



Flour Mills of Nigeria Plc

Annual report
31 March, 2016

Flour Mills of Nigeria Plc

Annual report for the year ended 31 March, 2016

Board of Directors, Officers and Other Corporate Information

Directors	George S. Coumantaros (Chairman Emeritus)	(U.S. Citizen)
	John G. Coumantaros (Chairman)	(U.S. Citizen)
	Dr. (Chief) Emmanuel A. Ukpabi (KJW) (Vice- Chairman)	
	Paul Miyonmide Gbededo (Group Managing Director)	
	Alhaji Abdullahi A. Abba	
	Prof. Jerry Gana, CON	
	Alfonso Garate	(Spanish)
	Alhaji Rabiu M. Gwarzo, OON	
	Ioannis Katsaounis	(Greek)
	Thanassis Mazarakis	(Greek)
	Atedo N.A Peterside, CON	
	Foluso O. Philips	
Alhaji Y. Olatokun A. Salu		
Folarin R. A. Williams		
Secretary	Joseph Odion Umolu	
Company registration number	RC 2343	
Date of incorporation	29 September, 1960	
Independent Auditors	KPMG Professional Services KPMG Tower Bishop Aboyade Cole Street Victoria Island Lagos	
Registered office	1, Golden Penny Place, Wharf Road Apapa, Lagos	
Business address	1, Golden Penny Place, Wharf Road Apapa, Lagos	
Bankers	Access Bank Plc Citibank Nigeria Limited Diamond Bank Plc Ecobank Nigeria Plc Fidelity Bank Plc First Bank of Nigeria Limited First City Monument Bank Guaranty Trust Bank Plc Heritage Bank Limited Skye Bank Plc Stanbic IBTC Bank Plc Union Bank of Nigeria Plc United Bank for Africa Plc Wema Bank Plc Zenith Bank Plc	

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Directors' Report

1. Accounts

The Directors are pleased to present their annual report together with the audited separate and consolidated financial statements of the company and its subsidiaries (together, "the Group") for the year ended 31st March, 2016.

2. Legal form

The Company was incorporated in Nigeria as a private limited liability company on 29 September, 1960 and was converted to a public liability company in November, 1978. The shares are currently quoted on the Nigerian Stock Exchange.

3. Principal activities

The group is primarily engaged in flour milling; production of pasta, noodles edible oil and refined sugar; production of livestock feeds; farming and other agro-allied activities; distribution and sale of fertilizer; manufacturing and marketing of laminated woven polypropylene sacks and flexible packaging materials; operation of Terminals A and B at the Apapa Port; customs clearing, forwarding and shipping agents and logistics.

4. Results

	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Revenue	342,586,459	308,756,526	247,876,504	229,777,869
Operating profit	9,052,143	10,215,767	4,300,173	6,806,318
Profit before taxation	11,489,278	7,724,770	6,248,497	910,984
Profit for the year	14,420,284	8,474,342	10,425,786	2,419,544
Total comprehensive income for the year	13,860,828	8,870,246	9,950,884	2,718,493

5. Dividend

The Directors are pleased to recommend to shareholders at the forthcoming annual general meeting the declaration of a total of N 2.62 billion (2015: N5.5 billion) representing a dividend of N1 (2015: N2.10) per ordinary share of 50 kobo each. This dividend is to be declared out of accumulated pioneer profit.

6. Directors and directors' interests

The names of Directors who are currently in office are detailed on page 1.

Chief James O. Fagbemi resigned from the Board on 22nd September 2015.

In accordance with the Company's Articles of Association, the following Directors retire and, being eligible, offer themselves for re-election at the next Annual General Meeting:

Retiring by rotation:

Mr. George Stavros Coumantaros

Alhaji A.A. Abba

Mr. Atedo Peterside, CON

Alh. R.M. Gwarzo, OON

No Director has an interest in contracts.

Flour Mills of Nigeria Plc

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Directors' Report

7. Directors' interests in shares

The Directors' interests in the issued share capital of the company as recorded in the Register of members and/or as notified by them for the purpose of Section 275 of the Companies and Allied Matters Act, Cap C20 LFN 2004 are as follows:

Interests in shares

Director	31-Mar-16		31-Mar-15	
	Direct	Indirect	Direct	Indirect
Dr. (Chief) Emmanuel A. Ukpabi (KW)	4,194,986	-	4,194,986	-
Paul Miyonmide Gbededo	1,667,370	-	1,667,370	-
Alhaji Abdullahi A. Abba	12	-	12	-
Prof. Jerry Gana, CON	44,000	-	44,000	-
Alhaji Rabiu M. Gwarzo, OON	199,722	-	199,722	-
Ioannis Katsaounis	2,570,765	-	2,570,765	-
*Atedo N.A Peterside, CON	-	2,150,000	150,000	2,000,000
Alhaji Y. Olalekan A. Saliu	1,608,985	-	1,608,985	-
Folarin R. A. Williams	30,082	-	30,082	-
	-	-	-	-

*Mr. Atedo N. A. Peterside, CON owns these shares indirectly through The First ANAP Domestic Trust.

8. Profile of Directors seeking re-election

The profile of Directors seeking re-election at the Annual General Meeting.

George S. Coumantaros

Mr. George Coumantaros who was educated at Athens University, Greece moved to the United States in 1946 to embark on what has become a 64 years international business career.

He was primarily responsible for the establishment of Flour Mills of Nigeria Plc on 29th September 1960 and currently serves on the Board of many reputable companies and organizations in Nigeria and overseas.

A highly accomplished business man with wide experience in the USA and Europe. Mr. George Coumantaros is a man of integrity, who has piloted the Group's affairs to its present status through his vision, passion and hard work. He retired as the Chairman of the Company and was elevated to the position of Chairman Emeritus after the 54th Annual General Meeting held on 10th September, 2014.

Alhaji Abdullahi A. Abba

Alhaji Abdullahi was educated at Yola Middle School and later proceeded to further his educational career in London between 1963 and 1967 where he attended the College for Distributive Trade and later University of London for his Diploma in Livestock Production.

His work experience includes being Kaduna Abattoir Manager, Production Manager/Deputy Managing Director Mokwa Cattle Ranch; and, Managing Director at the Bauchi Meat Company Ltd and former Commissioner for Agriculture in North Eastern State and later Gongola State from 1975 -1979.

Alhaji Abdullahi who joined the Board of Flour Mills of Nigeria Plc as a Non-Executive Director in 1983 is presently the Chief Executive of Abbas Agro Limited. In addition, he runs a medium-sized dairy plant for the production of yoghurt, ice cream and citrus fruit drinks as well as being the Proprietor of Alkama Bakery, Yola.

Atedo N.A Peterside, CON

Atedo Peterside is the Founder of Stanbic IBTC Bank Plc, where he was the Chief Executive Officer (CEO) from inception of the Bank in February 1989 (then IBTC) until 2007 and then Chairman from 2007 until September 2014. He is currently the Chairman of Stanbic IBTC Holdings Plc and is also the President and Founder of ANAP Foundation, which is a non-profit organization committed to promoting Good Governance.

He is also the non-executive Chairman of ANAP Business Jets Limited and Cadbury Nigeria PLC and sits on the Board of Directors of Nigerian Breweries Plc (Heineken Subsidiary), Standard Bank Group Limited, The Standard Bank of South Africa Limited and Unilever Nigeria Plc.

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Directors' Report

Mr. Peterside (a Commander of the Order of the Niger) was the Chairman of the Committee on Corporate Governance of Public Companies in Nigeria which crafted the first Code of Best Practices for Public Companies operating in Nigeria.

Alhaji Rabiu M. Gwarzo, OON

Alhaji Rabiu Gwarzo, OON, Vice Chairman of Northern Nigeria Flour Mills Plc started his educational career with a brief stint at Bayero University Kano and proceeded to West Ham College and North East London Polytechnic, both in London where he studied Commercial Accounting between 1972 and 1975. He holds a Certificate in Accounting and Finance of University of Strathclyde, Glasgow, Scotland (1982).

He joined Northern Nigeria Flour Mills Plc as an Accountant in 1985, rose to the position of Deputy Managing Director in 1991; Managing Director in 1997 and was elevated to the position of Vice-Chairman of the Company in 2011.

Alhaji Rabiu, (an Officer of the Order of the Niger), who joined the Board of Flour Mills of Nigeria Plc. as a non-executive member on 8th December, 2009, is also a member of Kano Peace Development Initiative and a Director of Kano State Investment Company Limited.

9. Directors' Responsibilities

The Directors are responsible for the preparation of financial statements which give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004 and the Financial Reporting Council of Nigeria (FRCN) Act. In doing so, they ensure that:

- proper accounting records are maintained;
- applicable accounting standards are complied with;
- suitable accounting policies are adopted and consistently applied;
- judgments and estimates made are reasonable and prudent;
- the going concern basis is used, unless it is inappropriate to presume that the Company will continue in business and;
- Internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets and also prevent and detect fraud and other irregularities.

10. Corporate Governance

Introduction

The Company is committed to the best practice and procedures in corporate governance. Its business is conducted in a fair, honest and transparent manner which conforms to high ethical standards. This enables the directors and Management to accomplish the company's strategic goals, ensure good growth and corporate stability for the benefit of all stakeholders.

Board composition

The Company's Articles of Association provides that the Company's Board of Directors shall consist of not more than fifteen directors. Presently, the Board has a non-executive Chairman, a non-executive Vice Chairman, one executive director and eleven non-executive directors, one of whom is an independent director.

The thorough process of selecting Board members gives premium to educational and professional background, integrity, competence, capability, knowledge, expertise, skills, experience and diversity.

Board meetings

Members of the Board of Directors hold a minimum of four quarterly meetings to approve the Company's business strategy and objectives, decide on policy matters, direct and oversee the company's affairs, progress, performance, operations, finances; and ensure that adequate resources are available to meet the company's goal and objectives. Attendance of Directors at quarterly meetings is very good.

It is noteworthy that the Company's Memorandum and Articles of Association allows for teleconferencing in order to ensure wide consultation and maximum participation by board members.

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Directors' Report

In line with provisions of Section 258(2) of the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004, record of Directors' attendance at Board meetings is available for inspection at the Annual General Meeting

Role of Directors

The highlights of the role of directors include:

- Critical and regular examination of the company's overall strategy with a view to ensuring that its goals, business plan and budget are in alignment.
- Assign respective committees to consider and take appropriate decisions on issues requiring Board attention.
- Establish well-considered objectives for the company and monitor implementation, reviewing performance and ensure the deployment of appropriate competencies.
- Ensure that adequate resources are available to meet the company's goals and objectives.
- Oversee Board appraisal, training, succession planning, appointment and remuneration of members.

Board Committees

The Board of Directors has two principal board committees in line with SEC's Code of Corporate Governance. These are listed below indicating the summary of attendance at meetings held during the financial year ended 31 March 2016:

Remuneration/ Governance Committee

John G. Coumantaros

Dr. (Chief) Emmanuel A. Ukpabi (KJW)

Thanassis Mazarakis

Name	9/12/2015
Mr. John G. Coumantaros	Yes
Dr. (Chief) Emmanuel A. Ukpabi (KJW)	Yes
Thanassis Mazarakis	Yes

Risk Management Committee

Paul Miyonmide Gbededo

Thanassis Mazarakis

Alhaji Rabiu M. Gwarzo, OON

Alhaji Y. Olalekan A. Saliu

Mr. J. Vauthier - Chief Financial Officer

Mr. W. Percival – Deigh - Group Head, Internal Audit

Name	2/9/2015	15/10/2015	3/12/2015
Mr. P. M. Gbededo	No	No	No
Mr. T. Mazarakis	Yes	Yes	Yes
Alh R.M. Gwarzo, OON	No	No	No
Alh. Y. O. A. Saliu	No	Yes	No
Mr. J. Vauthier	Yes	Yes	Yes
Mr. W. Percival - Deigh	Yes	Yes	Yes

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Directors' Report

Divisions and Directorates

For effective management, the Company is structured along the following Divisions and Directorates

Finance
Agro Allied
Corporate Services/Legal
Logistics
Technical
Marketing & Sales
Flour Operations
Supplies/Procurement
Bag Manufacturing Logistics
Pasta Production
General Services
Human Resources
Internal Audit

Frequency and Attendance of Board Meetings

The Board held five meetings during the financial year ended 31 March, 2016. The notice for each meeting was in line with the Company's Articles of Association and board papers are usually provided to Directors in advance.

Senior Executives of the Company are invited to attend board meetings and make representations of their business units.

A summary of record of attendance at the meetings is presented below:

Name	08/06/2015	15/07/2015	09/09/2015	09/12/2015	16/03/2016
Mr. George S. Coumantaros	Yes	No	No	No	No
Mr. John G. Coumantaros	No	Yes	Yes	Yes	Yes
Dr. (Chief) Emmanuel Akwari Ukpabi (KJW)	Yes	Yes	Yes	Yes	Yes
Mr. Paul M. Gbededo	Yes	Yes	Yes	Yes	Yes
Alhaji Abdullahi Ardo Abba	Yes	No	Yes	Yes	No
Chief James O. Fagbemi	No	Yes	Yes	N/a	N/a
Alhaji Rabiu Muhammad Gwarzo, OON	No	Yes	Yes	Yes	Yes
Mr. Ioannis Katsaounis	No	Yes	Yes	Yes	Yes
Mr. Thanassis Mazarakis	No	Yes	Yes	Yes	Yes
Mr. Atedo N. A. Peterside, CON	Yes	Yes	Yes	Yes	Yes
Mr. Folarin Rotimi Abiola Williams	Yes	No	Yes	Yes	Yes
Prof. Jerry Gana, CON	Yes	Yes	Yes	Yes	Yes
Alhaji Yunus Olalekan Saliu	Yes	Yes	Yes	Yes	Yes
Mr. Folusho Ojajide Phillips [Independent]	Yes	Yes	Yes	Yes	Yes
Mr. Alfonso Garate	No	Yes	Yes	Yes	Yes

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Directors' Report

Audit Committee

Composition

Pursuant to section 359(3) of the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004, the Company has put in place an Audit Committee comprising three Directors and three shareholders as follows:

Mr. Kashimawo A. Taiwo
Mr. E.O. Oladokun
Mr. S.O. Ogunnowo
Chief E. A. Ukpabi
Chief J. O. Fagbemi (resigned in September 2015)
Alh. Y. O. A. Saliu

The functions of the Committee are laid down under section 359 (6) of the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004.

Meetings

Members of the Audit Committee receive regular reports and updates on financial matters and internal control reviews from internal and external auditors. A summary of record of attendance at Audit Committee meetings held during the financial year ended 31 March, 2016 is presented below:

Name	25/06/2015	09/07/2015	15/12/2015	22/12/2015	22/03/2016
Mr. K.A. Taiwo	Yes	Yes	Yes	Yes	Yes
Mr. E.O. Oladokun	Yes	Yes	Yes	Yes	Yes
Mr. S.O. Ogunnowo	Yes	Yes	Yes	Yes	Yes
Chief J. O. Fagbemi	Yes	Yes	N/a	N/a	N/a
Dr. (Chief) E. A. Ukpabi	Yes	No	Yes	Yes	No
Alh. Y. O. A. Saliu	Yes	Yes	No	Yes	Yes

Internal Audit:

The Company's efforts to continuously ensure sound financial discipline and adherence to high ethical standards, as part of its enhanced corporate governance strategy, have resulted in the setting up of a robust Group Internal Audit which is risk focused.

Internal audit function is currently manned by a team of professionals charged with the responsibility of ensuring that strategic business risks facing the Group are promptly identified, effectively mitigated, and that recommendations are proffered and continuously monitored. To ensure independence of this important function, Internal Audit reports directly to the statutory Audit Committee on a quarterly basis and is supervised by the Risk Management Committee of the Board.

Code of Business Conduct

In demonstration of strong commitment to best practices in corporate governance, integrity and high ethical standards in all aspects of our business, FMN has a Code of Conduct in place. Apart from being in line with current global trends, FMN's Code of Conduct also aligns with the requirements of regulatory authorities.

Through the provisions of the Code, FMN instills in its Directors and Employees the need to maintain high standard of corporate values, transparency, accountability, professionalism and promote good corporate governance.

Whistle Blowing

Under its whistle blowing mechanism, employees of FMN and other stakeholders including third parties are encouraged to report any observed or suspected acts of fraud, corruption or other irregularities, orally or anonymously contact the independent helpline by telephone or online without fear of reprisal or recrimination.

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Directors' Report

The company guarantees that the identity of the reporting individual or organization shall be accorded utmost protection and the report timeously investigated and treated.

The robust system has been embraced by all employees and stakeholders and it is producing good results.

11. Regulatory matters

FMN has discharged the penalty in the sum of N 100,000 imposed on it by the Nigerian Stock Exchange (NSE) for the late filing of its interim third quarter financial statements.

The late filing of results was due to misinterpretation of the timelines for filing same as recently revised by NSE from 45 days to 30 days and the contravention was promptly regularized.

The Financial Reporting Council of Nigeria (FRCN) granted a waiver and allowed the Chief Finance Officer, Mr. Jacques Vauthier to sign the Company's financial statements for the year ended 31st March 2016, while still in the process of completing his FRC Registration.

12. Security trading policy

Flour Mills of Nigeria Plc has put in place a Code of Conduct which aligns with section 14 of the Amendment to the Listing Rules of the Nigeria Stock Exchange.

During the financial year under review, the Directors and employees of the company complied with the Nigerian Stock Exchange Rules relating to securities transactions and the provisions of the FMN Code on Insider Trading.

13. Complaint management policy

In line with the Securities and Exchange Commission (SEC) Rules relating to the Complaints Management Framework of the Nigerian Capital Market, FMN has established a clearly defined Complaints Management Policy to handle and resolve complaints within the purview of the Framework.

The framework as established by FMN involves the maintenance of an electronic complaints register by our Registrars and the Policy is available for review on the company's website and copies of same shall be circulated to members at the Annual General meeting.

14. Substantial Interest in shares

The Registrar has advised that according to the Register of Members on 31 March, 2016, apart from Excelsior Shipping Company Limited with 1,369,231,166 (2015: 1,369,231,166), representing 52.18% of the paid up share capital, no other individual shareholder held up to 5% of the issued share capital of the Company.

15. Analysis of Shareholding Structure

As at 31 March, 2016	No of shareholders	Percentage (%)	No of shares held	Percentage (%)
1-1,000	27,406	34.34	11,481,351	0.44
1,001-5,000	39,761	49.83	94,553,433	3.60
5,001-10,000	5,848	7.33	41,220,726	1.57
10,001-50,000	5,234	6.55	109,901,502	4.19
50,001-100,000	735	0.92	52,239,378	1.99
100,001-500,000	629	0.79	131,624,716	5.02
500,001-1,000,000	85	0.11	59,594,570	2.27
1,000,001 and above	100	0.13	2,123,637,512	80.92
	79,798	100.00	2,624,253,188	100.00

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Directors' Report

16. Rights Issue

At the 2015 Extraordinary General Meeting, shareholders authorized the Directors to raise up to N40 billion of additional equity through a Rights Issue. Given the economic headwinds being experienced in the country, the Directors decided to undertake the Rights Issue through a Shelf Program, which enables the Company to raise the required funds in several tranches over a 3 (three) year period. A N40 billion Shelf Program has now been registered with the Securities & Exchange Commission. We will continue to assess the economic climate to determine the most appropriate time to launch the first tranche.

17. Donations and Charitable Gifts

No donation was made to any political party or organization during the year.

