

# FLOUR MILLS OF NIGERIA PLC

## CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2014

	Notes	Group		Company	
		31-Mar-14 N'000	31-Mar-13 N'000 (restated)	31-Mar-14 N'000	31-Mar-13 N'000 (restated)
<b>Continuing operations</b>					
Revenue	6	332,142,685	301,941,329	245,701,366	225,629,747
Cost of sales		<u>(288,485,692)</u>	<u>(264,042,482)</u>	<u>(216,422,044)</u>	<u>(202,445,764)</u>
Gross profit		43,656,993	37,898,847	29,279,322	23,183,983
Other operating income	6.1	3,873,953	5,407,308	2,747,821	3,705,300
Selling and distribution expenses		<u>(12,434,164)</u>	<u>(10,066,912)</u>	<u>(4,834,718)</u>	<u>(3,002,061)</u>
Administration expenses		<u>(15,721,482)</u>	<u>(15,381,820)</u>	<u>(9,923,693)</u>	<u>(10,192,166)</u>
Operating profit		19,375,300	17,857,423	17,268,731	13,695,056
Investment income	7	5,027,712	5,464,686	4,546,396	6,212,520
Finance costs	8	<u>(16,101,379)</u>	<u>(11,407,268)</u>	<u>(9,358,092)</u>	<u>(8,281,195)</u>
Share of loss in associate company	9	<u>(73,651)</u>	<u>(1,037,993)</u>	-	-
Profit before tax	10	8,227,983	10,876,848	12,457,035	11,626,381
Income tax expense	11	<u>(2,860,108)</u>	<u>(3,337,038)</u>	<u>(1,991,517)</u>	<u>(2,725,392)</u>
Profit for the year		5,367,875	7,539,810	10,465,518	8,900,989
Other comprehensive income for the year, net of income tax					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Actuarial gain/(loss)		<u>580,672</u>	<u>(487,635)</u>	<u>538,032</u>	<u>(460,461)</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Fair value gain on available for sale financial assets		<u>109,820</u>	<u>-</u>	<u>109,820</u>	<u>-</u>
Other comprehensive income for the year, net of income tax		<u>690,492</u>	<u>(487,635)</u>	<u>647,852</u>	<u>(460,461)</u>
<b>Total comprehensive income</b>		<b><u>6,058,367</u></b>	<b><u>7,052,175</u></b>	<b><u>11,113,370</u></b>	<b><u>8,440,528</u></b>
Profit attributable to:					
Owners of the Company		4,612,033	6,745,913	10,465,518	8,900,989
Non-controlling Interests		<u>755,842</u>	<u>793,897</u>	<u>-</u>	<u>-</u>
		<b><u>5,367,875</u></b>	<b><u>7,539,810</u></b>	<b><u>10,465,518</u></b>	<b><u>8,900,989</u></b>
Total comprehensive income attributable to:					
Owners of the Company		5,299,750	6,249,951	11,113,370	8,440,528
Non-controlling Interests		<u>758,617</u>	<u>802,223</u>	<u>-</u>	<u>-</u>
		<b><u>6,058,367</u></b>	<b><u>7,052,174</u></b>	<b><u>11,113,370</u></b>	<b><u>8,440,528</u></b>
<b>Earnings per share (kobo)</b>					
From continuing operations					
Basic (kobo)	35	<u>184</u>	<u>282</u>	<u>431</u>	<u>372</u>
Diluted (kobo)	35	<u>184</u>	<u>282</u>	<u>366</u>	<u>366</u>

