	68
N700,001 - N800,000	20	7	20	7
N800,001 - N900,000	67	14	58	5
N900,001 - N1,000,000	43	10	22	8
N1,000,001 - N2,000,000	1,106	1248	1,095	1240
N2,000,001 - N3,000,000	500	389	498	385
N3,000,001 - N4,000,000	229	175	225	171
N4,000,001 - N5,000,000	146	64	145	63
N5,000,001 - N6,000,000	62	79	60	78
N6,000,001 - N7,000,000	46	62	46	62
N7,000,001 - N8,000,000	47	50	46	49
N8,000,001 - N9,000,000	34	17	34	17
N9,000,001 - N10,000,000	44	8	44	8
N10,000,001 and above	100	50	88	39
	3,066	**2,830**	**3,003**	**2,789**

37 Directors' emoluments	**31/12/2022 N'000**	**31/12/2021 N'000**	**31/12/2022 N'000**	**31/12/2021 N'000**
Fees	16,000	33,000	16,000	33,000
Salaries	165,996	134,633	165,996	134,633
Others	470,172	129,342	470,172	129,342
	652,168	**296,975**	**652,168**	**296,975**
Emoluments of the highest paid Director	165,996	134,633	165,996	134,633

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

N'000	**31/12/2022 Number**	**31/12/2021 Number**	**31/12/2022 Number**	**31/12/2021 Number**
0 - 19,000	7	8	7	8
32,000 and above	1	1	1	1
	8	**9**	**8**	**9**

38 Events after the reporting period

There were no events after the reporting period that could have had material effect on the financial statements of the Company as at 31 December 2022 that have not been taken into account in these financial statements.

39 Capital Commitment

As at 31 December 2022, there were no capital commitments in respect of the Lagos factory expansion (2021: Nil)

40 Contingent assets and Contingent liabilities

There were no contingent assets and liabilities as at 31 December 2022 (2021: Nil)

41 Free Float Computation

Company Name:	Dangote Sugar Refinery Plc
Board Listed:	Main Board
Year End:	December
Reporting Period:	Period Ended 31 December 2022(Q4)
Share Price at end of reporting period:	N16.05 (2021:N17.40)

Shareholding structure/Free Float Status

Description	31 December 2022		31 December 2021	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	12,146,878,241	100%	12,146,878,241	100%
Substantial Shareholdings (5% and above):				
Dangote Industries limited	8,122,446,281	66.87%	8,122,446,281	66.87%
Dangote Aliko	653,095,014	5.38%	653,095,014	5.38%
Total Substantial Shareholdings	**8,775,541,295**	**72.25%**	**8,775,541,295**	**72.25%**
Directors' Shareholdings (direct and indirect), excluding directors with substantial interest:				
Mr. Olakunle Alake (Direct)	7,194,000	0.06%	7,194,000	0.06%
Ms Benedicta Molokwu (Direct)	1,483,400	0.01%	1,483,400	0.01%
Alhaji Abdu Dantata (Direct)	1,044,400	0.01%	1,044,400	0.01%
Mr. Uzoma Nwankwo (Direct)	384,692	0.00%	384,692	0.00%
Total Directors' Shareholdings	**10,106,492**	**0.08%**	**10,106,492**	**0.08%**
Free Float in Units and Percentage	**3,361,230,454**	**27.67%**	**3,361,230,454**	**27.67%**
Free Float in Value (N)	**53,947,748,786.70**		**58,485,409,899.60**	

Declaration:

(A) Dangote Sugar Refinery Plc with a free float percentage of 27.67% as at 31 December 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

(B) Dangote Sugar Refinery Plc with a free float value of N58,485,409,899.60 as at 31 December 2021, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

42 Securities Trading Policy

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

Other National Disclosures

Statement of value added

		2022 N'000	2022 %	2021 N'000	2021 %
GROUP					
Value Added					
Revenue		403,245,988		276,054,781	
Bought - in materials and services		(310,013,941)		(221,710,948)	
Fair Value adjustment		3,315,333		212,173	
Other income		7,814,957		1,752,335	
		104,362,337	**100**	**56,308,341**	**100**
Value Distributed					
To Pay Employees					
Salaries, wages, medical and other benefits		10,737,667		8,943,974	
		10,737,667	**10**	**8,943,974**	**16**
To Pay Providers of Capital					
Finance costs		3,422,820		5,210,541	
		3,422,820	**3**	**5,210,541**	**9**
To Pay Government					
Income tax	12	24,754,576		10,440,759	
		24,754,576	**24**	**10,440,759**	**19**
To be retained in the business for expansion and future wealth creation:					
Value reinvested					
Depreciation, amortisation and impairments		9,731,508		8,814,028	
Deferred tax	12	973,632		846,748	
		10,705,140	**10**	**9,660,776**	**17**
Value retained					
Retained profit		54,738,177		22,058,369	
Non-controlling interest		3,957		(6,078)	
		54,742,134	**52**	**22,052,291**	**39**
Total Value Distributed		**104,362,337**	**100**	**56,308,341**	**100**

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

“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 Group for the replacement of assets and the further development of operations.