Donations and charitable gifts amounting to N7,620,000 were made during the year: (2015 - N27,725,000):

Donations

	N
FRSC - Speed Limiter's sponsorship	125,000
Federal University of Agriculture, Abeokuta - Stakeholders' interactive session	200,000
Manufacturers' Association of Nigeria (Building Project & National Council Meeting)	5,220,000
Entomological Society of Nigeria	100,000
AMATO - Training for drivers/drivers' assistants	500,000
Polymer Institute of Nigeria - 2015 Conference	250,000
Chamber of Commerce sponsorship	200,000
Boys' Brigade fund raising	200,000
2015 International Conference on Women	75,000
African Women In Leadership Organisation	250,000
LCCI awards sponsorship	500,000
	<hr/>
	7,620,000

18. Events after the reporting period

There were no significant developments since the reporting date which could have had a material effect on the state of affairs of the Company at 31 March, 2016 and the profit for the year ended on that date which have not been adequately provided for or disclosed.

19. Suppliers

The Company obtains its materials at arm's length basis from overseas and local suppliers. Amongst its main overseas and local suppliers are Star Trading Company Limited, Southern Star Shipping Co. Inc., Cementia Trading AG, First Blend Limited, Vitachem Nigeria Limited, Montizen Limited and Wahum Packaging Limited.

20. Property, plant and equipment

Movements in Property, plant and equipment during the year are shown in Note 19 of the financial statements. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the audited financial statements.

21. Human Capital

Employment and Employees

The Company reviews its employment policy in line with the needs of our business. Careful recruiting is undertaken to ensure that potential high performers are attracted and retained.

Equal Employment Opportunity and Diversity

Subject to the applicable laws, we recruit, hire, train, promote, discipline and provide other conditions of employment without regard to a person's race, colour, religion, sex, age, national origin, disability or other classifications protected under the law. This includes providing reasonable accommodation for members' disabilities or religious beliefs and practices.

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Directors' Report

Employee Developments

Local and Overseas Training and Development Programmes are organized to meet the needs of the Company's modernization / automation strategy implementation.

The Company continues to place premium on its Human Capital Development arising from the fact that this would ensure improved efficiency of the business and maintain strategic advantage over competition.

Health, Safety and Environment

The Company appreciates the value of safe work environment to business success and therefore embarks on periodic assessment to ensure compliance and safety. Employees are continuously sensitized and pep talks on safe work procedures precede the commencement of each shift in the operational areas. The Company provides Personal Protective Equipment to employees as required by the nature of job and safety officers are on regular monitoring to ensure usage compliance.

The Company maintains fully equipped clinics at its various sites of operations.

The employee canteens at all its sites of operations continue to provide nutritionally balanced meals in very conducive environment and at subsidized rates.

HIV/AIDS Policy

HIV/AIDS policy guidelines are in place and employees are encouraged to undertake voluntary counseling and testing (VCT) in order to confirm their HIV status. Continuous interactions at workshops with known HIV positive individuals are arranged from time to time to educate staff and eliminate discrimination and stigmatization. Regular educational programmes are arranged to sustain the message as part of the activities to mark World's AIDS day annually.

Performance Management/Target Setting

Performance Management/Target Setting is implemented in line with Management resolve to set strategic objectives for effective monitoring of performance of the company and its employees.

22. Auditors

The Auditors, Messrs KPMG Professional Services have indicated their willingness to continue in office. A resolution will be proposed authorizing the Directors to determine their remuneration.

BY ORDER OF THE BOARD



Joseph Odion A. Umolu
Company Secretary
FRC/2013/NBA/00000003687
1 Golden Penny Place,
Wharf Road, Apapa,
Lagos, Nigeria.

14 July 2016

Flour Mills of Nigeria Plc

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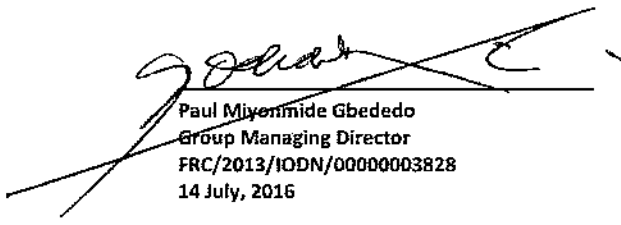
Directors' Responsibilities in Relation to the Financial Statements

The directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act.

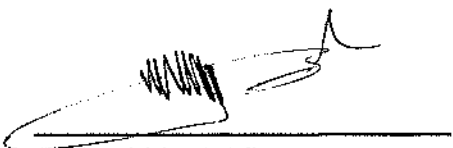
The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

Signed on behalf of the Board of Directors By:



Paul Mijonmide Gbededo
Group Managing Director
FRC/2013/IODN/00000003828
14 July, 2016



Alhaji Y. Otalekan A. Saliu
Director
FRC/2013/ICAN/00000003595
14 July, 2016



KPMG Professional Services

KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

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234 (1) 271 8599
Internet www.kpmg.com/ng

INDEPENDENT AUDITOR'S REPORT

To the Members of **Flour Mills of Nigeria Plc**

Report on the Financial Statements

We have audited the accompanying financial statements of **Flour Mills of Nigeria Plc** ("the Company") and its subsidiary companies (together "the Group") which comprise the consolidated and separate statements of financial position as at 31 March, 2016, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity, and the consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 14 to 15.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of **Flour Mills of Nigeria Plc** ("the Company") and its subsidiary companies (together "the Group") as at 31 March, 2016, and of the Group and Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the statement of financial position and the statement of profit or loss and other comprehensive income are in agreement with the books of account.

Signed:


Adetola P. Adeyemi, FCA
FRC/2012/CAN/00000000620
For: KPMG Professional Services
Chartered Accountants

14 July 2016
Lagos, Nigeria



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Registered in Nigeria No BN 986925

Absyomi D. Sanni	Adebisi O. Lamikanra	Adelkunle A. Elebute	Adetola P. Adeyemi
Adewale K. Ajayi	Ajibola O. Olomola	Ayodele A. Soyinka	Ayodele H. Othiliwa
Ayo L. Salami	Chibuzor N. Anyanechi	Goodluck C. Obi	Ibitomi M. Adepoju
Joseph O. Tegbe	Kabir O. Okunlola	Mohammed M. Adama	Oladapo R. Okubadejo
Oladimeji I. Salaudeen	Olanike I. James	Olumide O. Olayinka	Olusegun A. Sowande
Oluseyi T. Bickersteth	Oluwafemi O. Awotoye	Oluwatoyin A. Gbagi	Tayo I. Ogungbenro
Victor U. Onyenkpa			

Flour Mills of Nigeria Plc

Annual report for the year ended 31 March, 2016

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

for the year ended

	Note(s)	Group		Company*	
		31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Revenue	5	342,586,459	308,756,526	247,876,504	229,777,869
Cost of sales	6	(304,961,737)	(273,389,567)	(223,664,917)	(204,834,346)
Gross profit		37,624,722	35,366,959	24,211,587	24,943,523
Selling and distribution expenses	9	(5,003,801)	(4,184,382)	(4,600,274)	(3,670,990)
Administrative expenses	10	(15,848,261)	(20,281,760)	(9,436,976)	(12,155,155)
Net operating gains and losses	8	(7,720,517)	(685,050)	(5,874,164)	(2,311,060)
Operating profit		9,052,143	10,215,767	4,300,173	6,806,318
Gain on disposal of investment in associate	12	23,731,422	14,289,953	13,952,039	-
Investment income	13	1,103,475	2,303,588	1,008,096	3,652,727
Finance costs	14	(22,397,762)	(18,703,526)	(13,011,811)	(9,548,061)
Loss from equity accounted investments	12	-	(381,012)	-	-
Profit before taxation		11,489,278	7,724,770	6,248,497	910,984
Net income tax credit	15	2,931,006	738,292	4,177,289	1,508,560
Profit from continuing operations		14,420,284	8,463,062	10,425,786	2,419,544
Discontinued operations					
Profit from discontinued operations	24	-	11,280	-	-
Profit for the year		14,420,284	8,474,342	10,425,786	2,419,544
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurements on net defined benefit liability, net of tax	17	(490,436)	416,644	(405,882)	319,689
Total items that will not be reclassified to profit or loss		(490,436)	416,644	(405,882)	319,689
Items that may be reclassified to profit or loss:					
Loss on available-for-sale financial assets	17	(69,020)	(20,740)	(69,020)	(20,740)
Other comprehensive income for the year net of taxation	17	(559,456)	395,904	(474,902)	298,949
Total comprehensive income for the year		13,860,828	8,870,246	9,950,884	2,718,493
Profit attributable to:					
Owners of the Company		14,620,321	9,016,545	10,425,786	2,419,544
Non-controlling interest	24	(200,037)	(542,203)	-	-
		14,420,284	8,474,342	10,425,786	2,419,544
Total comprehensive income attributable to:					
Owners of the Company		14,060,865	9,416,938	9,950,884	2,718,493
Non-controlling interest	24	(200,037)	(546,692)	-	-
		13,860,828	8,870,246	9,950,884	2,718,493
Earnings per share					
From continuing operations					
Basic earnings per share (kobo)	18	557	345	397	92
Diluted earnings per share (kobo)	18	557	345	397	92

The notes on pages 19 to 95 form an integral part of the financial statements.

*Due to the merger of the Company with five subsidiaries during the year, the 2016 Company numbers are those of the merged entities while the 2015 numbers are those of the Company prior to the merger.

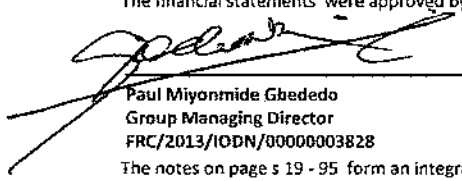
Flour Mills of Nigeria Plc

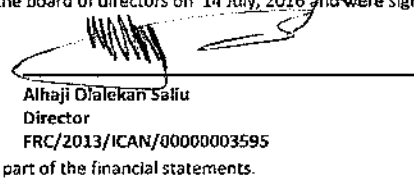
Annual report for the year ended 31 March, 2016

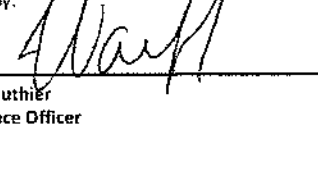
Consolidated and Separate Statement of Financial Position

	Note(s)	Group		Company	
		31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Assets					
Non-Current Assets					
Property, plant and equipment	19	213,561,751	208,940,475	85,732,371	80,421,776
Investment property	20	49,704	-	49,704	985,655
Goodwill	22	4,148,022	4,148,022	1,876,816	-
Intangible assets	21	735,330	496,248	86,435	96,642
Investment in subsidiaries	24	-	-	3,636,985	3,787,985
Biological assets	26	352,020	58,509	-	-
Deferred tax	16	66,022	411,431	-	-
Long term receivables	27	-	3,904,188	2,551,592	4,618,008
Available for sale investments	25	45,696	114,716	45,696	114,716
Prepayments	30	1,703,939	1,583,075	1,703,939	-
Total non-current assets		220,662,484	219,656,664	95,683,538	90,024,782
Current Assets					
Inventories	28	58,698,768	68,426,003	37,257,683	47,921,280
Biological assets	26	182,613	399,081	-	-
Trade and other receivables	29	18,966,168	17,073,238	66,504,239	73,571,648
Prepayments and deposits for imports	30	13,625,250	8,169,508	12,179,968	6,891,312
Cash and cash equivalents	31	33,213,043	26,022,301	21,671,179	13,120,856
Non-current assets held for sale	49	-	3,514,035	-	-
Total current assets		124,685,842	123,604,166	137,613,069	141,505,096
Total Assets		345,348,326	343,260,830	233,296,607	231,529,878
Equity and Liabilities					
Capital and reserves					
Share capital	32	1,312,126	1,312,126	1,312,126	1,312,126
Share premium	32	36,812,540	36,812,540	36,812,540	36,812,540
Capital reserve	32	-	281,201	-	-
Fair value reserve	17	(89,760)	(20,740)	(89,760)	(20,740)
Retained earnings		54,900,934	45,967,357	62,209,233	58,547,740
Equity attributable to owners of the Company		92,935,840	84,352,484	100,244,139	96,651,666
Non-controlling interests	24	2,829,934	3,057,911	-	-
Total equity		95,765,774	87,410,395	100,244,139	96,651,666
Liabilities					
Non-Current Liabilities					
Borrowings	33	48,009,715	55,260,645	8,209,155	5,164,630
Retirement benefit obligation	35	4,077,811	3,245,308	3,454,172	2,552,715
Long service award	36	1,593,819	1,340,140	1,426,602	1,142,397
Deferred tax	16	5,768,040	9,607,954	4,553,105	8,800,109
Deferred income	37	7,093,966	7,182,184	900,749	1,102,914
		66,543,351	76,636,231	18,543,783	18,762,765
Current Liabilities					
Bank overdraft	31	16,412,986	59,700,951	6,657,427	41,025,619
Trade and other payables	38	50,416,914	34,578,210	29,046,061	24,452,751
Borrowings	33	100,830,460	54,239,491	67,045,775	23,329,671
Unsecured fixed rate bond	34	-	19,248,115	-	19,248,115
Current tax payable	15	1,336,015	1,802,610	439,157	624,831
Deferred income	37	1,076,024	1,472,527	256,687	249,326
Dividend payable	39	1,936,869	120,307	1,936,869	120,307
Customer deposits	40	11,029,933	8,051,993	9,126,709	7,064,827
		183,039,201	179,214,204	114,508,685	116,115,447
Total Liabilities		249,582,552	255,850,435	133,052,468	134,878,212
Total Equity and Liabilities		345,348,326	343,260,830	233,296,607	231,529,878

The financial statements were approved by the board of directors on 14 July, 2016 and were signed on its behalf by:


Paul Miyonmide Gbededo
Group Managing Director
FRC/2013/IODN/00000003828


Alhaji Dialekan Salifu
Director
FRC/2013/ICAN/00000003595


Jacques Vauthier
Chief Finance Officer

The notes on page 5 19 - 95 form an integral part of the financial statements.

Flour Mills of Nigeria Plc

Annual report for the year ended 31 March, 2016

Consolidated and Separate Statements of Changes in Equity

Group	for the year ended 31 March, 2016							
	Share capital N '000	Share premium N '000	Fair value reserve N '000	Capital reserve N '000	Retained earnings N '000	Equity attributable to owners of the Company N '000	Non-controlling interest N '000	Total equity N '000
Balance as at 1 April, 2014	1,192,842	36,812,540	-	281,201	41,636,076	79,922,659	3,636,773	83,559,432
Profit for the year	-	-	-	-	9,016,545	9,016,545	(542,203)	8,474,342
Other comprehensive income	-	-	(20,740)	-	421,133	400,393	(4,489)	395,904
Total comprehensive income for the year	-	-	(20,740)	-	9,437,678	9,416,938	(546,692)	8,870,246
Transactions with owners recorded directly in equity								
Bonus issues transferred from reserve (Note 32a)	119,284	-	-	-	(119,284)	-	-	-
Derecognition of accumulated loss on disposal of Flour Mills Registrars Limited	-	-	-	-	22,825	22,825	-	22,825
Dividend declared (Note 39)	-	-	-	-	(5,009,938)	(5,009,938)	(32,170)	(5,042,108)
Total contributions by and distributions to owners of the company recognised directly in equity	119,284	-	-	-	(5,106,397)	(4,987,113)	(32,170)	(5,019,283)
Balance as at 31 March, 2015	1,312,126	36,812,540	(20,740)	281,201	45,967,357	84,352,484	3,057,911	87,410,395
Balance as at 1 April, 2015	1,312,126	36,812,540	(20,740)	281,201	45,967,357	84,352,484	3,057,911	87,410,395
Profit for the year	-	-	-	-	14,620,321	14,620,321	(200,037)	14,420,284
Other comprehensive income	-	-	(69,020)	-	(490,436)	(559,456)	-	(559,456)
Total comprehensive income for the year	-	-	(69,020)	-	14,129,885	14,060,865	(200,037)	13,860,828
Transactions with owners recorded directly in equity								
Transfer to reserves from unclaimed dividends (Note 39)	-	-	-	-	33,423	33,423	-	33,423
Transfer from capital reserves to retained earnings (Note 32 c)	-	-	-	(281,201)	281,201	-	-	-
Dividends declared (Note 39)	-	-	-	-	(5,510,932)	(5,510,932)	(27,940)	(5,538,872)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	(281,201)	(5,196,308)	(5,477,509)	(27,940)	(5,505,449)
Balance as at 31 March, 2016	1,312,126	36,812,540	(89,760)	-	54,900,934	92,935,840	2,829,934	95,765,774
Note(s)	32	32	17					

The notes on pages 19 to 95 form an integral part of the financial statements.

Flour Mills of Nigeria Plc

Annual report for the year ended 31 March, 2016

Consolidated and Separate Statements of Changes in Equity

Company	for the year ended 31 March, 2016					
	Share capital N '000	Share premium N '000	Fair value reserve N '000	Retained earnings N '000	Equity attributable to owners of the Company N '000	Total equity N '000
Balance as at 1 April, 2014	1,192,842	36,812,540	-	60,937,729	98,943,111	98,943,111
Profit for the year	-	-	-	2,419,544	2,419,544	2,419,544
Other comprehensive income	-	-	(20,740)	319,689	298,949	298,949
Total comprehensive income for the year	-	-	(20,740)	2,739,233	2,718,493	2,718,493
Transactions with owners recorded directly in equity						
Bonus issue transferred from reserves (Note 32(a))	119,284	-	-	(119,284)	-	-
Dividend declared (Note 39)	-	-	-	(5,009,938)	(5,009,938)	(5,009,938)
Total contributions by and distributions to owners of the Company recognised directly in equity	119,284	-	-	(5,129,222)	(5,009,938)	(5,009,938)
Balance as at 31 March, 2015	1,312,126	36,812,540	(20,740)	58,547,740	96,651,666	96,651,666
Balance as at 1 April, 2015	1,312,126	36,812,540	(20,740)	58,547,740	96,651,666	96,651,666
Profit for the year	-	-	-	10,425,786	10,425,786	10,425,786
Other comprehensive income	-	-	(69,020)	(405,882)	(474,902)	(474,902)
Total comprehensive income for the year	-	-	(69,020)	10,019,904	9,950,884	9,950,884
Transactions with owners recorded directly in equity						
Transfer to reserves from merger (Note 23)	-	-	-	(880,902)	(880,902)	(880,902)
Transfer to reserves from unclaimed dividends (Note 39)	-	-	-	33,423	33,423	33,423
Dividends (Note 39)	-	-	-	(5,510,932)	(5,510,932)	(5,510,932)
Total contributions by and distributions to owners of Company recognised directly in equity	-	-	-	(6,358,411)	(6,358,411)	(6,358,411)
Balance as at 31 March, 2016	1,312,126	36,812,540	(89,760)	67,209,233	100,244,139	100,244,139
Note(s)	32	32		17		

The notes on pages 19 to 95 form an integral part of the financial statements.