# FLOUR MILLS OF NIGERIA PLC

## CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

	Notes	31-Mar-14 N'000	Group 31-Mar-13 N'000 (restated)	1-Apr-12 N'000 (restated)	31-Mar-14 N'000	Company 31-Mar-13 N'000 (restated)	1-Apr-12 N'000 (restated)
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	12	169,287,517	141,078,461	112,194,408	70,264,835	67,031,425	47,202,771
Intangible assets	13.1	554,905	672,908	520,868	116,768	164,640	17,785
Goodwill	13.4	4,148,022	4,148,022	583,728	-	-	-
Investment in subsidiaries	14	-	-	-	3,814,168	3,585,132	3,020,575
Investment in associates	9	7,790,094	2,058,203	1,391,674	26,586,837	20,781,295	19,076,773
Other financial assets/investments	15	135,456	24,948	414,198	524,706	414,198	414,198
Long-term loans receivable	16	11,457,561	19,717,445	18,578,584	11,743,706	19,966,483	18,578,584
Deferred tax assets	18	688,198	434,193	-	57,907	57,907	-
Biological assets	19	609,112	-	-	-	-	-
Other long term assets	20	1,734,837	1,830,333	-	-	-	-
Deposit for shares	21	-	-	2,194,171	-	-	2,194,171
<b>Total non-current assets</b>		<b>196,405,703</b>	<b>169,964,513</b>	<b>135,877,631</b>	<b>113,108,927</b>	<b>112,001,081</b>	<b>90,504,857</b>
<b>Current assets</b>							
Inventories	22	63,683,942	65,650,494	50,277,454	45,371,104	40,992,727	26,274,989
Biological assets	19	144,885	5,435	-	-	-	-
Trade and other receivables	23	14,647,192	19,314,182	17,425,462	48,121,627	50,950,147	34,009,678
Other assets	24	2,210,892	1,779,898	1,402,967	1,693,959	1,460,321	657,803
Due from related companies	41	3,331,669	1,585,988	1,355,402	625,490	1,570,838	659,396
Cash and bank balances	25	16,825,163	21,837,482	26,239,138	11,224,448	16,914,612	20,433,020
<b>Total current assets</b>		<b>100,843,742</b>	<b>110,173,480</b>	<b>96,700,423</b>	<b>107,036,627</b>	<b>111,888,645</b>	<b>82,034,886</b>
<b>Total assets</b>		<b>297,249,445</b>	<b>280,137,993</b>	<b>232,578,054</b>	<b>220,145,554</b>	<b>223,889,726</b>	<b>172,539,744</b>
<b>Equity and Liabilities</b>							
<b>Capital and reserves</b>							
Share capital	26	1,192,842	1,192,842	1,167,388	1,192,842	1,192,842	1,167,388
Share premium	27	36,812,540	36,812,540	33,526,369	36,812,540	36,812,540	33,526,369
Capital reserve	28	281,201	281,201	4,405,525	-	-	-
Retained earnings		#REF!	41,283,814	36,857,460	#REF!	#REF!	#REF!
Attributable to equity holders of the parent		#REF!	79,570,397	75,956,742	#REF!	#REF!	#REF!
Non-controlling interests		3,636,773	2,914,854	5,058,796	-	-	-
<b>Total equity</b>		<b>#REF!</b>	<b>82,485,250</b>	<b>81,015,538</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>
<b>Non-current liabilities</b>							
Borrowings	29	48,614,076	39,863,248	27,081,005	6,869,924	7,445,013	276,066
Unsecured fixed rate bond	30	16,484,216	23,211,894	30,005,046	16,484,216	23,211,894	30,005,046
Deferred revenue	17	3,136,133	3,372,148	1,401,513	1,206,669	1,374,788	-
Deferred tax liabilities	18	11,806,025	10,944,797	9,433,955	10,671,238	9,908,091	7,457,983
Retirement benefit obligation	31	3,673,114	4,266,712	4,123,936	2,922,289	3,462,939	2,584,246
Long Service Award	32	1,317,571	1,483,966	1,021,250	1,154,531	1,323,376	553,656
<b>Total non-current liabilities</b>		<b>85,031,135</b>	<b>83,142,766</b>	<b>73,066,706</b>	<b>39,308,868</b>	<b>46,726,101</b>	<b>40,876,997</b>
<b>Current liabilities</b>							
Borrowings	29	76,443,426	53,877,818	39,703,057	42,939,435	32,825,633	20,532,481
Unsecured fixed rate bond	30	10,424,384	11,324,384	8,262,329	10,424,384	11,324,384	8,262,329
Deferred revenue	17	865,738	607,220	319,184	394,896	119,858	-
Trade and other payables	33	38,116,034	45,454,104	25,109,258	26,528,831	37,820,764	19,817,817
Due to related companies	41	34,381	45,645	461	-	45,645	-
Provisions		16,109	230,537	570,040	-	214,925	9,590
Current tax liabilities	11	2,666,511	2,780,479	4,339,540	1,513,734	2,021,513	3,353,121
Dividend payable	34	92,297	189,793	191,941	92,297	189,793	191,941
<b>Total current liabilities</b>		<b>128,658,880</b>	<b>114,509,979</b>	<b>78,495,811</b>	<b>81,893,576</b>	<b>84,562,515</b>	<b>52,167,279</b>
<b>Total liabilities</b>		<b>213,690,015</b>	<b>197,652,744</b>	<b>151,562,517</b>	<b>121,202,444</b>	<b>131,288,616</b>	<b>93,044,276</b>
<b>Total equity and liabilities</b>		<b>#REF!</b>	<b>280,137,994</b>	<b>232,578,054</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>