Other National Disclosures

Statement of value added

	Note	2022 N'000	2022 %	2021 N'000	2021 %
COMPANY					
Value Added					
Revenue		403,245,988		276,054,781	
Bought - in materials and services		(309,978,718)		(221,233,332)	
Fair Value adjustment		3,315,333		212,173	
Other income		6,912,751		1,751,333	
		103,495,354	**100**	**56,784,955**	**100**
Value Distributed					
To Pay Employees					
Salaries, wages, medical and other benefits		10,737,667		8,943,974	
		10,737,667	**10**	**8,943,974**	**16**
To Pay Providers of Capital					
Finance costs		3,869,061		5,261,949	
		3,869,061	**4**	**5,261,949**	**9**
To Pay Government					
Income tax	12	24,754,576		10,440,759	
		24,754,576	**24**	**10,440,759**	**18**
To be retained in the business for expansion and future wealth creation:					
Value reinvested					
Depreciation, amortisation and impairments		8,814,028		8,631,409	
Deferred tax	12	973,632		846,748	
		9,787,660	**9**	**9,478,157**	**17**
Value retained					
Retained profit		54,346,390		22,660,116	
Non-controlling interest		-		-	
		54,346,390	**53**	**22,660,116**	**40**
Total Value Distributed		**103,495,354**	**100**	**56,784,955**	**100**

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

“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 Group for the replacement of assets and the further development of operations.

Five Year Financial Summary

	GROUP 31/12/2022 N'000	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/12/2019 N'000	GROUP 31/12/2018 N'000
Group as at December 31, 2022					
Assets					
Non-current assets	157,761,632	144,678,056	101,733,526	93,437,879	71,441,221
Current assets	333,804,092	214,152,172	213,959,067	99,399,395	102,806,764
Assets of disposal groups held for sale	868,642	868,642	868,642	868,642	868,642
Total assets	**492,434,366**	**359,698,870**	**316,561,235**	**193,705,916**	**175,116,627**
Liabilities					
Non-current liabilities	13,769,637	12,331,269	12,331,269	8,029,989	6,735,540
Current liabilities	307,438,319	227,234,250	218,543,346	77,539,463	69,405,899
Total liabilities	**321,207,956**	**239,565,519**	**230,874,615**	**85,569,452**	**76,141,439**
Equity					
Share capital and premium	12,393,963	12,393,963	12,320,524	12,320,524	12,320,524
Retained income	158,845,237	120,872,174	112,328,413	96,258,578	87,010,225
Non-controlling interest	(12,790)	(22,825)	(10,669)	(442,638)	(355,561)
Total equity	**171,226,411**	**133,243,311**	**124,638,268**	**108,136,464**	**98,975,188**
Total equity and liabilities	**492,434,367**	**372,808,830**	**355,512,883**	**193,705,916**	**175,116,627**
Profit and loss account					
Revenue	403,245,988	276,054,781	276,054,781	161,085,778	150,373,083
Profit before taxation	**82,302,820**	**34,367,571**	**33,476,032**	**29,820,430**	**34,601,057**
Profit for the year	**54,742,134**	**22,398,650**	**21,507,111**	**22,361,276**	**21,976,467**
Per share data (Naira)					
Earnings per share (Basic and diluted)	4.51	1.84	1.77	1.87	1.85
Net assets per share	14.10	10.97	10.27	9.01	8.25

Earnings per share are based on profit after tax and the weighted number of issued and fully paid ordinary shares at the end of each financial year.

Five Year Financial Summary

	COMPANY 31/12/2022 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/12/2019 N'000	COMPANY 31/12/2018 N'000
Company as at December 31, 2022					
Assets					
Non-current assets	158,018,083	141,210,336	118,569,794	36,317,858	33,585,972
Current assets	332,083,111	207,690,101	207,110,786	160,942,622	144,069,096
Assets of disposal groups held for sale	868,642	868,642	868,642	868,642	868,642
Total assets	**490,969,836**	**349,769,079**	**326,549,222**	**198,129,122**	**178,523,710**
Liabilities					
Non-current liabilities	13,769,637	12,331,269	12,331,269	6,693,930	5,309,997
Current liabilities	305,170,514	215,859,981	207,169,076	73,352,250	66,033,587
Total liabilities	**318,940,151**	**228,191,250**	**219,500,345**	**80,046,180**	**71,343,584**
Equity					
Share capital and premium	12,393,963	12,393,963	12,320,524	12,320,524	12,320,524
Retained income	159,635,722	122,656,192	104,665,927	105,762,418	94,859,602
Total equity	**172,029,685**	**135,050,155**	**116,986,451**	**118,082,942**	**107,180,126**
Total equity and liabilities	**490,969,836**	**363,241,405**	**336,486,796**	**198,129,122**	**178,523,710**
Profit and loss account					
Revenue	403,245,988	276,054,781	276,054,781	158,104,577	146,549,176
Profit before taxation	**81,907,076**	**34,975,396**	**35,096,570**	**34,829,241**	**38,455,530**
Profit for the year	**54,346,390**	**23,006,475**	**23,127,649**	**24,102,816**	**25,830,941**
Per share data (Naira)					
Earnings per share (Basic and diluted)	4.47	1.89	1.90	2.01	2.15
Net assets per share	14.16	11.12	9.64	9.84	8.93

Earnings per share are based on profit after tax and the weighted number of issued and fully paid ordinary shares at the end of each financial year.