Flour Mills of Nigeria Plc

Annual report for the year ended 31 March, 2016

Consolidated and Separate Statements of Cash Flows

		for the year ended			
		Group		Company	
	Note(s)	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Cash flows from operating activities					
Cash receipts from customers		339,537,438	310,940,931	246,454,885	230,492,105
Cash payments to suppliers and employees		(290,933,974)	(288,938,861)	(225,428,524)	(219,150,019)
Cash generated from operations		48,603,464	22,002,070	21,026,361	11,342,086
Income taxes paid	15	(629,927)	(2,326,183)	(102,174)	(1,245,305)
Net cash from operating activities		47,973,537	19,675,887	20,924,187	10,096,781
Cash flows from investing activities					
Purchase of property, plant and equipment	19	(24,115,684)	(56,181,487)	(6,513,112)	(17,190,257)
Proceed from disposal of property, plant and equipment		356,688	4,784,248	85,257	189,775
Purchase of other intangible assets	21	(15,864)	(102,954)	(12,993)	(63,835)
Proceeds from disposal of investment in subsidiary		-	153,000	-	153,000
Loans repaid by related companies	27	3,904,188	8,937,570	4,572,549	8,937,251
Loans granted to related companies	27	-	(1,384,197)	(2,506,133)	(1,422,303)
Proceeds from disposal of investment in associate	12	27,267,092	18,200,000	27,267,092	-
Interest received	13	1,103,475	2,349,595	982,569	2,781,873
Dividends received	13	-	-	25,527	894,036
Net cash from/(used in) investing activities		8,499,895	(23,244,225)	23,900,756	(5,720,460)
Cash flows from financing activities					
Proceeds from borrowings	33	136,860,256	151,367,224	69,968,981	96,674,165
Repayment of borrowings	33	(97,520,217)	(118,174,502)	(35,954,536)	(89,474,281)
Repayment of unsecured fixed rate bond	34	(19,248,115)	(7,660,486)	(19,248,115)	(7,660,485)
Dividends paid	39	(3,688,887)	(5,014,098)	(3,660,947)	(4,981,928)
Interest paid	14	(22,397,762)	(18,703,526)	(13,011,811)	(9,548,061)
Net cash from/(used in) financing activities		(5,994,725)	1,814,612	(1,906,428)	(14,990,590)
Net increase/(decrease) in cash and cash equivalents during the year		50,478,707	(1,753,726)	42,918,515	(10,614,269)
Cash and cash equivalents at the beginning of the year		(33,678,650)	(31,924,924)	(27,904,763)	(17,290,494)
Cash and cash equivalents at the end of the year	31	16,800,057	(33,678,650)	15,013,752	(27,904,763)

The notes on pages 19 to 95 from an integral part of the financial statements.

Flour Mills of Nigeria Plc

Annual report for the year ended 31 March, 2016

Notes to the Annual Report

1 General information

1.1 Reporting entity

Flour Mills of Nigeria Plc (The Company) was incorporated in Nigeria as a private limited liability Company on 29 September 1960 and was converted to a public liability company in November 1978. Its registered head office is located at 1 Golden Penny Place, Apapa, Lagos. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group").

1.2 Principal activities

The Group is primarily engaged in flour milling, production of pasta, noodles, edible oil and refined sugar, production of livestock feeds, farming and other agro-allied activities, distribution and sales of fertilizer, manufacturing and marketing of laminated woven polypropylene sacks and flexible packaging materials, operation of terminals A and B at the Apapa Port, customs clearing, forwarding agents, shipping agents and logistics.

1.3 Going concern status

The financial statements have been prepared on a going concern basis. The Directors believe that there is no intention or threat from any source to curtail significantly its lines of business in the foreseeable future.

1.4 Ownership structure

Name of shareholder	No of shares held	Percentage of share capital
Excelsior Shipping Company Limited	1,369,231,166	52.18
Other individuals and institutional shareholders	1,255,022,022	47.82
	2,624,253,188	100

The ultimate holding company is Excelsior Shipping Company Limited, a company registered in Liberia. The beneficial owner of Excelsior Shipping Company is a trust established by the late Mr. John S. Coumantaros.

1.5 Financial period

These financial statements cover the financial year from 1 April 2015 to 31 March 2016, with comparatives for year ended 31 March 2015

1.6 Statement of compliance

The Annual report have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB) and the interpretation issued by the International Financial Reporting Interpretation Committee (IFRIC) and the requirements of the Companies and Allied Matters Act (CAMA) of Nigeria and the Financial Reporting Council (FRC) Act of Nigeria 2011. The financial statements was authorised for issue by the board on 14 July 2016.

1.7 Basis of Preparation

The financial statements have been prepared on the historical cost basis except for the following:

Agricultural produce: Fair value less cost to sell.

Non-bearer plant biological assets: Fair value where possible and cost where it is impossible to determine the fair value.

Financial instruments: Initially measured at fair value and subsequently measured at amortised cost.

Inventories: Lower of cost and net realisable value

Defined benefits obligations: Present value of the obligation

Available for sale financial assets: Fair value through other comprehensive income

Flour Mills of Nigeria Plc

Annual report for the year ended 31 March, 2016

Notes to the Annual Report

1.8 Functional and presentation currency

For the purpose of these financial statements, the results and financial position of the Company and its subsidiaries are expressed in Naira, which is the functional currency of the Group and Company, and the presentation currency for the Group financial statements.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2. Significant accounting policies

The following accounting policies have been applied consistently to all periods presented in these financial statements:

2.1 Consolidation

2.1.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. The Group has power to exercise control over these subsidiaries. Control is exposure (right) to variable returns from an involvement with an investee and an ability to affect those returns through power over the investee. This is generally accompanied by a share of more than 50% of the voting rights.

The financial information of the subsidiaries are prepared as of the same reporting date and consolidated using consistent accounting policies. Subsidiaries are consolidated from the date on which control is transferred to the group and are included until the date on which the group ceases to control them.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the group has control of the subsidiary both before and after the transaction are regarded as equity transaction and are recognised directly in the statement of changes in equity.

2.1.2 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given and the liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRS. Changes in the fair value of contingent consideration classified as equity are not recognized.

Contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Flour Mills of Nigeria Plc

Annual report for the year ended 31 March, 2016

Notes to the Annual Report

2.1 Consolidation (continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with the Group's accounting policy on financial instruments or, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously-held interests in the acquired entity are remeasured at fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3, Business combinations are recognized and measured at their fair value at the acquisition date, except:

- deferred tax assets or liabilities arising from the assets acquired and liabilities assumed are measured in accordance with the Group's accounting policy on taxation.
- liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with the Group's accounting policy on employee benefits; .
- assets (or disposal groups) that are classified as held for sale in accordance with the Group's accounting policy on Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with the Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair value of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

2.1.3 Business combination of entities under common control

Business combinations in which all of the entities or businesses are ultimately controlled by the Group both before and after the combination and that control is not transitory are recognised as common control transactions. Where the transaction takes the form of a merger in which individual assets are acquired and liabilities assumed rather than the shares in the business being acquired, the acquirer accounts for such assets and liabilities at book value and the difference between the carrying value of the investments and the net assets acquired is recognised in retained earnings.

2.1.4 Investment in associates

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results, assets and liabilities of associates are incorporated in the financial statements using the equity method of accounting from the date on which the investee becomes an associate. Where such investments are classified as held for sale, they are accounted for in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, investments in associates are carried in the consolidated and separate statement of financial position at cost adjusted for post acquisition changes in the group's share of net assets of the associate, less any impairment losses.

Profits or losses on transactions between the group and an associate are eliminated to the extent of the group's interest therein.

Gains or losses on disposal of investment in associate are recognised in profit or loss.

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2.1 Consolidation (continued)

2.1.1.5 Loss of Control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related non-controlling interest and other component of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

2.2 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups).

2.3 Goodwill

Goodwill represents the excess of the consideration over the fair value of the net identifiable assets of the acquired entity at the date of the acquisition. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

The excess of the purchase price over the carrying amount of non-controlling interest, when the Group increases its interest in an existing subsidiary, is recognised in equity. Goodwill is tested annually for impairment. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash-generating units that are expected to benefit from the business combination.

2.4 Revenue recognition

Revenue represents amount received and receivable from third parties for goods supplied to customers and for services rendered. Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of trade discounts, volume rebates, and value added tax.

Sale of goods

Revenue is recognised when the following conditions are met;

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

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2.4 Revenue recognition (continued)

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

When an intangible asset is expressed as a measure of revenue, for example a service concession, the expiry of the contract might be based on a fixed amount of total revenue to be generated from the service concession contract. Provided that the contract is a fixed amount of revenue to be generated on which amortisation is to be determined, the revenue that is to be generated might be an appropriate basis for amortising the intangible asset or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Investment income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established by approval of dividend at the annual general meeting of the investee (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Interest income 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.

2.5 Foreign currency translation

Foreign currency transactions

The functional currency of the Group's entities is the currency of their primary economic environment.

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured based on historical cost in foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences on monetary items are recognised in the profit or loss in the period in which they arise.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual report are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised in other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised in other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in naira by applying to the foreign currency amount the exchange rate between the naira and the foreign currency at the date of the cash flow.

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets are regarded as an adjustment to interest costs on those foreign currency borrowings.

2.6 Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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2.6 Employee benefits (continued)

Defined contribution plans

The Group and Company operate a defined contribution based retirement benefit scheme for its staff, in accordance with the Pension Reform Act of 2014 with employee contributing 8% and the employer contributing 10% each of the employee's relevant emoluments (basic salaries, housing and transport allowances). Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions. Employees contributions are deducted through payroll.

Defined benefits

The Group also operates a gratuity scheme for its qualified staff. Benefits are related to the employees' length of service and remuneration. The gratuity obligation is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period by an independent actuary. All actuarial gains and losses are recognised immediately through other comprehensive income. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability. The Company's obligation in respect of the scheme is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximate to the term of the company's defined benefits obligation. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense
- Remeasurement

The service cost and net interest expense are charged to the profit or loss while the gains and loss due to remeasurement are charged to other comprehensive income.

Long service award

In addition the Group operates long service award for its qualified staff. The benefits are graduated depending on the employees number of years in service to the group. The Group's obligation in respect of the scheme is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximate to the term of the Group's defined benefits obligation. The obligation is determined by an independent actuary at each reporting period.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. Gains or losses due to remeasurement of long service awards are recognised in profit or loss

Termination benefits

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

2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax, including adjustments in respect of prior periods.

Current tax

The current tax is based on taxable profit for the year and any adjustment in respect of previous years. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in future years and items that are never taxable or deductible. The amount of current tax is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. The Group and Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and liabilities are offset only if certain criteria are met.

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2.7 Taxation (continued)

Deferred tax assets and liabilities

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary differences will be utilised and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date 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 liabilities and assets 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.

Current and deferred tax are recognised in profit or 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 also recognised in other comprehensive income or directly in equity respectively. Where current tax or 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 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 Company intends to settle its current tax assets and liabilities on a net basis.

2.8 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items, including the capitalisation of borrowing costs on qualifying assets.

Land and buildings mainly comprise factories, depots, warehouses and offices.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which it is incurred.

Depreciation on property, factory buildings, machinery, vehicles, furniture and equipment is calculated on a straight-line basis at rates deemed appropriate to write off the cost of the assets less their residual values over their expected useful lives.

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2.8 Property, plant and equipment (continued)

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Item	Average useful life
Leasehold Land	Over the lease period
Buildings	50 years
Plant and machinery	5-25 years
Furniture and equipment	3-10 years
Motor vehicles	4-5 years
Mature bearer plants	25-35 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Assets in the course of construction (capital work-in-progress) are carried at cost, less any recognised impairment losses. Cost includes professional fees and for qualifying assets borrowing costs capitalised in accordance with the Group's accounting policy. Assets in the course of construction are not depreciated until they get to the stage of intended use.

Immature bearer plants are carried at cost and represents bearer plants that have been planted but have not reached a matured stage and have not started yielding biological assets. They are not depreciated.

2.9 Investment property

Investment property are properties held for long term rental yields. Investment properties are carried in the Group statement of financial position at cost less accumulated depreciation.

Investment property is initially measured at cost and depreciated on a straight line basis to allocate cost less residual values of the assets over their estimated useful lives.

Depreciation of Investment property building is calculated on a straight line basis to allocate cost less residual values of the assets over their estimated useful lives.

Investment property (building) is depreciated over a useful life of 50 years.

Investment property is derecognised in the event of transfer of the investment property or the disposal of the investment property. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

2.10 Borrowing costs

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds. These include interest expenses calculated using the effective interest rate method, finance charges in respect of finance leases and exchange differences arising from foreign currency borrowings. Where a range of debt instruments is used to borrow funds, or where the financing activities are coordinated centrally, a weighted average capitalisation rate is applied.

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. The Group defines a qualifying asset as an asset that takes more than a year to prepare for its intended use.

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

All other borrowing costs are recognised as an expense in the period in which they are incurred.

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2.11 Government grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

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

2.12 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Amortisation is recognised so as to write off the cost of finite intangible assets over their useful lives, using the straight-line method, on the following bases:

Item	Useful life
Computer software	3 years
Trade marks	3- 5 years
Berth Rehabilitation	Over the life of the lease

Service concession arrangement

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for use of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition with reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses.

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

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2.13 Impairment of tangible and intangible assets excluding goodwill, inventories, deferred tax assets and financial assets.

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired and financial assets is the carrying amount less the recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

The carrying amount of an item of Property, plant and equipment is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.14 Inventories

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

The basis of costing of the different inventory types are as follows:

Raw and packaging materials: Purchase cost including transportation and other incidental cost on a First In First Out (FIFO) basis.

Goods in transit: Purchase cost incurred to date

Finished products: Purchase cost of direct materials, labour and a reasonable allocation of overheads based on normal operating capacity.

Harvested agricultural produce: Fair value less cost to sell

Engineering spares: Weighted average cost

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

Agricultural produce are measured at fair value less cost to sell and are reclassified from biological assets to inventory at point of harvest.

2.15 Biological assets

Biological asset or agriculture produce is recognised only when the Group controls the asset as a result of past events, it is probable that future economic benefits will flow to the entity, and the fair value or cost of the asset can be measured reliably.

Biological assets comprise growing sugar cane, oil palm fresh fruit bunches and cassava as well as poultry. Biological assets are measured at fair value where available or cost where fair value is not available.

Biological assets also include palm plantation consisting of trees aged between 6 and 25 years old. The Company early adopted the amendments to IAS 41 in 2015 and therefore accounts for Palm Plantation at cost in accordance with IAS 16.

Agricultural produce at the point of harvest are measured at fair value less cost to sell and are subsequently reclassified from agricultural produce to inventory and measured in accordance with the accounting policy on inventories.

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2.15 Biological assets (continued)

Changes in fair value are recognised in profit or loss.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions, bank overdrafts and highly liquid investments generally with maturities of three months or less. They are readily convertible into known amounts of cash and have an insignificant risk of changes in value.

2.17 Deposit for imports

Foreign currencies purchased for funding of letters of credit in respect of imported raw materials, spare parts and machinery are recognised as deposit for imports on the statement of financial position.

2.18 Provisions and contingencies

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.

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. When 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 the effect of the time value of money is material).

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.

Restructurings

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity. Future operating losses are not provided for.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

2.19 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

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2.19 Leases (continued)

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the consolidated and separate statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated and separate statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset.

Any contingent rents are expensed in the period they are incurred.

2.20 Financial instruments

Classification

The Group classifies financial assets and financial liabilities into the following categories based on their nature and categories:

- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities measured at amortised cost

Loans and receivables include trade and other receivables as well as loans given to group companies.

Financial liabilities include trade and other payables, bank overdraft and borrowings.

Initial recognition and measurement

Financial instruments are recognised initially when the Group becomes a party to the contractual provisions of the instruments.

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

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

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

Subsequent measurement

Loans and receivables are measured at amortised cost, using the effective interest method, less accumulated impairment losses.

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2.20 Financial instruments (continued)

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the group's right to receive payment is established.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Borrowings for which the Group has an unconditional right to defer settlement of the liability for at least twelve(12) months after the statement of financial position date, are classified as non-current liabilities.

IAS 32 allows for offsetting of financial assets and financial liabilities when and only when the following conditions are satisfied:

- The entity currently has a legally enforceable right to set off the recognised amounts of the assets and liabilities.
- The entity intends to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

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

Impairment of financial assets

At each reporting date the Group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the Group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

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2.20 Financial instruments (continued)

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. The Group considers a decline of 20% to be significant and a period of 6 months to be prolonged. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Financial instruments designated as available-for-sale

Listed equities held by the Group that are traded on the Nigerian Stock Exchange market are classified as available-for-sale and are stated at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated in equity. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the reserve is reclassified to profit or loss.

Available-for-sale assets are classified as non current financial assets unless management intends to dispose of it within 12 months of the end of the reporting period. In that case it would be accounted for as short term investment.

2.21 Ordinary share capital

The Company has only one class of shares, ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve. The use of the share premium account is governed by S.120(3) of CAMA. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

2.22 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 Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. 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 own shares held, for the effects of all dilutive potential ordinary shares.

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2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for monitoring, allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors of Flour Mills of Nigeria Plc.

The Group's primary format for segment reporting is based on operating segments. Where applicable, segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

2.24 Statement of cash flows

The Group applies the direct method for preparation of the statement of cash flows. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes and other non-cash items have been excluded for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Interest paid is also included in financing activities while finance income is included in investing activities.

2.25 Dividends

Dividends which remain unclaimed for a period exceeding twelve(12) years from the date of declaration and which are no longer actionable by shareholders in accordance with section 385 of the Companies and Allied Matters Act of Nigeria are written back to retained earnings.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of the assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainties and critical judgements, 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:

Biological assets

Fair value of the produce is measured with reference to the estimated price in an active market at the point of harvest adjusted for its present location and condition.

Allowance for credit losses

The Company periodically assesses its trade and other receivables for probability of credit losses. Management considers several factors including past credit record, current financial position and credibility of management, judgment is exercised in determining the allowances made for credit losses.

Impairment allowance are made for receivables that have been outstanding for 365 days, in respect of which there is no firm commitment to pay by the customer.

Furthermore all balances are reviewed for evidence of impairment and provided against once recovery is doubtful. These assessments are subjective and involve a significant element of judgment by management on the ultimate recoverability of amounts receivable.

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group, accounting for about 61% of the Group's total assets. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

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3 Critical accounting judgements and key sources of estimation uncertainty (continued)

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in the reduced depreciation charge in the statement of comprehensive income.

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. There were no changes in the useful lives of Property, plant and equipment in the current year.

Contingencies

Judgements and assumptions are made about the likelihood and magnitude of an outflow of resources with respect to ongoing litigation and claims and regulatory audits.

Valuation of financial liabilities

As at the end of the reporting period, the Group was granted some government assisted loans at below market rates. In accordance with IAS 20, the government grant which is the difference between the proceeds of the loans and their fair value should be accounted for. Based on IAS 39, all financial liabilities should be initially recognized at fair value. In computing the fair value of these loans, the imputed interest rate used in discounting the cash flows associated with the loans is based on management judgement of best estimate of its borrowing cost at the time the loans were granted.

Provision for gratuity

The Company operates an unfunded defined benefit scheme which entitles staff who put in a minimum qualifying working period of five years to gratuity upon leaving the employment of the Company. IAS 19 requires the application of the Projected Unit Credit Method for actuarial valuations. Actuarial measurements involve the making of several demographic projections regarding mortality, rates of employee turnover etc. and financial projections in the area of future salaries and benefit levels, discount rate, inflation etc.

Provision for long term service award

A provision for Long term service award is granted at first to employees that have spent a minimum of ten years in service and for every multiple five years an employee remains in service. IAS19 requires the application of the Projected Unit Credit Method for actuarial valuations. Actuarial measurements involve the making of several demographic projections regarding mortality, rates of employee turnover etc. and financial projections in the area of future salaries and benefit levels, discount rate, inflation etc.

Taxation

The Group's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose treatment cannot be finally determined until resolution has been reached with the relevant tax authority.

Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value of the cash generating unit units to which goodwill has been allocated. The value in use calculations requires directors to estimate the future cashflows expected to arise from the cash generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cashflows are less than expected, a material impairment loss may arise.