The consolidated and separate statements on pages 2 to 76 were approved by the Board of Directors on 30 July 2014 and signed on its behalf by

Mr. Paul Gbededo  
Group Managing Director  
FRC/2013/ODN/0000003828

Alhaji Y O A Saliu  
Director  
FRC/2013/CAN/0000003595

Mrs. Lydia Aruleba  
Head of Finance  
FRC/2013/CAN/0000003554

The notes on pages 7 to 73 and statements on pages 11 to 22 form an integral part of these financial statements

## FLOUR MILLS OF NIGERIA PLC

### CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY AS AT 31 MARCH 2014

Group	Share capital	Share premium	Capital reserve	Retained earnings	Non controlling interest	Total equity
	N'000	N'000	(restated) N'000	(restated) N'000	N'000	N'000
<b>Balance at 1 April 2012 (as previously reported)</b>	<b>1,167,388</b>	<b>33,526,369</b>	<b>8,730,525</b>	<b>33,231,165</b>	<b>5,058,796</b>	<b>81,714,242</b>
<b>Adjustments (see note a)</b>				<b>(698,705)</b>		<b>(698,705)</b>
<b>Reclassification</b>			<b>(4,325,000)</b>	<b>4,325,000</b>		
<b>Balance as at 1 April 2012 restated</b>	<b>1,167,388</b>	<b>33,526,369</b>	<b>4,405,525</b>	<b>36,857,460</b>	<b>5,058,796</b>	<b>81,015,537</b>
Dividends				(3,735,643)		(3,735,643)
Dividend paid to BAGCO to Non Controlling Interest during the year				(320,587)		(320,587)
Profit or loss for the year - <b>(restated)</b>				6,745,913	793,898	7,539,811
Other comprehensive income <b>(restated)</b>				(495,961)	8,326	(487,635)
Issue of shares with a premium in respect of the mergers	25,454	3,286,172				3,311,626
Capital reserve from merger of Flour Mills of Nigeria Plc with Nigerian Bag Manufacturing Company Plc.				2,232,632		2,232,632
Eliminated of capital reserve of Nigerian Bag Manufacturing Company Plc on merger with Flour Mills of Nigeria Plc.			(4,124,324)			(4,124,324)
NCI adjustments on merger of Nigerian Bag Manufacturing Company Plc On acquisition of Rom Oil Limited					(2,965,055)	(2,965,055)
					18,890	18,890
<b>Balance at 31 March 2013</b>	<b>1,192,842</b>	<b>36,812,540</b>	<b>281,201</b>	<b>41,283,814</b>	<b>2,914,855</b>	<b>82,485,252</b>
Dividends Paid				#REF!		#REF!
Profit or loss for the year				4,612,033	755,842	5,367,875
Other comprehensive income				687,717	2,775	690,492
Changes in investment in ROM Oil Limited and Thai Farm International Limited				(176,119)		(176,119)
NCI adjustments on 25% of shares in Thai Farms International Limited					(36,699)	(36,699)
Balance at 31 March 2014	1,192,842	36,812,540	281,201	#REF!	3,636,773	#REF!