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3 Critical accounting judgements and key sources of estimation uncertainty (continued)

Measurement of fair value

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Significant valuation issues are reported to the Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In some cases, if the inputs used to measure the fair value of an asset or a liability is categorised in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group/Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the basis of determination of fair values are as follows:

i Property, plant and equipment

The fair value of property, plant and equipment recognized as a result of a business combination is based on the quoted market prices for similar items when available and depreciated replacement cost based on independent valuation when appropriate.

ii Intangible assets

The fair value of intangible assets are based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

iii Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

iv Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes. For short term trade receivables, no disclosure of fair value is presented when the carrying amount is a reasonable approximation of fair value.

v Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Further information about the assumptions made in measuring fair value is included in the following notes:

- Biological assets in rare circumstances (note 26)
- Financial instruments - Financial risk management and fair values (note 43)

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4. New Standards and Interpretations

4.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Amendment to IAS 19: Defined Benefit Plans: Employee Contributions

The amendment relates to contributions received from employees or third parties for defined benefit plans. These contributions could either be discretionary or set out in the formal terms of the plan. If they are discretionary then they reduce the service cost. Those which are set out in the formal terms of the plan are either linked to service or not. When they are not linked to service then the contributions affect the remeasurement. When they are linked to service and to the number of years of service, they reduce the service cost by being attributed to the periods of service. If they are linked to service but not to the number of years' service then they either reduce the service cost by being attributed to the periods of service or they reduce the service cost in the period in which the related service is rendered.

The effective date of the amendment is for years beginning on or after 1 July, 2014.

The Group has adopted the amendment for the first time in the 2016 annual report.

The impact of the amendment is not material.

Amendment to IFRS 3: Business Combinations: Annual Improvements project

The amendment to the scope exclusions removes reference to the formation of joint ventures. It now excludes from the scope, the formation of a joint arrangement in the annual report of the joint arrangement itself.

The effective date of the amendment is for years beginning on or after 1 July, 2014.

The Group has adopted the amendment for the first time in the 2016 annual report.

The impact of the amendment is not material.

Amendment to IFRS 3: Business Combinations: Annual Improvements project

The amendment clarifies that contingent consideration in a business combination which meets the definition of a financial instrument shall be classified as a financial liability or equity. It further stipulates that contingent consideration which is required to be measured at fair value shall be done so by recognising changes in fair value through profit or loss. Reference to measuring contingent consideration to fair value through other comprehensive income has been deleted.

The effective date of the amendment is for years beginning on or after 1 July, 2014.

The Group has adopted the amendment for the first time in the 2016 annual report.

The impact of the amendment is not material.

Amendment to IFRS 2: Share-based Payment: Annual Improvements project

Amended the definitions of "vesting conditions" and "market conditions" and added definitions for "performance condition" and "service condition."

The effective date of the amendment is for years beginning on or after 1 July, 2014.

The Group has adopted the amendment for the first time in the 2016 annual report.

The impact of the amendment is not material.

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Amendment to IFRS 13: Fair Value Measurement: Annual improvements project

The amendment clarifies that references to financial assets and financial liabilities in paragraphs 48–51 and 53–56 should be read as applying to all contracts within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or financial liabilities in IAS 32 Financial Instruments: Presentation.

The effective date of the amendment is for years beginning on or after 1 July, 2014.

The Group has adopted the amendment for the first time in the 2016 annual report.

The impact of the amendment is not material.

Amendment to IAS 38: Intangible Assets: Annual improvements project

The amendment adjusts the option to proportionately restate accumulated amortisation when an intangible asset is revalued. Instead, the gross carrying amount is to be adjusted in a manner consistent with the revaluation of the carrying amount. The accumulated amortisation is then adjusted as the difference between the gross and net carrying amount.

The effective date of the amendment is for years beginning on or after 1 July, 2014.

The Group has adopted the amendment for the first time in the 2016 annual report.

The impact of the amendment is not material.

Amendment to IFRS 8: Operating Segments: Annual improvements project

Management is now required to disclose the judgements made in applying the aggregation criteria. This includes a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

The effective date of the amendment is for years beginning on or after 1 July, 2014.

The Group has adopted the amendment for the first time in the 2016 annual report.

The impact of the amendment is not material.

Amendment to IAS 24: Related Party Disclosures: Annual improvements project

The definition of a related party has been amended to include an entity, or any member of a group of which it is a part, which provides key management personnel services to the reporting entity or to the parent of the reporting entity ("management entity"). Disclosure is required of payments made to the management entity for these services but not of payments made by the management entity to its directors or employees.

The effective date of the amendment is for years beginning on or after 1 July, 2014.

The Group has adopted the amendment for the first time in the 2016 annual report.

The impact of the amendment is not material.

Amendment to IAS 16: Property, Plant and Equipment: Annual improvements project

The amendment adjusts the option to proportionately restate accumulated depreciation when an item of property, plant and equipment is revalued. Instead, the gross carrying amount is to be adjusted in a manner consistent with the revaluation of the carrying amount. The accumulated depreciation is then adjusted as the difference between the gross and net carrying amount.

The effective date of the amendment is for years beginning on or after 1 July, 2014.

The Group has adopted the amendment for the first time in the 2016 annual report.

The impact of the amendment is not material.

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Amendment to IAS 40: Investment Property: Annual Improvements project

The amendment requires an entity to determine whether the acquisition of investment property is the acquisition of an asset or a business combination, in which case the provisions of IFRS 3 Business Combinations applies.

The effective date of the amendment is for years beginning on or after 1 July, 2014.

The Group has adopted the amendment for the first time in the 2016 annual report.

The impact of the amendment is not material.

4.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 April, 2016 or later periods:

Amendment to IFRS 5: Non-current Assets Held for Sale and Discontinued Operations: Annual Improvements project

The amendment clarifies that non-current assets held for distribution to owners should be treated consistently with non-current assets held for sale. It further specifies that if a non-current asset held for sale is reclassified as a non-current asset held for distribution to owners or visa versa, that the change is considered a continuation of the original plan of disposal.

The effective date of the group is for years beginning on or after 1 January, 2016.

The group expects to adopt the amendment for the first time in the 2017 annual report.

It is unlikely that the amendment will have a material impact on the group's annual report.

Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project

The amendment provides additional guidance regarding transfers with continuing involvement. Specifically, it provides that cash flows excludes cash collected which must be remitted to a transferee. It also provides that when an entity transfers a financial asset but retains the right to service the asset for a fee, that the entity should apply the existing guidance to consider whether it has continuing involvement in the asset.

The effective date of the Group is for years beginning on or after 1 January, 2016.

The Group expects to adopt the amendment for the first time in the 2017 annual report.

It is unlikely that the amendment will have a material impact on the Group's annual report.

Amendment to IAS 19: Employee Benefits: Annual Improvements project

The amendment clarifies that when a discount rate is determined for currencies where there is no deep market in high quality corporate bonds, then market yields on government bonds in that currency should be used.

The effective date of the Group is for years beginning on or after 1 January, 2016.

The Group expects to adopt the amendment for the first time in the 2017 annual report.

It is unlikely that the amendment will have a material impact on the Group's annual report.

Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements

The amendment provides new requirements when an entity presents subtotals in addition to those required by IAS 1 in its annual report. It also provides amended guidance concerning the order of presentation of the notes in the annual report, as well as guidance for identifying which accounting policies should be included. It further clarifies that an entity's share of comprehensive income of an associate or joint venture under the equity method shall be presented separately into its share of items that a) will not be reclassified subsequently to profit or loss and b) that will be reclassified subsequently to profit or loss.

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The effective date of the Group is for years beginning on or after 1 January, 2016.

The Group expects to adopt the amendment for the first time in the 2017 annual report.

It is unlikely that the amendment will have a material impact on the Group's annual report.

Amendment to IAS 34: Interim Financial Reporting, Annual Improvements project

The amendment allows an entity to present disclosures required by paragraph 16A either in the interim annual report or by cross reference to another report, for example, a risk report, provided that other report is available to users of the annual report on the same terms as the interim annual report and at the same time.

The effective date of the Group is for years beginning on or after 1 January, 2016.

The Group expects to adopt the amendment for the first time in the 2017 annual report.

It is unlikely that the amendment will have a material impact on the Group's annual report.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The effective date of the standard is for years beginning on or after 1 January, 2018.

The Group expects to adopt the standard for the first time in the 2019 annual report.

It is unlikely that the standard will have a material impact on the Group's annual report.

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IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 1 January, 2018.

The Group expects to adopt the standard for the first time in the 2019 annual report.

It is unlikely that the standard will have a material impact on the Group's annual report.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendment clarifies that a depreciation or amortisation method that is based on revenue that is generated by an activity that includes the use of the asset is not an appropriate method. This requirement can be rebutted for intangible assets in very specific circumstances as set out in the amendments to IAS 38.

The effective date of the amendment is for years beginning on or after 1 January, 2016.

The Group expects to adopt the amendment for the first time in the 2017 annual report.

It is unlikely that the amendment will have a material impact on the Group's annual report.

Amendment to IAS 27: Equity Method in Separate Financial Statements

The amendment adds the equity method to the methods of accounting for investments in subsidiaries, associates and joint ventures in the separate annual report of an entity.

The effective date of the amendment is for years beginning on or after 1 January, 2016.

The Group expects to adopt the amendment for the first time in the 2017 annual report.

The impact of this amendment is currently being assessed.

IFRS 14 Regulatory Deferral Accounts

The new standard is an interim standard applicable to entities subject to rate regulation. The standard is only applicable to entities adopting IFRS for the first time. It permits entities to recognise regulatory deferral account balances in the statement of financial position. When the account has a debit balance, it is recognised after total assets. Similarly, when it has a credit balance, it is recognised after total liabilities. Movements in these accounts, either in profit or loss or other comprehensive income are allowed only as single line items.

The effective date of the standard is for years beginning on or after 1 January, 2016.

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The Group expects to adopt the standard for the first time in the 2017 annual report.

It is unlikely that the standard will have a material impact on the Group's annual report.

Amendments to IFRS 10, 12 and IAS 28: Investment Entities. Applying the consolidation exemption

The amendment clarifies the consolidation exemption for investment entities. It further specifies that an investment entity which measures all of its subsidiaries at fair value is required to comply with the "investment entity" disclosures provided in IFRS 12. The amendment also specifies that if an entity is itself not an investment entity and it has an investment in an associate or joint venture which is an investment entity, then the entity may retain the fair value measurement applied by such associate or joint venture to any of their subsidiaries.

The effective date of the Group is for years beginning on or after 1 January, 2016.

The Group expects to adopt the amendment for the first time in the 2017 annual report.

The adoption of this amendment is not expected to impact on the results of the Group, but may result in more disclosure than is currently provided in the annual report.

Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants

The amendment defines bearer plants and include bearer plants within the scope of IAS 16 Property, Plant and Equipment. A bearer plant is defined as a living plant used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce. Bearer plants were previously within the scope of IAS 41 Agriculture.

The effective date of the amendment is for years beginning on or after 1 January, 2016. The Group has early adopted the amendments in 2015 financial year.

IFRS 16 Leases

IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 eliminates the classification of leases as operating leases or finance leases as required by IAS 17 and introduces a single lessee accounting model. Applying that model, a lessee is required to recognize:

- (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and
- (b) depreciation of lease assets separately from interest on lease liabilities in the profit or loss.

For the lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The effective date of the standard is for years beginning on or after 01 January 2019.

The Group expects to adopt the amendment for the first time in the 2020 annual financial statements. It is unlikely that the amendment will have a material impact on the Group's annual financial statements.

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5. Revenue

Analysis of Revenue - Group and Company - 2016

Group Products	Revenue N '000	Cost of sales N '000	Gross profit N '000
Food	280,291,012	262,576,072	17,714,940
Agro Allied	46,719,821	30,447,533	16,272,288
Packaging	12,100,425	10,966,693	1,133,732
Port operations and logistics	3,411,670	915,736	2,495,934
Real Estate	63,531	55,703	7,828
	342,586,459	304,961,737	37,624,722

Company Products	Revenue N '000	Cost of sales N '000	Gross profit N '000
Food	217,950,277	208,844,778	9,105,499
Agro Allied	14,675,300	987,369	13,687,931
Packaging	14,054,683	12,920,951	1,133,732
Logistics	1,196,244	911,819	284,425
	247,876,504	223,664,917	24,211,587

Analysis of Revenue - Group and Company - 2015

Group Products	Revenue N '000	Cost of sales N '000	Gross profit N '000
Food	238,151,405	211,613,972	26,537,433
Agro Allied	50,529,699	45,350,370	5,179,329
Packaging	13,932,717	12,113,403	1,819,314
Port operation and logistics	789,649	663,305	126,344
Real Estate	5,353,056	3,648,517	1,704,539
	308,756,526	273,389,567	35,366,959

Company Products	Revenue N '000	Cost of sales N '000	Gross profit N '000
Food	201,683,042	182,503,870	19,179,172
Agro Allied	12,395,169	10,217,073	2,178,096
Packaging	15,699,658	12,113,403	3,586,255
	229,777,869	204,834,346	24,943,523

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	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
6. Cost of sales				
Cost of raw and packaging materials	264,150,719	243,734,654	197,972,381	184,217,104
Production employee cost	11,858,209	6,260,251	8,947,273	4,138,829
Depreciation (cost of sales)	12,151,928	9,027,604	6,133,805	4,975,060
Fuel, gas and oil	8,591,039	5,383,206	5,578,642	3,425,570
Factory rents and rates	3,624,910	3,256,534	1,599,151	2,999,361
Factory repairs and maintenance	3,463,635	896,704	2,652,366	1,939,336
Insurance	203,801	995,332	127,807	918,531
Other production expenses	917,496	3,835,282	653,492	2,220,555
	304,961,737	273,389,567	223,664,917	204,834,346

7. Segment information

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Basis of Segmentation

The Group has the following five strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they require different operational and marketing strategies.

The following summary describes the operations of each reportable segment:

Food	Milling and sales of flour and rice and production and sales of pasta, snacks, sugar and noodles.
Agro Allied	Farming of maize, cassava, soya, sugar cane and oil palm and production and sales of fertilizer, edible oils and livestock feeds.
Packaging	Manufacturing and marketing of laminated woven polypropylene sacks and flexible packaging materials.
Port operations and logistics	Port terminal operations, customs clearing and forwarding, shipping and haulage services
Real estate	Leasing of investment property

The Board of Directors of Flour Mills of Nigeria Plc reviews the internal management reports of each division on a periodic basis.

There are varying levels of integration between the Food and the Agro allied segments and the packaging and port operations and logistics segments. This integration includes transfer and sale of raw and packaging materials and shared distribution services respectively.

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7. Segment information (continued)

Group

Segment profit or loss

	Segment revenue	Segment profit/(loss)	Segment revenue	Segment profit/(loss)
	31-Mar-16	31-Mar-16	31-Mar-15	31-Mar-15
	N '000	N '000	N '000	N '000
Food	280,291,012	11,824,484	238,151,405	7,707,785
Agro Allied	46,719,821	157,661	50,529,699	(46,546)
Packaging	12,100,425	(1,025,230)	13,932,717	44,765
Port operations and logistics	3,411,670	889,502	789,649	340,115
Real Estate	63,531	(377,879)	5,353,056	(321,349)
	342,586,459	11,468,538	308,756,526	7,724,770

Segment revenue reported above represents revenue generated from external customers.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2. Segment profit represents the profit earned by each segment without allocation of income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

	31-Mar-16	31-Mar-15
	N '000	N '000
Segment assets		
Food	233,510,465	213,137,457
Agro Allied	64,511,215	85,248,326
Packaging	27,021,878	22,803,408
Port operations and logistics	16,317,948	11,425,648
Real Estate	3,986,820	10,645,991
Total assets	345,348,326	343,260,830
	31-Mar-16	31-Mar-15
	N '000	N '000
Segment liabilities		
Food	158,749,212	166,453,148
Agro Allied	64,902,215	65,044,924
Packaging	16,036,853	12,127,666
Port operations and logistics	4,441,280	4,796,841
Real Estate	5,452,992	7,427,856
Total liabilities	249,582,552	255,850,435

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	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
8. Net operating gains and losses				
Insurance claim	145,745	282,989	143,200	110,224
Sundry income	1,590,696	1,694,081	188,189	699,399
Rental income	221,395	184,870	144,351	324,045
Impairment of property, plant and equipment	(3,955,217)	-	(2,698,850)	-
Fees earned	238,506	1,197,766	218,891	1,197,766
Government grants	943,888	919,490	218,387	249,326
Bad debts recovered	18,238	103,738	18,238	103,738
Loss on exchange differences	(6,296,099)	(5,103,592)	(4,007,717)	(5,002,278)
Profit or (loss) on disposal of property, plant and equipment	(217,493)	8,684	(98,853)	6,720
Fair value adjustments	(410,176)	26,924	-	-
	(7,720,517)	(685,050)	(5,874,164)	(2,311,060)
9. Selling and distribution expenses				
Employee costs	1,672,783	1,282,787	1,549,871	1,111,657
Advertisement	707,558	1,779,197	679,902	1,608,067
Selling expenses	2,623,460	1,122,398	2,370,501	951,266
	5,003,801	4,184,382	4,600,274	3,670,990
10. Administrative expenses				
Training and development	182,725	244,661	200,604	195,838
Salaries, wages and other employee costs	4,304,432	6,924,982	3,152,325	4,639,422
Insurance	182,317	192,426	73,982	86,301
Depreciation and amortisation	2,540,161	3,250,102	1,758,285	964,758
Medical, canteen and welfare expenses	283,169	525,603	244,085	393,343
Postages, telephone and cables	167,651	450,520	135,712	407,048
Printing and stationery	85,330	129,579	64,434	109,996
Travelling expenses	413,283	746,082	217,996	556,885
Subscriptions and donations	91,325	249,116	68,421	119,264
Legal and professional fees	624,508	766,228	437,305	583,601
Audit fee	228,931	206,354	125,950	103,300
Motor vehicle expenses	62,763	1,322,306	49,006	1,293,405
Repairs and maintenance	2,190,482	1,254,508	212,860	554,687
Social responsibility	225,055	255,332	57,291	232,577
General administrative expenses	1,443,309	1,931,057	631,924	594,532
Restructuring costs	234,039	313,370	200,002	295,030
Bad debts impairment allowance	1,420,811	216,632	841,026	197,300
Bank charges	909,444	773,340	725,185	596,972
Outsourced services	258,526	529,562	240,583	230,896
	15,848,261	20,281,760	9,436,976	12,155,155

The total amount of non-audit fees paid to our auditors since their appointment as auditors is N54 million. This is in respect of IT advisory and tax advisory engagements initiated prior to their appointment as auditors.

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	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000

11. Employee information

11.1 Employee costs

The following items are included within employee benefits expense:

Salaries, wages and other benefits		15,328,946	11,699,569	11,641,441	7,853,418
Pensions		1,356,845	1,323,601	1,055,837	1,095,392
Long service awards	36	319,153	136,219	296,860	93,519
Gratuity	35	830,480	1,308,631	655,331	847,579
		17,835,424	14,468,020	13,649,469	9,889,908

Total employee costs have been recognised in profit or loss as follows:

Cost of sales	11,858,209	6,260,251	8,947,273	4,138,829
Selling and Distribution expenses	1,672,783	1,282,787	1,549,871	1,111,657
Administrative expenses	4,304,432	6,924,982	3,152,325	4,639,422
	17,835,424	14,468,020	13,649,469	9,889,908

Termination benefits paid during the year amounted to N237.97 million (2015: N5 million).

11.2 Number of employees

The number of persons employed as at year end was as follows:

	Group		Company	
	31-Mar-16 Number	31-Mar-15 Number	31-Mar-16 Number	31-Mar-15 Number
Managerial	1,345	1,167	803	955
Non-managerial staff	5,837	4,615	2,590	2,151
	7,182	5,782	3,393	3,106

The number of employees in receipt of emoluments excluding certain benefits allowances and pension/gratuity within the following ranges were:

=N=	Group		Company	
	31-Mar-16 Number	31-Mar-15 Number	31-Mar-16 Number	31-Mar-15 Number
100,001 - 200,000	1,332	1,072	412	377
200,001 - 300,000	745	600	346	317
300,001 - 400,000	961	774	382	350
400,001 - 500,000	704	567	189	173
500,001 - 600,000	353	284	63	58
600,001 - 700,000	181	146	48	44
700,001 - 800,000	393	316	232	212
800,001 - 900,000	453	365	274	251
900,001 - 1,000,000	241	194	141	129
Over 1,000,001	1,819	1,464	1,306	1,195
	7,182	5,782	3,393	3,106

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	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
12. Gain on disposal of investment in associate				
Proceeds from disposal of investment in associate	27,267,092	18,200,000	27,267,092	-
Book value of investment	(3,514,035)	(3,895,047)	(13,293,418)	-
Additional cost incurred on disposal	(21,635)	(15,000)	(21,635)	-
	23,731,422	14,289,953	13,952,039	-

Loss from equity accounted investment

Loss of N381 million from equity accounted investment in prior year represents the Group's share of the investee's loss in prior year.