- (a) The adjustment of N698.7million recognised as at 1 April 2012 represents net impact of the actuarial valuation of long service award payable to staff.
- (b) There was an adjustment of (N41.3million) to Niger Mill Company Limited retained earning transferred on merger in 2013 due to the net impact of the actuarial valuation of long service award to staff.
- (c) There were adjustments of (N325.4million) and N3307million to Nigerian Bag Manufacturing Company Plc retained earning transferred on merger in 2013 due to the net impact of the actuarial valuation of long service award to staff and revised actuarial valuation of retirement benefit obligation .
- (d) At the Annual General Meeting held on 11 September 2013 a dividend of N2 per share was approved (4,771,369).

# FLOUR MILLS OF NIGERIA PLC

## CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2014

	Notes	31-Mar-14 N'000	31-Mar-13 N'000	31-Mar-14 N'000	31-Mar-13 N'000
<b>Cash flows from operating activities</b>					
Cash receipts from customers		337,995,364	306,266,060	250,769,209	224,410,883
Cash payments to suppliers and employees		<u>(308,418,425)</u>	<u>(281,961,589)</u>	<u>(237,353,454)</u>	<u>(221,030,867)</u>
Cash generated from operations		29,576,939	24,304,472	13,415,755	3,380,016
Value added tax (net paid)		(1,643,242)	(964,423)	(1,478,918)	(131,616)
Income taxes paid	35.1	<u>(2,665,060)</u>	<u>(4,178,085)</u>	<u>(2,002,297)</u>	<u>(3,775,616)</u>
<b>Net cash generated by operating activities</b>		<b><u>25,268,637</u></b>	<b><u>19,161,964</u></b>	<b><u>9,934,541</u></b>	<b><u>(527,216)</u></b>
<b>Cash flows from investing activities</b>					
Purchase of investments in subsidiary companies		-	-	(229,035)	(2,544,675)
Purchase of investments associate company		(5,805,542)	(1,704,522)	(5,805,542)	(1,704,522)
Purchase of other investment		(688)	-	(688)	-
Purchase of other operating lease		-	(1,900,000)	-	-
Loans granted to related companies		(2,185,658)	(3,404,792)	(2,222,765)	(3,653,830)
Loans repaid by related companies		10,445,542	2,265,931	10,445,542	2,265,931
Deposit for shares		-	2,194,171	-	2,194,171
Proceeds from disposal of property, plant and equipment		290,824	65,416	238,149	53,740
Purchase of property, plant and equipment		(40,730,261)	(37,299,096)	(10,239,438)	(12,300,808)
Purchase of intangible assets		(41,399)	(317,029)	(41,399)	(216,502)
Interest received		5,027,712	5,456,436	4,510,830	5,210,270
Dividend received		-	8,250	35,566	1,002,250
Net cash utilised by investing activities		<u>(32,999,469)</u>	<u>(34,635,235)</u>	<u>(3,308,781)</u>	<u>(9,693,976)</u>
<b>Cash flows from financing activities</b>					
Proceed from issue of shares		0	3,311,625	0	3,311,625
Proceed from term loan		67,444,062	42,282,537	25,509,260	35,515,890
Repayment of term loan		(62,828,813)	(3,731,326)	(37,903,906)	(3,731,326)
Repayment Bond		(7,627,678)	(3,731,097)	(7,627,678)	(3,731,097)
Interest paid		(16,101,379)	(11,407,268)	(9,358,092)	(8,281,195)
Dividend paid	35.1	<u>(4,868,865)</u>	<u>(4,058,648)</u>	<u>(4,868,865)</u>	<u>(4,058,648)</u>
<b>Net cash generated by financing activities</b>		<b><u>(23,982,673)</u></b>	<b><u>22,665,823</u></b>	<b><u>(34,249,281)</u></b>	<b><u>19,025,249</u></b>
Net decrease in cash and cash equivalents		(31,713,506)	7,192,552	(27,623,521)	8,804,057
Cash and cash equivalents at the beginning of the year		<u>(211,418)</u>	<u>(7,403,970)</u>	<u>10,333,028</u>	<u>1,528,970</u>
Cash and cash equivalents at the end of the year	16	<b><u>(31,924,924)</u></b>	<b><u>(211,418)</u></b>	<b><u>(17,290,493)</u></b>	<b><u>10,333,027</u></b>