13. Investment income

	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Dividend income from subsidiaries	-	-	25,527	894,036
Loss on disposal of investments in subsidiaries	-	(46,007)	-	(23,182)
	-	(46,007)	25,527	870,854
Interest income				
Interest receivable and similar income	787,213	-	806,361	-
Interest income from bank deposit	316,262	2,349,595	176,208	2,781,873
Interest received per statement of cash flows	1,103,475	2,349,595	982,569	2,781,873
	1,103,475	2,303,588	1,008,096	3,652,727
14. Finance costs				
Interest expense on related parties transactions	-	-	4,861	-
Interest on bond	1,187,844	2,763,899	1,187,844	2,763,899
Interest on bank loan and overdrafts	21,209,918	15,939,627	11,819,106	6,784,162
	22,397,762	18,703,526	13,011,811	9,548,061

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	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
15. Taxation				
Per profit or loss				
Income tax charged	708,867	975,404	-	-
Tertiary Education tax	178,890	248,480	36,873	100,729
Capital gains tax	-	12,410	-	2,411
Under/(over) provision in prior year	(498,072)	317,035	(136,956)	338,531
Current tax expense	389,685	1,553,329	(100,083)	441,671
Deferred taxation	(3,320,691)	(2,291,621)	(4,077,206)	(1,950,231)
Net income tax credit as per profit or loss	(2,931,006)	(738,292)	(4,177,289)	(1,508,560)

Corporation tax is calculated at 30% (2015: 30%) of the estimated taxable profit for the year while tertiary education tax is calculated at 2% (2015 2%) of the estimated assessable profit for the year.

	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Per statement of financial position				
At 1 April	1,802,610	2,666,511	624,831	1,513,734
Transfer from merger	-	-	22,682	-
Charge for the year	389,685	1,553,329	(100,083)	441,671
Transfer on sale of FMN Registrar Limited	-	(5,778)	-	-
Payment during the year				
Cash	(629,927)	(2,326,183)	(102,174)	(1,245,305)
Withholding tax utilized	(226,353)	(85,269)	(6,099)	(85,269)
Current tax payable	1,336,015	1,802,610	439,157	624,831
Reconciliation of effective tax rate				
Profit before tax on continuing operations (A)	11,489,278	7,724,770	6,248,497	910,984
Tax at the statutory corporation tax rate of 30% (2015:30%)	3,446,783	2,317,431	1,874,549	273,295
Effect of income that is exempt from taxation	(7,119,427)	(1,973,877)	(4,194,005)	(1,169,092)
Effect of expenses that are not deductible in determining taxable profit	259,814	488,065	183,097	47,883
Effect of investment allowance and similar tax incentives	(155,714)	(644,698)	(35,022)	(199,305)
Effect of previously unrecognised tax losses	(2,111,417)	(261,062)	(2,111,417)	-
Effect of pioneer status	(76,359)	-	(314,084)	-
Tertiary education tax at 2% of assessable profits	178,890	248,480	36,873	100,729
Capital gains tax	-	12,410	-	2,411
Under/ (over) provision in prior years	(498,072)	317,035	(136,956)	338,531
Change in recognised deductible temporary differences	367,080	(1,242,076)	519,676	(903,012)
Unrecognised deferred tax asset	2,777,416	-	-	-
Income tax expense recognized in profit or loss (relating to continuing operations) (B)	(2,931,006)	(738,292)	(4,177,289)	(1,508,560)
Effective tax rate (B/A above)	(26)%	(10)%	(67)%	(166)%

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	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
16. Deferred tax				
Analysis of deferred tax balances				
Deferred tax asset	66,022	411,431	-	-
Deferred tax liability	(5,768,040)	(9,607,954)	(4,553,105)	(8,800,109)
Net deferred tax liability	(5,702,018)	(9,196,523)	(4,553,105)	(8,800,109)

The Group has unrecognised capital allowances and carry forward unused tax losses amounting to N20.9 billion and N5.4 billion respectively. No deferred tax asset has been recognised in respect of these amounts due to the unpredictability of the amount and timing of future taxable profit against which they would be utilised. The capital allowances and tax losses can be carried forward indefinitely.

Deferred tax assets and liabilities

The following are the major deferred tax liabilities and assets recognised by the Group and Company and movements thereon during the current and prior reporting period.

Group

2016	Opening balance N '000	Recognised in profit or loss N '000	Recognised in other comprehensive income N '000	Closing balance N '000
Property, plant and equipment	10,893,284	(2,110,237)	-	8,783,047
Tax losses	-	(547,287)	-	(547,287)
Exchange difference	(334,974)	340,020	-	5,046
Employee benefits	(1,143,617)	(182,587)	(173,814)	(1,500,018)
Allowances for doubtful receivables	(218,170)	(820,600)	-	(1,038,770)
	9,196,523	(3,320,691)	(173,814)	5,702,018

31 March, 2015

31 March, 2015	Opening balance N '000	Recognised in profit or loss N '000	Recognised in other comprehensive income N '000	Closing balance N '000
Property, plant and equipment	13,192,095	(2,298,811)	-	10,893,284
Tax losses	(69,494)	69,494	-	-
Exchange difference	(11,880)	(323,094)	-	(334,974)
Employee benefits	(1,376,960)	(136,974)	370,317	(1,143,617)
Allowance for doubtful receivables	(441,439)	223,269	-	(218,170)
Allowance for obsolete inventories	(111,075)	111,075	-	-
Others	(63,420)	63,420	-	-
	11,117,827	(2,291,621)	370,317	9,196,523

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16. Deferred tax (continued)

Company

2016	Opening balance	Arising from merger	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
	N '000	N '000	N '000	N '000	N '000
Deferred tax (assets)/liabilities in relation to:					
Property, plant and equipment	11,061,410	4,152	(3,991,999)	-	7,073,563
Tax losses	-	-	(469,391)	-	(469,391)
Exchange difference	(341,702)	-	501,954	-	160,252
Employee benefits	(1,115,407)	-	(211,816)	-	(1,327,223)
Allowance for bad debt	(804,192)	-	231,056	-	(573,136)
Arising on actuarial (gains)/losses on staff retirement benefit	-	-	(137,010)	(173,950)	(310,960)
	8,800,109	4,152	(4,077,206)	(173,950)	4,553,105

2015	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
	N '000	N '000	N '000	N '000
Deferred tax (assets)/liabilities in relation to:				
Property, plant and equipment	12,455,980	(1,394,570)	-	11,061,410
Tax losses	(69,494)	69,494	-	-
Exchange difference	(14,945)	(326,757)	-	(341,702)
Employee benefits	(1,216,895)	(35,521)	137,009	(1,115,407)
Allowance for doubtful receivables	(429,779)	(374,413)	-	(804,192)
Allowance for obsolete inventories	(111,076)	111,076	-	-
Others	(460)	460	-	-
	10,613,331	(1,950,231)	137,009	8,800,109

17. Other comprehensive income

Components of other comprehensive income - Group - 2016

	Gross N '000	Tax N '000	Net N '000
Items that will not be reclassified to profit or loss			
Remeasurements on net defined benefit liability			
Remeasurements on net defined benefit liability	(564,250)	173,814	(490,436)
Note	35	16	
Items that may be reclassified to profit or loss			
Available-for-sale financial assets adjustments			
Gains and losses arising during the year	(69,020)	-	(69,020)
Total	(733,270)	173,814	(559,456)

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17. Other comprehensive income (continued)

Components of other comprehensive income - Group - 2015

	Gross N '000	Tax N '000	Net N '000
Items that will not be reclassified to profit or loss			
Remeasurements on net defined benefit liability			
Remeasurements on net defined benefit liability	786,961	(370,317)	416,644
Note	35	16	
Items that may be reclassified to profit or loss			
Available-for-sale financial assets adjustments			
Gains and losses arising during the year	(20,740)	-	(20,740)
Total	766,221	(370,317)	395,904

Components of other comprehensive income - Company - 2016

	Gross N '000	Tax N '000	Net N '000
Items that will not be reclassified to profit or loss			
Remeasurements on net defined benefit liability			
Remeasurements on net defined benefit liability	(579,832)	173,950	(405,882)
Note	35	16	
Items that may be reclassified to profit or loss			
Available-for-sale financial assets adjustments			
Gains and losses arising during the year	(69,020)	-	(69,020)
Total	(648,852)	173,950	(474,902)

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17. Other comprehensive income (continued)

Components of other comprehensive income - Company - 2015

	Gross N '000	Tax N '000	Net N '000
Items that will not be reclassified to profit or loss			
Remeasurements on net defined benefit liability			
Remeasurements on net defined benefit liability	456,698	(137,009)	319,689
Note	35	16	
Items that may be reclassified to profit or loss			
Available-for-sale financial assets adjustments			
Gains and losses arising during the year	(20,740)	-	(20,740)
Total	435,958	(137,009)	298,949

The movement in the cumulative amount of other comprehensive income recognised in equity is as follows:

	Actuarial gains or losses		Fair value reserve	
	Group N '000	Company N '000	Group N '000	Company N '000
At 1 April, 2014	464,600	455,928	-	-
Recognised during the year	416,644	319,689	20,740	20,740
At 31 March, 2015	881,244	775,617	20,740	20,740
At 1 April, 2015	881,244	775,617	20,740	20,740
Recognised during the year	(490,436)	(405,882)	69,020	69,020
At 31 March, 2016	390,808	369,735	89,760	89,760

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18. Earnings per share

Basic earnings per share

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

	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Reconciliation of profit or loss for the year to earnings				
Profit or loss for the year attributable to equity holders of the parent	14,620,321	9,016,545	10,425,786	2,419,544
Weighted average number of shares ('000)	2,624,253	2,624,253	2,624,253	2,624,253
Basic earnings per share				
From continuing operations (kobo per share)	557	345	397	92

Diluted earnings per share

In the determination of diluted earnings per share, profit or loss attributable to the equity holders of the Company and the weighted average number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares.

Where there is a discontinued operation, diluted earnings per share is determined for both continuing and discontinued operations.

	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Reconciliation of profit or loss for the year to earnings				
Profit or loss for the year attributable to equity holders of the parent	14,620,321	9,016,545	10,425,786	2,419,544
Weighted average number of shares ('000)	2,624,253	2,624,253	2,624,253	2,624,253
Diluted earnings per share				
From continuing operations (kobo per share)	557	345	397	92

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19. Property, plant and equipment

Group	Land and building N '000	Plant and machinery N '000	Furniture and equipment N '000	Vehicles N '000	Bearer plants N '000	Capital work-in- progress N '000	Total N '000
Cost							
Balance at 1 April, 2014	37,958,406	137,023,037	5,117,043	9,739,507	-	38,707,906	228,545,899
Additions	3,398,956	4,350,349	162,461	1,330,515	83,268	46,855,938	56,181,487
Disposals	(1,610,103)	(2,422,149)	(90,454)	(469,843)	-	(737,417)	(5,329,966)
Reclassification	6,740,289	22,768,349	605,936	60,485	436,721	(30,271,602)	340,178
Balance at 31 March, 2015	46,487,548	161,719,586	5,794,986	10,660,664	519,989	54,554,825	279,737,598
Balance at 1 April, 2015	46,487,548	161,719,586	5,794,986	10,660,664	519,989	54,554,825	279,737,598
Additions	1,520,226	4,182,896	138,256	110,220	14,150	18,149,936	24,115,684
Disposals	(9,579)	(646,063)	(95,922)	(390,927)	-	(182,280)	(1,324,771)
Reclassification	7,951,829	17,129,109	181,448	284,377	-	(25,546,763)	-
Transfer to intangible assets (Note 21)	-	-	-	-	-	(322,935)	(322,935)
Transfer to investment property (Note 20)	(73,285)	-	-	-	-	(73,285)	(73,285)
Balance at 31 March, 2016	55,876,739	182,385,528	6,018,768	10,664,334	534,139	46,652,783	302,132,291
Accumulated depreciation							
Balance at 1 April, 2014	3,191,381	48,327,512	2,478,152	5,261,337	-	-	59,258,382
Charge for the year	1,518,906	8,630,000	478,921	1,446,607	19,332	-	12,093,766
Disposals	(10,607)	(185,633)	-	(358,162)	-	-	(554,402)
Reclassification	-	(383)	-	(240)	-	-	(623)
Balance at 31 March, 2015	4,699,680	56,771,496	2,957,073	6,349,542	19,332	-	70,797,123
Balance at 1 April, 2015	4,699,680	56,771,496	2,957,073	6,349,542	19,332	-	70,797,123
Charge for the year	2,033,091	10,188,178	856,137	1,481,588	11,046	-	14,570,040
Disposals	(2,848)	(258,589)	(95,666)	(393,487)	-	-	(750,596)
Impairment (Note (a))	-	2,578,865	-	-	-	1,376,352	3,955,217
Transfer to investment property (Note 20)	(1,250)	-	-	-	-	-	(1,250)
Balance at 31 March, 2016	6,728,673	69,279,950	3,717,544	7,437,643	30,378	1,376,352	88,570,540
Carrying amount							
Balance as at 31 March, 2016	49,148,066	113,105,578	2,301,224	3,226,691	503,761	45,276,431	213,561,751
Balance as at 31 March, 2015	41,787,868	104,948,090	2,837,913	4,311,122	500,657	54,554,825	208,940,475

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Company	Land and building N '000	Plant and machinery N '000	Furniture and equipment N '000	Vehicles N '000	Capital work-in- progress N '000	Total N '000
Cost						
Balance at 1 April, 2014	18,732,314	78,223,320	2,971,595	3,451,378	10,824,083	114,202,690
Additions	984,908	394,718	216,454	319,850	15,274,327	17,190,257
Disposals	(143,294)	(44,252)	-	(225,877)	(1,920)	(415,343)
Transfer to investment property (Note 20)	(1,113,245)	-	-	-	-	(1,113,245)
Reclassification	1,047,529	1,968,662	-	40,200	(3,065,763)	(9,372)
Balance at 31 March, 2015	19,508,212	80,542,448	3,188,049	3,585,551	23,030,727	129,854,987
Balance at 1 April, 2015	19,508,212	80,542,448	3,188,049	3,585,551	23,030,727	129,854,987
Additions	366,903	3,465,286	46,612	40,112	2,594,199	6,513,112
Disposals	-	(117,973)	(10,836)	(446,616)	(2,441)	(577,866)
Reclassification	5,873,001	10,522,462	84,903	203,571	(16,683,037)	-
Arising from merger (Note e)	3,677,113	2,314,965	789,602	5,002,328	1,058,239	12,842,247
Transfer from investment property (Note 20)	1,039,960	-	-	-	-	1,039,960
Transfer to intangible assets	-	-	-	-	(27,835)	(27,835)
Balance at 31 March, 2016	30,465,189	96,727,188	4,097,430	8,384,946	9,969,852	149,644,605
Accumulated depreciation						
Balance at 1 April, 2014	2,049,033	37,915,024	2,133,661	1,840,137	-	43,937,855
Charge for the year	569,964	4,251,296	466,985	545,283	-	5,833,528
Disposals	(8,247)	(28,163)	-	(195,879)	-	(232,289)
Transfer to investment property (Note 20)	(105,261)	-	-	-	-	(105,261)
Reclassification	-	354,105	(354,488)	(239)	-	(622)
Balance at 31 March, 2015	2,505,489	42,492,262	2,246,158	2,189,302	-	49,433,211
Balance at 1 April, 2015	2,505,489	42,492,262	2,246,158	2,189,302	-	49,433,211
Charge for the year	979,731	5,210,785	461,339	1,166,868	-	7,818,723
Disposals	-	(12,554)	(9,567)	(371,635)	-	(393,756)
Transfers from investment property (Note 20)	126,341	-	-	-	-	126,341
Arising from merger (Note e)	358,792	798,668	300,576	2,770,829	-	4,228,865
Impairment (Note a)	-	2,174,513	-	-	524,337	2,698,850
Balance at 31 March, 2016	3,970,353	50,663,674	2,998,506	5,755,364	524,337	63,912,234
Carrying amount						
Balance as at 31 March, 2016	26,494,836	46,063,514	1,098,924	2,629,582	9,445,515	85,732,371
Balance as at 31 March, 2015	17,002,723	38,050,186	941,891	1,396,249	23,030,727	80,421,776

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Analysis of bearer plants

31-Mar-16	Cost N '000	Accumulated depreciation N '000	Carrying amount N '000
Mature bearer plants	283,438	(30,378)	253,060
Immature bearer plants	250,700	-	250,700
	534,138	(30,378)	503,760

31-Mar-15	Cost N '000	Accumulated depreciation N '000	Carrying amount N '000
Mature bearer plants	266,938	(19,332)	247,606
Immature bearer plants	253,050	-	253,050
	519,988	(19,332)	500,656

(a) Impairment losses recognised in the year

During the year, due to business challenges and change in management focus, an impairment assessment of the snacks production line and other idle assets in the Northern region of the Country led to an impairment loss of about N 3.955 billion (2015: Nil) for the Group and N 2.69 billion (2015: Nil) for the Company. The recoverable amount was determined using fair value less cost to sell.

(b) Pledged as security

As at 31 March, 2016, specific properties with carrying amount of about N2 bn (2015: N2.15 bn) were pledged as security for bank loans. There are also negative pledges over other Company's Property, plant and equipment and floating assets, which have been given in relation to the Company's borrowings.

(c) Capital Commitment

The total capital commitment of the company as at 31 March, 2016 amounted to N3.2 billion (2015: N3.01 billion) in respect of various capital projects.

(d) Capital work in progress

Capital work in progress comprises Building, Plant and machinery under construction during the year. Included in the amount are capitalised borrowing cost of approximately N1.2 billion (2015: Nil) calculated using an average capitalization rate of 14%. Major projects included in the Group Capital work in progress is capital expenditure of about N40 billion relating to the Sunti Golden Sugar Estate Farm and Mill and plant and machinery of about N9 billion relating to Flour and Pasta production line.

(e) Arising from merger

Arising from merger relates to property, plant and equipment from subsidiaries which merged with the Company in current year. The carrying amount is analysed as follows:

	N'000
Cost	12,842,247
Accumulated depreciation	(4,228,865)
Carrying amount (Note 23)	8,613,382

(f) Reclassification

These represent capital work in progress reclassified to other classes of assets. In prior year, this also included the transfer of cost of bearer plants amounting to N436,721,000 for biological assets based on the Company's early adoption of the amendments to IAS 41: Agriculture: Bearer Plants. The difference represents write-off to profit or loss.

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20. Investment property

Group

	Building N'000
Cost	
Balance at 1 April, 2015	-
Transfer from property, plant and equipment (Note a)	73,285
Balance at 31 March, 2016	73,285
Accumulated depreciation	
Balance at 1 April, 2015	-
Transfer from Property, plant and equipment (Note a)	1,250
Charge for the year	22,331
Balance at 31 March, 2016	23,581
Carrying amount	
Balance as at 31 March, 2016	49,704
Balance as at 31 March, 2015	-

Company

	Building N'000
Cost	
Balance at 1 April, 2014	-
Transfer from property, plant and equipment (Note (a))	1,113,245
Balance at 31 March, 2015	1,113,245
Balance at 1 April, 2015	1,113,245
Transfer to Property, plant and equipment (Note a)	(1,039,960)
Balance at 31 March, 2016	73,285
Accumulated depreciation	
Balance at 1 April, 2014	-
Charge for the year	22,329
Transfer from Property, plant and equipment (Note a)	105,261
Balance at 31 March, 2015	127,590
Balance at 1 April, 2015	127,590
Charge for the year	22,332
Transfer to Property, plant and equipment (Note a)	(126,341)
Balance at 31 March, 2016	23,581
Carrying amount	
Balance as at 31 March, 2016	49,704
Balance as at 31 March, 2015	985,655

The Company applies the cost model in accounting for its investment property.

Rental income generated from investment property during the year was N32m (2015:N84m).

Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period was N1.2 million (2015: N0.8 million).

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20. Investment property (continued)

- (a) The transfers from investment property to PPE in the current year represents the carrying amount of investment property relating to the Gbagada Truck Park located at Gbagada, Lagos. The property is occupied by the Transport division which was a subsidiary of the Company in prior year. Subsequent to the merger of the subsidiary with the Company in the year the Company ceased earning rental income from the property and reclassified the carrying amount of the property to property, plant and equipment.

Transfers from property, plant and equipment to investment property in prior year represents investment property which had previously been classified as property, plant and equipment in the Group's statement of financial position.

- (b) The carrying amount of investment property as at year end represents:

- i. Abuja Residential Quarters- This is a building located at Life Camp Abuja and owned by Flour Mills of Nigeria Plc. The property is currently being occupied by Levant Construction Limited from whom the company earns rental income.
- ii .FMN Property-Onireke GRA Ibadan- the Company earns income from this property which has been rented out to Chi Foods Limited.

Both properties are not owner-occupied and are held by Flour Mills of Nigeria Plc to earn rental income.

The Company is yet to determine the fair value of the investment property. However, based on previous valuations performed for similar assets, the fair value is estimated to be within the range of N100m and N120m.

21. Intangible assets

Group	Computer software N'000	Berth rehabilitation N'000	Trademarks N'000	Total N'000
Cost				
Balance at 1 April, 2014	436,193	487,742	460,000	1,383,935
Addition	102,954	-	-	102,954
Balance at 31 March, 2015	539,147	487,742	460,000	1,486,889
Balance at 1 April, 2015	539,147	487,742	460,000	1,486,889
Addition	15,864	-	-	15,864
Transfer from PPE (Note 19)	47,130	275,805	-	322,935
Balance at 31 March, 2016	602,141	763,547	460,000	1,825,688
Accumulated amortisation				
Balance at 1 April, 2014	276,126	92,904	460,000	829,030
Charge for the year	138,758	22,853	-	161,611
Balance at 31 March, 2015	414,884	115,757	460,000	990,641
Balance at 1 April, 2015	414,884	115,757	460,000	990,641
Charge for the year	67,948	31,769	-	99,717
Balance at 31 March, 2016	482,832	147,526	460,000	1,090,358
Carrying amount				
Balance as at 31 March, 2016	119,309	616,021	-	735,330
Balance as at 31 March, 2015	124,263	371,985	-	496,248

- Computer software relates to acquisition of software license and other development costs directly attributable to the preparation of the computer software for its intended use. Amortization of computer software is calculated based on useful life of 3 years.
- Berth Rehabilitation represents the cost of dredging and rehabilitation of berths at the Nigerian Ports Authority for terminals A and B, which is being amortised over the remaining period of initial concession period of 20 years.

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21. Intangible assets (continued)

Company	Computer software N'000
Cost	
Balance at 1 April, 2014	301,740
Addition	63,835
Balance at 31 March, 2015	365,575
Balance at 1 April, 2015	365,575
Transfer from Property, plant and equipment (Note 19)	27,835
Addition	12,993
Balance at 31 March, 2016	406,403
Accumulated amortisation	
Balance at 1 April, 2014	184,972
Charge for the year	83,961
Balance at 31 March, 2015	268,933
Balance at 1 April, 2015	268,933
Charge for the year	51,035
Balance at 31 March, 2016	319,968
Carrying amount	
Balance as at 31 March, 2016	86,435
Balance as at 31 March, 2015	96,642

Computer software relates to acquisition of software license and any other development costs directly attributable to the preparation of the computer software for its intended use. Amortization of computer software is calculated based on useful life of 3 years.

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Figures in Naira thousand

22. Goodwill

Group	31-Mar-16			31-Mar-15		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	4,148,022	-	4,148,022	4,148,022	-	4,148,022

	31-Mar-16 N '000	31-Mar-15 N '000
Goodwill on acquisition of ROM Oil Mills Limited	1,351,067	1,351,067
Goodwill on acquisition of Thai Farms Limited	920,139	920,139
Goodwill from New Horizon Flour Mills Limited	1,876,816	1,876,816
	4,148,022	4,148,022

Goodwill has been assessed for impairment as part of the annual mandatory impairment testing. Goodwill was apportioned to Cash Generating Units (CGUs) that are expected to benefit from the respective business combinations on the basis of management expectation of the benefit to be derived from the synergy. As the carrying value of the assets of the CGU to which the Goodwill was allocated is lower than the recoverable amount, Management did not recognize any impairment loss on the Goodwill

Allocation of goodwill to cash generating units (CGU)

Goodwill was apportioned to CGUs that are expected to benefit from the synergies of the respective business combinations on the basis of their net asset values

Goodwill has been allocated for impairment test purposes to the following cash-generating units

- Flour Mills of Nigeria Plc.
- Premier Feed Mills Company Limited
- Nigerian Eagle Flour Mills Limited

The carrying amount of goodwill was allocated to the cash generating units as follows:

Allocation of Goodwill 31 March, 2016

Cash Generating Units	ROM OIL N '000	THAI FARM N '000	QUILVEST N '000	Total N '000
Flour Mills of Nigeria Plc	769,754	801,153	1,876,816	3,447,723
Premier Feed Mills Company Limited	581,313	-	-	581,313
Nigerian Eagle Flour Mills Limited	-	118,986	-	118,986
	1,351,067	920,139	1,876,816	4,148,022

The Goodwill at 31 March, 2015 is as disclosed in the table above.

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22. Goodwill (continued)

Company	31-Mar-16			31-Mar-15		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill (Note 23)	1,876,816	-	1,876,815	-	-	-

Goodwill in the Company is as a result of merger with New Horizon Flour Mills group during the financial year. Prior to the merger, the goodwill which is from Quilvest Properties Limited, a subsidiary of New Horizon Flour Mills Limited was disclosed under the Flour Mills Plc group financial statements.

Cash Generating Units

The recoverable amount of the cash generating units is determined based on a value in use calculation which uses cash flow projections based on five year projection of current year EBITDA and an average cost of capital of 11% per annum (2015: 12% per annum).

The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Key forecast assumptions

The key assumptions used in the value in use calculations for the cash generating units are as follows.

- Discount rate: 11% (2015: 10%)
- Net cash flow: The Net cash flow is based on 5-year forecast using 2016 as the base year.
- Budgeted EBITDA growth rate: The Growth rate of 11% (2015: 11%) has been applied based on management expectations of improvement in performance of the Company.
- Inflation rate: Inflation rate is based on forecast consumer price indices during the period for the country. An inflation rate of 13% has been applied for the current year (2015: 9%). The value assigned to the key assumption is consistent with external sources of information

The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible market interest rate of 11%.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years. It was assumed that sales prices would grow at a constant margin above forecast inflation over the next five years.

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23. Merger

During the year, the Company sought and obtained shareholders' and regulatory approval to merge with five wholly owned subsidiaries. The merger was effected during the year and the integration of the entities has been completed.

The subsidiaries which were merged were under the same control prior to the date of the merger, consequently, this is a business combination under common control. The Company has developed an accounting policy to include in the standalone financial statements of Flour Mills of Nigeria Plc for the year ending 31 March 2016, the results of the merged subsidiaries as if the merger occurred at the beginning of the financial year. Management has elected not to restate the comparatives in the Statement of profit or loss and other comprehensive income as this is not explicitly required by the standards.

The assets and liabilities acquired through the merger were as follows:

	N '000
Property, plant and equipment	8,613,382
Goodwill	1,876,816
Long term receivables	3,904,188
Prepayments	1,904,471
Inventories	1,314,761
Trade receivables	497,639
Cash and cash equivalents	437,014
Non current assets held for sale	13,293,418
Total Assets	31,841,689
	N '000
Borrowings	12,527,447
Deferred income	56,987
Deferred tax liabilities	4,152
Employee benefit obligation	95,531
Bank overdraft	1,065,271
Trade payables	18,749,521
Current tax liabilities	22,682
Total liabilities	32,521,591
Net liabilities	(679,902)
Derecognition of investment in subsidiaries at cost (Note 24)	(201,000)
Transfer to reserves from merger	(380,902)

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24. Investment in subsidiaries

Investment in subsidiaries are stated at cost and analysed as follows:

	Group		Company	
	31-Mar-16 N'000	31-Mar-15 N'000	31-Mar-16 N'000	31-Mar-15 N'000
Unquoted				
Apapa Bulk Terminal Limited	-	-	50,000	50,000
Golden Shipping Company Nigeria Limited	-	-	10,000	10,000
Golden Noodles Company Limited*	-	-	-	50,000
Golden Transport Company Limited*	-	-	-	25,000
Golden Sugar Company Limited	-	-	10,000	10,000
Southern Star Shipping Company (Nigeria) Limited	-	-	10,000	10,000
Kaboji Farms Limited	-	-	30,000	30,000
Premier Feed Mills Company Limited	-	-	12,750	12,750
Nigerian Eagle Flour Mills Limited	-	-	510,000	510,000
Golden Penny Rice Limited	-	-	10,000	10,000
Crestview Towers Limited	-	-	10,000	10,000
Olympic Towers Limited	-	-	10,000	10,000
New Horizon Flour Mills Limited*	-	-	-	125,000
ROM Oil Mills Limited	-	-	1,915,728	1,915,728
Thai Farm international Limited	-	-	660,066	660,066
Agri Palm Limited	-	-	10,000	10,000
Agri Estates Limited	-	-	10,000	10,000
Agro Allied Farms Suntì Limited	-	-	10,000	10,000
Agro Allied Syrups Limited	-	-	10,000	10,000
FMN Cement Industries Nigeria Limited*	-	-	-	1,000
Suntì Golden Sugar Estates Limited	-	-	5,000	5,000
Best Chickens Limited	-	-	10,000	10,000
Golden Agri Input Limited	-	-	50,000	-
Impairment allowance for investment in unquoted				
Company				
Southern Star Shipping Company (Nigeria) Limited	-	-	(10,000)	(10,000)
	-	-	3,333,544	3,484,544
Quoted				
Northern Nigeria Flour Mills Plc	-	-	303,441	303,441
	-	-	3,636,985	3,787,985

*Derecognition of investment in subsidiaries due to merger

	N'000
FMN Cement Industries Nigeria Limited	1,000
Golden Noodles Company Limited	50,000
Golden Transport Company Limited	25,000
New Horizon Flour Mills Limited	125,000
Total (Note 23)	201,000

The shareholdings in the subsidiaries above represents the Company's voting rights in the subsidiaries.

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24. Investment in subsidiaries (continued)

Shareholding

Subsidiaries	Ordinary shares	Shareholding (%) 31 March, 2016	Shareholding (%) 31 March, 2015	Principal Activity
Apapa Bulk Terminal Limited	380,000,000 ordinary shares of 50 kobo each	100	100	Port operations
Golden Agri Inputs Limited	100,000,000 ordinary shares of 50k each	100	-	Agriculture
Golden Shipping Company Nigeria Limited	10,000,000 ordinary shares of N1 each	100	100	Shipping agency
Golden Noodles Company Limited	100,000,000 ordinary shares of 50k each	-	100	Manufacturing of noodles
Golden Transport Company Limited	50,000,000 ordinary shares of 50k each	-	100	Haulage of goods and services
Golden Sugar Company Limited	20,000,000 ordinary shares of 50k each	100	100	Manufacturing of sugar
Northern Nigeria Flour Mills Plc	178,200,000 ordinary shares of 50k each	53	53	Flour milling
Kaboji Farms Limited	30,000,000 ordinary shares of N1 each	100	100	Farming
Premier Feed Mills Company Limited	25,500,000 ordinary shares of 50k each	62	62	Livestock feeds
Nigeria Eagle Flour Mills Limited	510,000,000 ordinary shares of N1 each	51	51	Flour milling
Golden Penny Rice Limited	20,000,000 ordinary shares of 50k each	100	100	Importation and bagging of rice
Crestview Towers Limited	20,000,000 ordinary shares of 50k each	100	100	Real estate
Olympic Towers Limited	20,000,000 ordinary shares of 50k each	100	100	Real estate
Agri Palm Limited	20,000,000 ordinary shares of 50k each	100	100	Agriculture
Agri Estates Limited	20,000,000 ordinary shares of 50k each	100	100	Agriculture
Agro Allied Farms Sunti Limited	20,000,000 ordinary shares of 50k each	100	100	Agriculture
Agro Allied Syrups Limited	20,000,000 ordinary shares of 50k each	100	100	Agriculture
New Horizon Flour Mills Limited	250,000,000 ordinary shares of 50k each	-	100	Holding company
ROM Oil Mills Limited	9,000,000 ordinary shares of 50k each	90	90	Manufacturing of edible oil.
Thai Farm international Limited	349,650,135 Ordinary shares of 50k share	75	75	Manufacturing of cassava flour
Best Chickens Limited	20,000,000 ordinary shares of 50k each	100	100	Agriculture
FMN Cement Industry Nigeria Limited	2,000,000 ordinary shares of 50k each	-	100	Holding Company
Sunti Golden Sugar Estates Limited	10,000,000 ordinary shares of 50k each	100	100	Manufacturing of sugar
Golden Penny Power Limited (a)	2,000,000 ordinary shares of 50k each	100	100	
Premier Poultry Processors Limited (a)	20,000,000 ordinary shares of 50 kobo each	100	100	

Flour Mills of Nigeria Plc

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24. Investment in subsidiaries (continued)

Premier Chicks Limited (a)	10,000,000 ordinary shares of 50 kobo each	100	100
Iganmu Power Company Limited (a)	2,000,000 ordinary shares of 50 Kobo each	100	100
Southern Star Shipping Company Limited (b)	20,000,000 ordinary shares of 50k each	100	100
Burham Cement Limited (a), (b)	2,000,000 ordinary shares of 50 Kobo each		
FMN Agro-Allied Ventures Limited (a), (b)	2,000,000 ordinary shares of 50 Kobo each	100	100
Pure Oil Mills Limited (a), (b)	2,000,000 ordinary shares of 50 Kobo each	100	100
Sovereign Foods Limited (a), (b)	40,000,000 ordinary shares of 50 kobo each	100	100

The shareholdings in the subsidiaries above represents the Company's voting rights in the subsidiaries.

(a) The share capital for these subsidiaries which are non-operational were yet to be paid up by the Company, hence no investment amount has been recorded as at 31 March 2016.

(b) Subsequent to year end, the Company filed to the Corporate Affairs Commission (CAC) for the voluntary winding up of a number of subsidiaries. This has been approved by the CAC. The entities were non-operational and dormant with no assets or liabilities as at 31 March 2016.

Subsidiaries with material non-controlling interests

The following information is provided for subsidiaries with non-controlling interests which are material to the reporting company. The summarised financial information is provided prior to intercompany eliminations.

Subsidiaries	% Ownership interest held by non-controlling interest	
	31-Mar-16	31-Mar-15
Northern Nigeria Flour Mills Plc.	47 %	47 %
Premier Feed Mills Company Limited.	38 %	38 %
Nigerian Eagle Flour Mills Limited	49 %	49 %

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24. Investment in subsidiaries (continued)

31 March, 2016

Summarised consolidated and separate statement of financial position	NCI percentage	Non current assets		Current assets		Total assets		Non current liabilities		Current liabilities		Total liabilities		Net assets		Carrying amount of non-controlling interest
		assets		assets		liabilities		liabilities		liabilities		liabilities		liabilities		
Northern Nigeria Flour Mills Plc	47 %	658,654		1,081,103		1,739,757		113,546		375,227		488,773		1,250,984		587,962
Premier Feed Mills Company Limited	38 %	9,041,565		8,615,663		17,657,228		1,200,767		13,940,840		15,141,607		2,515,621		955,936
Nigerian Eagle Flour Mills Limited	49 %	3,920,604		3,610,995		7,531,599		1,313,296		2,728,732		4,042,028		3,489,571		1,709,890
Total		13,620,823		13,307,761		26,928,584		2,627,609		17,044,799		19,672,408		7,256,176		3,253,788
Other individually immaterial subsidiaries	-	-		-		-		-		-		-		-		(503,645)
Intra-group eliminations	-	-		-		-		-		-		-		-		79,791
Non-controlling interest per consolidated statement of financial position																2,829,934

The difference between the carrying amount of non-controlling interest and the non-controlling interest's proportionate share of the net assets of the subsidiary is represented by goodwill.

Flour Mills of Nigeria Plc

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24. Investment in subsidiaries (continued)

Summarised statement of profit or loss and other comprehensive income	NCI percentage	Revenue	Profit/(loss) before tax	Tax expense	Profit/(loss) for the year	Other comprehensive income	Total comprehensive income	Profit/(loss) allocated to non-controlling interest	OCI attributable to NCI	Total comprehensive income attributable to NCI
Northern Nigeria Flour Mills Plc	47 %	968,486	(233,067)	35,831	(197,236)	21,574	(175,662)	(92,701)	10,140	(82,561)
Premier Feed Mills Company Limited	38 %	37,355,109	848,368	(158,445)	689,923	-	689,923	262,171	-	262,171
Nigerian Eagle Flour Mills Limited	49 %	18,160,578	423,018	(363,903)	59,115	(8,021)	51,094	28,966	(3,930)	25,036
Total		56,485,173	1,038,319	(486,517)	551,802	13,553	565,355	198,436	6,210	204,646
Profit or loss allocated to non-controlling interest of other subsidiaries								(379,958)	(343)	(380,301)
Intra-group eliminations								(18,515)	(5,867)	(24,382)
Total profit or loss allocated to non-controlling interest								(200,037)	-	(200,037)

Summarised statement of cash flows

	NCI percentage	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Net increase (decrease) in cash flow
Northern Nigeria Flour Mills Plc	47 %	(487,140)	14,605	(81,099)	(553,634)
Premier Feed Mills Company Limited	38 %	3,837,870	(147,425)	(2,746,479)	943,966
Nigerian Eagle Flour Mills Limited	49 %	167,793	(1,766,052)	(59,173)	(1,657,432)
Total		3,518,523	(1,898,872)	(2,886,751)	(1,267,100)

Dividend paid to shareholders with non controlling interest amounted to N 27.94 million

Flour Mills of Nigeria Plc

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24. Investment in subsidiaries (continued)

31 March, 2015

Summarised statement of financial position	NCI percentage	Non current assets	Current assets	Total assets	Non current liabilities	Current liabilities	Total liabilities	Net assets	Carrying amount of non-controlling interest
Norther Nigerian Flour Mills Plc	47 %	734,721	4,229,824	4,964,545	343,908	3,140,573	3,484,481	1,480,064	695,630
Premier Feed Mills Company Limited	38 %	9,751,606	7,866,420	17,618,026	1,453,429	13,852,768	15,306,197	2,311,829	878,495
Nigerian Eagle Flour Mills Limited	49 %	3,173,474	8,226,141	11,399,615	1,533,146	6,665,553	8,198,699	3,200,916	1,568,449
Total		13,659,801	20,322,385	33,982,186	3,330,483	23,658,894	26,989,377	6,992,809	3,142,574
Non-controlling interest in all other subsidiaries									(123,346)
Intra-group eliminations									38,683
Non-controlling interest per consolidated statement of financial position									3,057,911

The difference between the carrying amount of non controlling interest and the non controlling interest's proportionate share of the net assets of the subsidiary is represented by goodwill.

Summarised statement of profit or loss and other comprehensive income	NCI percentage	Revenue	Profit (loss)	Other comprehensive income	Total comprehensive income	Profit (loss) allocated to non-controlling interest	OCI attributable to NCI	Total comprehensive income attributable to NCI
Norther Nigerian Flour Mills Plc	47 %	10,529,075	(199,558)	(23,011)	(222,569)	(93,792)	(10,815)	(104,607)
Premier Feed Mills Company Limited	38 %	31,179,573	(1,073,371)	-	(1,073,371)	(407,881)	-	(407,881)
Nigerian Eagle Flour Mills Limited	49 %	16,201,406	1,983	12,816	14,799	972	6,280	7,252
Total		57,910,054	(1,270,946)	(10,195)	(1,281,141)	(500,701)	(4,535)	(505,236)
Other individually immaterial subsidiaries						(44,532)	-	(44,532)
Intra-group eliminations						3,030	46	3,076
Total profit or loss allocated to non-controlling interest						(542,203)	(4,489)	(546,692)

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24. Investment in subsidiaries (continued)

Summarised statement of cash flows

NCI percentage	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Net increase (decrease) in cash flow
47 %	555,099	(68,046)	(71,280)	415,773
38 %	4,588,774	(505,134)	(2,433,688)	1,649,952
49 %	4,307,116	(324,274)	(100,000)	3,882,842
	9,450,989	(897,454)	(2,604,968)	5,948,567

Northern Nigeria Flour Mills Plc
Premier Feed Mills Company Limited
Nigerian Eagles Flour Mills Limited

Total

Dividend paid to shareholders with non controlling interest amounted to N 32.17 million.

Profit from discontinued operation

Amount of N11,280,000 represents profit on disposal of investment in Flour Mills Registrars Limited.

Flour Mills of Nigeria Plc

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	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
25. Available for sale investments				
Available-for-sale	45,696	114,716	45,696	114,716
Available for sale investments (unquoted)				
Maiduguri Flour Mills Limited	5,956	5,956	5,956	5,956
Newport Tradings Limited	2,000	2,000	2,000	2,000
	7,956	7,956	7,956	7,956
Available for sale investments (Quoted)				
Transnational Corporation Plc	106,760	127,500	106,760	127,500
Less: fair value loss	(69,020)	(20,740)	(69,020)	(20,740)
	37,740	106,760	37,740	106,760
	45,696	114,716	45,696	114,716

The Group's investment in Transnational Corporation Plc was fair valued using the market value as at year end which resulted in fair value decrease of N69.02 million. The fair value decrease has been recognised in other comprehensive income. The available for sale investments in unquoted entities have been carried at cost as the fair value cannot be reliably measured. Management does not have any immediate plan to dispose off these investments.

Flour Mills of Nigeria Plc

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26. Biological assets

Group	Livestock (a) N'000	Oil palm (b) N'000	Cassava (c) N'000	Sugar (d) N'000	Total N'000
Balance at 1 April, 2014	-	510,238	144,884	98,875	753,997
Addition	26,138	-	284,998	-	311,136
Harvested during the year	-	-	(7,191)	-	(7,191)
Transfer	-	(436,719)	-	-	(436,719)
Fair value loss	-	(41,147)	(94,029)	-	(135,176)
Write-off	-	-	-	(28,457)	(28,457)
Balance at 31 March, 2015	26,138	32,372	328,662	70,418	457,590
Balance at 1 April, 2015	26,138	32,372	328,662	70,418	457,590
Addition	12,090	-	242,023	219,450	473,563
Harvested during the year	(13,520)	-	(18,324)	-	(31,844)
Fair value gain/(loss)	37,444	(22,490)	(333,598)	-	(318,644)
Write-off/impairment	-	-	(46,032)	-	(46,032)
Balance at 31 March, 2016	62,152	9,882	172,731	289,868	534,633

	31-Mar-16 N '000	31-Mar-15 N '000
Analysed into:		
Current	182,613	399,081
Non-current	352,020	58,509
	534,633	457,590

- Livestock relates to poultry used for poultry eggs production at Best Chickens Limited and are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in the profit or loss. Point-of-sale costs include all costs that will be necessary to sell the assets. The fair value of livestock is determined based on valuations using the market prices of livestock of similar age, breed and generic merit.
- Oil palm refers to growing fresh fruit bunches at Agri Palm Limited and are stated at fair value less cost-to-sell with any resultant gain or loss recognised in profit or loss. Selling costs include all costs that would be necessary to sell the fresh fruit bunches (including cost of harvest). The fair value is determined based on valuations using the market prices of fresh fruit bunches of similar weight and quality.
- Cassava is cultivated at Thai Farms International Limited and Koboji Farms Limited and the harvested cassava tubers are used for starch extraction and production of high quality cassava flour. They are stated at fair value less estimated cost-to-sell. Cost-to-sell include costs that would be necessary to sell the cassava tubers (including the cost of harvest). Fair value is determined based on valuation using market prices of cassava tubers of similar weight and quality.
- Growing sugarcane refers to sugarcane plants at the plantation owned by Sunti Golden Sugar Estates Limited. The plantation is currently in developmental stage and the harvested sugarcane are re-planted until such a time when the plantation reaches optimum maturity to enable the production of sugar cane to be used for the extraction of premium raw sugar. The sugarcane plants are currently being stated at cost as it is currently impracticable to determine the fair value at this stage of maturity.

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26. Biological assets (continued)

Methods and assumptions used in determining fair value

Fair value is determined using market-based evidence by appraisal. Valuation of biological assets is carried out at sufficient regularity to identify any material movement and any material differences are adjusted accordingly to ensure that the carrying value of the assets does not differ materially from the fair values determined as at the reporting date. The Company is involved in cultivation of oil palm fruits, sugarcane, cassava and poultry farming.

Measurement of fair values

Fair value hierarchy

The fair value measurement for the palm and cassava have been categorised as Level 3 fair values based on the inputs to the valuation techniques used. The fair value measurements of livestock have been categorised as Level 2 fair values based on observable market sales data.

The following table shows the valuation techniques used in measuring fair values as well as the valuation variables used:

Type	Valuation techniques	Valuation variables	Inter-relationship between key valuation variables and fair value measurement
Oil palm	Market comparism technique: The fair values are based on market price of palm fruit bunches of similar age, weight and market value.	Estimated plantation size 4,342 hectares (2015: 4,342) Estimated market price per bunch - N250 (2015: N180) Estimated number of trees - 308,278 (2015: 299,739) Estimated yield per tree - 2 bunches per year. Estimated cost-to-sell per bunch - N60	The estimated fair value would increase/(decrease) if: a. the estimated price per fresh fruit bunch were higher/(lower). b. if the estimated harvest and transportation cost were higher/(lower). c. If the estimated yield per hectare were higher/(lower).
Livestock	Market comparism technique: The fair values are based on market price of livestock of similar age, weight and market value.	Estimated number of birds as at 2016; 64,210 (2015: 54,816). Average age ranges from 18 weeks and over 78 weeks). Average price per bird is N1,000.	The estimated fair value would increase/(decrease) if: a. the estimated price per birds were higher/(lower)
Cassava	Market comparism technique: The fair values are based on market price of cassava tubers of similar age, weight and market value.	The estimated hectares of cultivated land was 42,100 hectares (2015: 42,100 hectares). Also the estimated yield per hectare was 10 tonnes (2015:13 tonnes). Estimated market price N6,121 per metric tonne (2015: N7,531 per metric tonne).	The estimated fair value would increase/(decrease) if: a. the estimated price per cassava tuber were higher (lower) b. If the estimated yield per hectare were higher/(lower)
Sugarcane	Cost: Actual cost includes cost of land preparation, planting young sugar cane stems, pesticides and any other cost directly attributable to the sugar cane plantation.	Not applicable	Not applicable

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26. Biological assets (continued)

Risk management strategy related to agricultural activities

The Group is exposed to the following risks relating to its biological assets:

a Regulatory and environmental risks

The Group is subject to laws and regulations in the states in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

b Supply, demand and yield risks

The Group is exposed to risks arising from fluctuations in the prices of birds and seedlings for cultivation as well as yield volumes. When possible, the Group manages these risks by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing. The Group manages yield volume risks by employing latest technology and sourcing for optimally viable seedlings.

c Climate, disease and other risks

The Group's biological assets are exposed to the risks of damage from climatic conditions, diseases, forest fires and other natural forces. The Group has processes in place aimed at monitoring and mitigating those risks, including insurance, regular health inspections, poultry vaccinations, use of environmentally friendly pesticides for the crops and leveraging on industry pest and disease surveys as well as other agricultural best practices.

27. Long term receivables

	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Thai Farm International Limited	-	-	361,501	324,249
FMN Cement Industries (Nigeria) Limited	-	-	-	3,904,509
United Cement Company of Nigeria Limited	-	3,904,188	-	-
Agri Palm Limited	-	-	1,157,496	-
Golden Penny Rice Limited	-	-	984,529	-
ROM Oil Mills Limited	-	-	47,966	389,250
	-	3,904,188	2,551,592	4,618,008

Credit quality on loans to group companies

Long term receivables are mainly due from related parties and the Company is faced with the risk that there might be a short fall in the repayment of these receivables. To mitigate this risk, the Company ensures that proper agreements are put in place as well as ensuring that the business activities of these Companies are monitored closely on a monthly basis. Intercompany receivables are payable on demand and interests are charged based on Commercial Bank rate.

Movement in Long term loan receivable

	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Opening balance	3,904,188	11,457,561	4,618,008	12,132,956
Additional loans granted during the year	-	1,384,197	2,506,133	1,422,303
	3,904,188	12,841,758	7,124,141	13,555,259
Repayments in the year	(3,904,188)	(8,937,570)	(4,572,549)	(8,937,251)
Closing balance	-	3,904,188	2,551,592	4,618,008

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	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
28. Inventories				
Raw and packaging materials	37,209,730	48,390,832	23,063,622	32,930,463
Work in progress	1,309,493	1,287,676	1,106,061	1,003,951
Finished goods	4,795,026	6,380,153	2,400,643	4,296,449
Consumable stores and maintenance spares	15,915,723	13,059,607	11,106,456	10,002,562
	59,229,972	69,118,268	37,676,782	48,233,425
Write-downs	(531,204)	(692,265)	(419,099)	(312,145)
	58,698,768	68,426,003	37,257,683	47,921,280

The cost of inventories recognised as an expense during the year in respect of continuing operations in the Group was N263 billion (31 March, 2015: N246.4 billion), while in the Company it was N198 billion (31 March, 2015: N187.1 billion)

Inventory write down during the period for the Group was N429 million, Company N 323.78 million

29. Trade and other receivables

	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Trade receivables	14,292,489	11,243,468	7,560,078	6,138,459
Allowance for doubtful trade receivables	(1,557,556)	(1,407,240)	(1,476,933)	(1,354,803)
	12,734,933	9,836,228	6,083,145	4,783,656
Staff debtors	331,818	530,371	250,909	389,822
Amount due from related parties	-	1,384,359	58,691,414	65,476,982
Sundry debtors	5,899,417	5,322,280	1,478,771	2,921,188
	18,966,168	17,073,238	66,504,239	73,571,648

Trade and other receivables

The average credit period on sale of goods is 30 days. The Group has recognised an allowance for doubtful debts of 100% against all receivables over 365 days because historical experience has been that receivables that are past due beyond 365 days are not recoverable. Allowances for doubtful debts are recognised against trade receivables between 30 and 365 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Before accepting a new customer the Group initially trades with the customer on cash basis to assess the customer's ability and also determine the customer's transaction volumes. This enables a reasonable credit limit to be set. Once these are determined the customer is then allowed to apply for a credit facility from the company through a rigorous process with several levels of approval. Also certain categories of credit customers provide bank guarantees before being accepted as credit customers of the Group.

Credit sales form a small portion of overall sales. The concentration of credit risk is limited due to this fact and the large and unrelated customer base. The Group has pledged no trade receivables during the year.

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	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
29. Trade and other receivables (continued)				
Trade receivables neither past due nor impaired				
0 - 30 days	6,115,151	3,934,491	2,222,543	2,328,526
Trade receivables past due but not impaired				
The ageing of amounts past due but not impaired is as follows:				
31-60 days	4,501,452	4,013,181	991,856	1,021,617
61-180 days	1,988,604	1,772,901	685,847	706,426
181-365	129,726	115,655	705,906	727,087
	6,619,782	5,901,737	2,383,609	2,455,130
Trade receivables impaired				
Past due and impaired	1,557,556	1,407,240	1,476,993	1,354,803
Movement in the allowance for doubtful receivables				
Opening balance	1,407,240	1,562,438	1,354,803	1,447,890
Amount written off during the year	(211)	-	(211)	-
Amounts recovered during the year	(18,238)	(155,198)	(18,238)	(93,087)
Increase in allowance recognised in profit or loss	168,765	-	140,639	-
	1,557,556	1,407,240	1,476,993	1,354,803

In determining the recoverability of trade receivables, the Group and Company consider any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited because of the customer base being large and unrelated and large credit risks are covered by bank guarantees. Accordingly, the Directors believe that there is no further credit allowance required in excess of the allowance for doubtful debts already made.

30. Prepayments and deposits for imports

	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Deposit for imports (Letters of credit)	9,097,476	5,193,595	9,097,476	5,193,595
Advance Payment to Suppliers	1,175,675	577,695	747,868	-
Prepaid rent on operating premises	1,703,939	1,678,571	1,703,939	-
Prepaid expenses	3,352,099	2,302,722	2,334,624	1,697,717
	15,329,189	9,752,583	13,883,907	6,891,312
Analysed into:				
Current	13,625,250	8,169,508	12,179,968	6,891,312
Non-current	1,703,939	1,583,075	1,703,939	-
	15,329,189	9,752,583	13,883,907	6,891,312

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30. Prepayments and deposits for imports (continued)

30.1 Operating lease

Commitment for future rentals on Operating lease

The property to which the operating lease relates is the land at 311 Apapa Road, Apapa, Lagos State which has been leased from Railway Property Management Company Limited. The property was inherited from Brossette Nigeria Limited on the acquisition of Quilvest Properties Limited in June 2012 with a residual lease period of 11 years. Quilvest merged with the Company during the year. The lease term was extended to a period of 21 years with effect from 1 January 2014. In addition to the lump sum prepaid on the leased asset, the lease contract stipulates annual rent of N6.25 million over the lease period.

The commitment for the future rentals for Group and Company is analysed below

	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Minimum annual rent				
- within one year	6,250	6,250	6,250	-
- in second to fifth year inclusive	25,000	25,000	25,000	-
- later than five years	87,500	93,750	87,500	-
	118,750	125,000	118,750	-

31. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	284,569	5,840,461	270,514	5,692,251
Bank balances	32,928,474	20,181,840	21,400,665	7,428,605
Cash and cash equivalents per statement of financial position	33,213,043	26,022,301	21,671,179	13,120,856
Bank overdraft	(16,412,986)	(59,700,951)	(6,657,427)	(41,025,619)
Cash and cash equivalents per statement of cash flows	16,800,057	(33,678,650)	15,013,752	(27,904,763)

Cash and cash equivalents comprise cash and bank balances, net of outstanding bank overdrafts. The carrying amount of these assets approximate their fair values. See note 43 for additional information exposure to credit and currency risk.

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	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
32. Share capital, share premium and capital reserve				
Share capital				
Authorised				
4,000,000,000 Ordinary shares of 50 kobo each	2,000,000	2,000,000	2,000,000	2,000,000
Issued and fully paid:				
At the beginning of the year				
2,624,253,188 (2015:2,385,684,716) ordinary shares of 50 kobo each	1,312,126	1,192,842	1,312,126	1,192,842
Bonus Issue (Note (a))				
238,568,472 Ordinary shares of 50 Kobo each	-	119,284	-	119,284
At the end of the year				
2,624,253,188 Ordinary Shares of 50Kobo each	1,312,126	1,312,126	1,312,126	1,312,126
Share premium				
Share premium (Note b)	36,812,540	36,812,540	36,812,540	36,812,540
(a) At the Annual General Meeting held on the 10 September 2014, it was resolved that a total sum of N119,284,236 out of the balance on the general reserve at 31March 2014 be capitalised and distributed amongst the members as at the close of business on 15 August 2014 in the proportion of one new ordinary share for every ten ordinary shares held by them. However, on condition that same be not paid in cash but applied in paying in full for 238,568,472 new ordinary shares of 50 Kobo each to be allotted and credited as fully paid amongst members of their respective nominees.				
(b) This comprises share premium arising from rights issue of 436.8 million ordinary shares at N12 per share in 2005 and 156 million ordinary shares at N7.70 per share in 2000 and 455.6 million ordinary shares at N62 in 2012 by Flour Mills of Nigeria Plc and the premium realised on the additional shares issued in 2013 of 3.29 billion on merger of the Company with Nigerian Bag Manufacturing Company Plc and Niger Mills Company Limited.				
Capital reserve				
Capital reserve of N281,201,000 in prior year represented the adjustment to equity arising from previous mergers. This amount has been reclassified to retained earnings in current year to ensure consistency in the treatment of such transactions.				
33. Borrowings				
	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Unsecured borrowings at amortised cost				
Bank of Industry Loan - CBN intervention fund (Note a)	41,473,602	13,295,277	7,732,671	7,669,136
Central Bank of Nigeria Commercial Agricultural Credit Scheme- Agricultural loans(Note b)	10,111,596	2,796,277	-	-
Other Bank Loans (Note c,d,e)	95,608,532	90,681,309	65,875,814	20,825,165
	147,193,730	106,772,863	73,608,485	28,494,301
Secured Borrowings at amortised cost				
Other Bank loans (f)	1,646,445	2,727,273	1,646,445	-
	148,840,175	109,500,136	75,254,930	28,494,301
Analysed into				
Current	100,830,460	54,239,491	67,045,775	23,329,671
Non-current	48,009,715	55,260,645	8,209,155	5,164,630
	148,840,175	109,500,136	75,254,930	28,494,301

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	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
33. Borrowings (continued)				
Bank loan movement (excluding bank overdraft)				
Opening balance	109,500,136	76,307,414	28,494,301	21,294,417
Additions	136,860,256	151,367,224	69,968,981	96,674,165
Arising from merger	-	-	12,746,184	-
Repayment	(97,520,217)	(118,174,502)	(35,954,536)	(89,474,281)
Closing balance	148,840,175	109,500,136	75,254,930	28,494,301

Details of Borrowings

- a Flour Mills of Nigeria Plc obtained funds from the CBN/BOI Power and Aviation Intervention Fund and Manufacturing Intervention Fund in different tranches, with tenures of 6 to 10 years. Principal repayment commenced in September 2011. Principal and interest are repaid quarterly on arrears. The facilities have fixed interest rates between 7% and 10% per annum. The loans were granted to finance or refinance the construction of the group's power plants and expansion of existing manufacturing plants.
- b N10.112 billion (2015: 2.796 billion) outstanding in Central Bank of Nigeria-Commercial Agricultural Credit Scheme - Agricultural loans were obtained by some subsidiaries at 9% interest rate per annum. The moratorium periods for these loans are between 18 months and 24 months. Loan tenures ranged between 6 and 7 years. Principal and interest are also payable quarterly in arrears.
- Loans obtained under (a) and (b) were obtained at below market interest rate and were hence recorded at their fair value at inception using the appropriate market rate at date of draw down. Due to the nature of the lending and the providers, the benefit of the below market rate has been treated as government grants and included in deferred revenue (Note 37).
- c Other bank loans (unsecured) were obtained by the group from various commercial banks in Nigeria. The facilities are used to finance the importation of raw materials. These facilities were granted at average interest rates of 5% with tenures of less than one year.
- d Included in other bank loans above is a 5 years syndicated term loan facility granted in year ended 31 March 2012 to Golden Sugar Company Limited amounting to N22 billion by a consortium of banks. The loan is secured on a floating charge over all the company's assets and has been paid down as at 31st March 2016.
- e The balance of the other bank loans with tenors ranging from 90 days to 5 years are repayable by instalments at various dates between 2014 and 2022 with interest rate varying between 13% to 15%.
- f Credit facility amounting to N3 billion was obtained from Access Bank Plc in 2013 to finance the construction of the office complex at Golden Penny Place, Wharf Road, Apapa. The tenor of the loan is 7 years with 18 months moratorium on principal. Effective interest rate was 16.57%. Interest are paid quarterly. The loan is secured by legal mortgage on the office complex.

34. Unsecured fixed rate bond

	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
5-Year 12% fixed rate unsecured bond	-	19,248,115	-	19,248,115
Analysed into				
Current	-	19,248,115	-	19,248,115

The 5 year 12% fixed rate unsecured bond has been fully paid down. The bond was a 5-year facility with a 2-year moratorium on principal. The coupon was paid semi-annually on 09 December and 09 June of each year up to December 9 2015.

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35. Retirement benefit obligation

Defined benefit plan

The employees of the Group are members of government approved Pension scheme (Pension reform act, 2004) which is managed by several private sector service providers. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The Group operates unfunded defined benefit plans for qualifying employees of the Group. Under the plans, the employees are entitled to retirement benefits on attainment of a retirement age ranging from 50 to 60 years.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 31 March, 2016 by HR Nigeria Limited (FRC registration number: 000000000738). The present value of the defined benefit obligation, and the related current service cost, were measured using the Projected Unit Credit Method.

Carrying value

The amount included in the statement of financial position arising from the Group's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Present value of the defined benefit obligation-wholly unfunded	(4,077,811)	(3,245,308)	(3,454,172)	(2,552,715)

Movements for the year

Movements in the present value of defined benefit obligations were as follows:

At beginning of the year	3,245,308	3,673,114	2,552,715	2,922,290
Transfer due to merger	-	-	55,545	-
Benefits paid during the year	(662,227)	(949,476)	(421,396)	(756,184)
Transfer	-	-	32,145	(4,272)
Net expense recognised in profit or loss and other comprehensive income	1,494,730	521,670	1,235,163	390,881
At end of the year	4,077,811	3,245,308	3,454,172	2,552,715

Net expense recognised in profit or loss and other comprehensive income

Service cost	475,836	547,304	388,823	382,542
Interest cost	529,675	761,327	376,594	465,037
Curtailment	(175,031)	-	(110,086)	-
Recognised in profit or loss	830,480	1,308,631	655,331	847,579
Actuarial (gains)/losses recognised in other comprehensive income	664,250	(786,961)	579,832	(456,698)
	1,494,730	521,670	1,235,163	390,881

The cumulative amount of actuarial (gains)/loss recognised in other comprehensive income is shown in Note 17.

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35. Retirement benefit obligation (continued)

Key financial assumptions used

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

	Group		Company	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Discount rates used	13 %	15 %	13 %	15 %
Average rate on inflation	9 %	9 %	9 %	9 %
Expected increase in salaries	12 %	12 %	12 %	12 %

Demographic assumption

Mortality in service

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

Sample age	Number of deaths in year out of 10,000 lives	Withdrawal from Service (Age band)	Withdrawal from Service (Rate)	
25	7	</=30	2.5	%
30	7	31 - 39	1.5	%
35	9	40 - 44	1.0	%
40	14	45 - 50	0.0	%
45	26		0.0	%

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefits obligation by the amount shown below:

Group

		N '000
Base		4,077,381
Discount rate	+1%	(427,592)
	-1%	501,010
Salary increase	+1%	270,478
	-1%	(239,571)
12 months deposit rate (Central Bank of Nigeria)	+1%	288,494
	-1%	(245,506)
Mortality experience	Age rated down by 1 year	(136)
	Age rated up by 1 year	105

Company

		N '000
Base		3,454,172
Discount rate	+1%	(365,130)
	-1%	428,083
Salary increase	+1%	227,119
	-1%	(201,183)
12 months deposit rate (Central Bank of Nigeria)	+1%	288,494
	-1%	(245,506)
Mortality experience	Age rated down by 1 year	8
	Age rated up by 1 year	(29)

Defined contribution plan

It is the policy of the group to provide retirement benefits to all its employees. A number of defined contribution provident funds, all of which are subject to the Pension Reform Act exist for this purpose.

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36. Long service award

Long term service award is granted at first to employees that have spent a minimum of ten years in service and for every multiple five years the employee remains in service. Payment to employee is given in cash and kind.

Carrying value

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

	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Long service awards	1,593,819	1,340,140	1,426,602	1,142,397
At the beginning of the year	1,340,140	1,317,571	1,142,397	1,154,531
Transfer from merger	-	-	39,986	-
Transfer from other group companies	-	-	4,127	(4,181)
Net expense recognised in profit or loss	319,153	136,219	296,860	93,519
Benefits paid	(65,474)	(113,650)	(56,768)	(101,472)
At the end of the year	1,593,819	1,340,140	1,426,602	1,142,397
Net expense recognised in profit or loss				
Service cost	191,937	242,699	166,420	162,258
Interest cost	193,449	184,632	170,240	156,642
Actuarial (gains)/ losses	(66,233)	(291,112)	(39,800)	(225,381)
	319,153	136,219	296,860	93,519

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

Group

	Valuation at	
	31-Mar-16	31-Mar-15
Discount rate	%	%
Expected rate(s) of salary increases	13	14
Average rate on inflation (p.a.)	12	12
	10	9

Company

	Valuation at	
	31-Mar-16	31-Mar-15
Discount rate	%	%
Expected rate(s) of salary increases	13	13
Average rate on inflation (p.a.)	12	12
	10	10

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36. Long service award (continued)

Demographic assumptions

Mortality in service

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

Sample age	Number of deaths in year out of 10,000 lives	Age band	Withdrawal from service
25	7	<= 30	2.5%
30	7	31 - 39	1.5%
35	9	40 - 44	1.0%
40	14	45 - 50	0.0%
45	26		

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the long service awards obligation by the amount shown below.

Group

		N '000
Base	See note below	1,590,008
Discount rate	+1%	(108,037)
	-1%	121,787
Salary increase	+1%	120,809
	-1%	(108,696)
Inflation increase	+1%	4,482
	-1%	(4,253)
Mortality experience	Age rated down by 1 year	(6,015)
	Age rated up by 1 year	5,412

Company

		N '000
Base	See note below	1,426,602
Discount rate	+1%	(97,278)
	-1%	109,698
Salary increase	+1%	108,641
	-1%	(97,713)
Inflation increase	+1%	4,116
	-1%	(3,902)
Mortality experience	Age rated down by 1 year	(5,383)
	Age rated up by 1 year	4,844

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	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
37. Deferred income				
At 1 April	8,654,711	4,001,871	1,352,240	1,601,566
Additions	459,167	5,572,330	23,583	-
Release of deferred income from government grant	(943,888)	(919,490)	(218,387)	(249,326)
At 31 March	8,169,990	8,654,711	1,157,436	1,352,240
Non-current liabilities	7,093,966	7,182,184	900,749	1,102,914
Current liabilities	1,076,024	1,472,527	256,687	249,326
	8,169,990	8,654,711	1,157,436	1,352,240

The deferred revenue arises as a result of the benefit received from below-market-interest rate government assisted loans (BOI loans) granted to date. The revenue is recognised in profit or loss over the tenor of the loan.

38. Trade and other payables

	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Trade payables	38,494,348	22,440,179	22,355,911	18,197,848
Value Added Tax (VAT)	2,629,543	1,532,318	1,381,900	1,495,604
Due to related parties (Note 41)	-	-	2,093,814	553,838
Withholding tax payable	512,984	211,516	135,984	157,450
Accruals	6,512,683	6,635,953	2,092,251	3,235,388
Sundry creditors	2,267,356	3,758,244	986,201	812,623
	50,416,914	34,578,210	29,046,061	24,452,751

The average credit period on purchases is 28 days. No interest is charged on trade payables. The Group and Company have financial risk management policies in place to ensure that all payables are paid within a reasonable time of the credit time frame.

The Group's major supplier accounts for over 70% of the inventory purchases and the Group does not default in the payment to the supplier.

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	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
39. Dividend payable				
At 1 April	120,307	92,297	120,307	92,297
Declared during the year	5,538,872	5,042,108	5,510,932	5,009,938
Payment during the year	(3,688,887)	(5,014,098)	(3,660,947)	(4,981,928)
Unclaimed dividends transferred to reserves	(33,423)	-	(33,423)	-
At 31 March	1,936,869	120,307	1,936,869	120,307

As at 31 March, 2016 N 638.92 million of the total dividend was held with the Company Registrar, FMN Registrar Limited. The remaining dividend payable of N1.298 billion represents unclaimed dividends which have been returned to the Company by the Registrars and are held in a separate interest yielding Bank account.

Unclaimed dividends transferred to retained earnings represents dividends which have remained unclaimed for over twelve (12) years and are therefore no longer recoverable or actionable by the shareholders in accordance with section 385 of the Companies and Allied Matters Act, Cap. C20, Laws of the Federal Republic of Nigeria, 2004.

40. Customer deposits

	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Advance payment by customers	11,029,933	8,051,993	9,126,709	7,064,827

41. Related parties transactions

Name of related party	Nature of relationship	Nature of transaction
Apapa Bulk Terminal Limited	Subsidiary	Cargo handling services to the Company
Golden Shipping Company Nigeria Limited	Subsidiary	Custom clearing and forwarding services for the Company
Golden Sugar Company Limited	Subsidiary	Purchase of packaging materials from the Company
Northern Nigeria Flour Mills Plc	Subsidiary	Purchase of wheat grain from the Company
Kaboji Farms Limited	Subsidiary	Purchase of fertilizer from the Company
Premier Feed Mills Company Limited	Subsidiary	Purchase of packaging materials from the Company
Nigerian Eagles Flour Mills Limited	Subsidiary	Purchase of packaging materials from the Company
Golden Penny Rice Limited	Subsidiary	Purchase of packaging materials from the Company
Crestview Towers Limited	Subsidiary	Sold residential apartments to the Company
Olympic Towers Limited	Subsidiary	Rental of residential apartments to the Company
Agri Palm Limited	Subsidiary	Purchase of fertilizer from the Company
Agri Estates Limited	Subsidiary	Purchase of fertilizers from the Company
Agro Allied Farms Sunti Limited	Subsidiary	Purchase of fertilizers from the Company
Agro Allied Syrups Limited	Subsidiary	Purchase of fertilizers from the Company
ROM Oil Mills Limited	Subsidiary	Sale of edible oil to the Company
Thai Farm International Limited	Subsidiary	Purchase of packaging materials from the Company
Sunti Golden Sugar Estates Limited	Subsidiary	Purchase of fertilizers from the Company

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	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
41. Related parties transactions (continued)				
Related party balances				
Amounts due from subsidiary companies				
Apapa Bulk Terminal Limited	-	-	63	-
Golden Transport Company Limited	-	-	-	802,721
Agri Estates Limited	-	-	155,350	153,161
Golden Sugar Company Limited	-	-	38,575,913	29,088,630
Kaboji Farms Limited	-	-	3,027,379	3,051,898
Nigerian Eagle Flour Mills Limited	-	-	94,954	1,162,241
Premier Feed Mills Company Limited	-	-	1,653,653	335,542
Northern Nigeria Flour Mills Plc	-	-	17,478	81,423
Thai Farm International Limited	-	-	91,816	969,133
Olympic Towers Limited	-	-	416,869	-
New Horizon Flour Mills Limited	-	-	-	2,994,904
ROM Oil Mills Limited	-	-	3,801,477	3,866,622
Agri Palm Limited	-	-	1,237,685	2,395,789
Golden Noodles Company Limited	-	-	-	4,530,193
Agro Allied Syrups Limited	-	-	1,526,377	1,376,763
Agro Allied Farms Sunti Limited	-	-	473,543	400,785
Best Chickens Limited	-	-	6,022	211,768
Quilvest Properties Limited	-	-	-	512,989
Sunti Golden Sugar Estate Limited	-	-	7,530,371	2,668,854
Golden Agri Inputs	-	-	34,099	-
Golden Penny Rice Limited	-	-	48,365	975,460
FMN Cement Industries Nigeria Limited	-	-	-	8,535,421
	-	-	58,691,414	64,114,297
Amounts due from associated Company				
United Cement Company of Nigeria Limited	-	1,384,359	-	1,362,685
Total amount due from related parties (Note 29)	-	1,384,359	58,691,414	65,476,982
Amount due to subsidiary companies				
Thai Farms International Limited	-	-	13,199	-
ROM Oil Mills Limited	-	-	46,979	-
Golden Transport Company Limited	-	-	-	66,969
Apapa Bulk Terminal Limited	-	-	1,778,755	-
Premier Feeds Mills Company Limited	-	-	1,148	-
Olympic Towers Limited	-	-	-	4,505
Crestview Tower Limited	-	-	103,737	408,746
Golden Shipping Company Nigeria Limited	-	-	90,532	73,618
Northern Nigerian Flour Mills	-	-	41,241	-
Golden Sugar Company	-	-	18,223	-
Total amount due to related parties (Note 38)	-	-	2,093,814	553,838
Loans to related parties (Note 27)	-	-	2,551,592	4,618,008

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	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
41. Related parties transactions (continued)				
The following transactions were carried out with related parties during the year:				
Purchase of goods and services				
Golden Transport Company Limited			-	1,683,712
Golden Penny Rice Limited			1,670,900	1,614,940
Golden Noodles Company Limited			-	10,370,347
Golden Shipping Company Nigeria Limited			142,585	133,577
ROM Oil Mills Limited			1,938,580	-
Flour Mills Registrars Limited			-	62,291
Thai Farm International Limited			240,109	307,691
Apapa Bulk Terminal Limited			4,025,816	3,229,248
Golden Sugar Company Limited			4,767,749	1,459,599
Nigerian Eagle Flour Mills Limited			9,923,846	8,266,274
New Horizon Flour Mills Limited			-	701,452
Crestview Tower Limited			27,338	-
FMN Registrar Limited			80,616	-
Olympic Towers Limited			7,466	-
Northern Nigeria Flour Mills Plc			375,742	-
			23,200,747	27,829,131
Sale of goods				
Golden Noodles Company Limited			-	4,512,594
Crestview Tower Limited			1,166	-
Olympic Towers Limited			44,793	-
Golden Penny Rice Limited			8,712	-
FMN Registrar Limited			2,715	-
Kaboji Farms Limited			291,986	143,425
Eastern Premier Feeds Limited			1,141,851	-
Premier Feed Mills Company Limited			1,438,854	746,047
Northern Nigeria Flour Mills Plc			339,781	5,649,988
Nigerian Eagle Flour Mills Limited			8,752,615	2,999,441
Golden Sugar Company Limited			1,619,851	31,242
Golden Transport Company Limited			-	6,055
Sunti Golden Sugar Estates Limited			65,179	21,200
Agro Allied Syrups Limited			14,205	29,340
Rom Oil Mills Limited			97,880	20,244
Agri Palm			327	-
Thai Farm International Limited			81,194	-
Apapa Bulk Terminal Limited			26,000	-
			13,927,109	14,159,576

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

Compensation of key management personnel

Short term benefits	350,834	330,975
Long term benefits (Post- employment benefit)	36,303	34,248
	387,137	365,223

The members of the executive management team are considered to be the key management personnel of the Group.

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

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	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000

41. Related parties transactions (continued)

Directors

The remuneration paid to Directors was:

Fees	2,200	2,200	2,200	2,200
Salaries and other emoluments	82,351	77,915	82,351	77,915
	84,551	80,115	84,551	80,115

Fees and other emoluments disclosed above include amount paid to:

Chairman	2,750	2,750	2,750	2,750
Other directors	81,801	77,365	81,801	77,365
	84,551	80,115	84,551	80,115

The number of Directors excluding the Chairman whose emoluments (excluding certain benefits) were within the following ranges:

	Group		Company	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
190,000 - 200,000	13	13	13	13
19,000,001 - 20,000,000	2	2	2	2
	15	15	15	15

Highest paid Director received	31,601	29,211	31,601	29,211
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Loan to key management personnel

Loan to key management personnel amounted to N194,925,000 (2015: Nil). The loan was given at no interest and is secured against accrued retirement benefit.

42. Categories of financial instruments

	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Financial assets				
Cash and cash equivalents (Note 31)	33,213,043	26,022,301	21,671,179	13,120,856
Trade and other receivables (Note 29)	18,966,168	17,073,238	66,504,239	73,571,648
Loans to related party (Note 27)	-	3,904,188	2,551,592	4,618,008
Available for sale investments (Note 25)	45,696	114,716	45,696	114,716
	52,224,907	47,114,443	90,772,706	91,425,228
Financial liabilities				
Bank overdraft (Note 31)	16,412,986	59,700,951	6,657,427	41,025,619
Borrowings (Note 33)	148,840,175	109,500,136	75,254,930	28,494,301
Unsecured fixed rate bond (Note 34)	-	19,248,115	-	19,248,115
Trade and other payables (excluding value added tax and withholding tax payable) (Note 38)	47,274,387	32,834,376	27,528,177	22,799,697
	212,527,548	221,283,578	109,440,534	111,567,732

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43. Risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and commodity price risk), credit risk and liquidity risk. Risk management is carried out by management under policies approved by the board of directors. Management identifies and evaluates the financial risks in 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 and liquidity risk. The Group's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

Financial risk management is an integral part of the way the Group is managed. The Board of Directors establishes the Group's financial policies and the Group Managing Director establishes objectives in line with these policies. The Chief Financial Officer is then responsible for setting financial strategies, which are executed by the Centralised Treasury department.

The activities of the Centralised Treasury department are supervised by the Internal Audit Department and they provide an independent assurance of the risk framework. They assess compliance with established controls and recommendations for improvement in processes are escalated to relevant management, Audit Committee and Board of Directors.

Capital risk management

The Group and Company manage their capital to ensure that it is able to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an efficient capital structure to optimise the cost of capital.

In order to maintain the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares by way of right-issue or sell investments to reduce debt. The Group monitors capital on the basis of the debt to equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including overdrafts, bonds and other bank loans as shown in the consolidated statement of financial position) less cash and cash equivalents. Total equity is the equity attributable to owners of Flour Mills of Nigeria Plc. in the consolidated statement of financial position.

The Group and Company are not subject to any externally imposed capital requirements.

Group operates a centralised procurement department in order to take advantage of the benefits of bulk purchase and also the logistics and transportation of products are handled by the Transport division and this creates more efficiency in delivery and thereby reducing cost.

The Group's risk management committee reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

Ratios

The debt: equity ratio at 2016 and 2015 respectively were as follows:

	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Total borrowings				
Debt (Note 33)	148,840,175	109,500,136	75,254,930	28,494,301
Less: Cash and cash equivalents (Note 31)	16,800,057	(33,678,650)	15,013,752	(27,904,763)
Net debt	132,040,118	143,178,786	60,241,178	56,399,064
Total equity	92,935,840	84,352,484	100,244,139	96,651,666
Total capital	224,975,958	227,531,270	160,485,317	153,050,730
Debt equity ratio	142 %	170 %	60 %	58 %

Debt is defined as long and short term borrowings (excluding derivatives and financial guarantee contract).

Equity includes all capital and reserves of the Group and Company that are managed as capital.

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43. Risk management (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rate, exchange rates and other prices.

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market interest rates. The Group maintains a centralised treasury department and Group borrowing is done in order to obtain lower interest rates. The Group negotiates long term credit facilities and obtains subsidised loans from the Government in order to reduce the risk associated with high cost of borrowing. The Group also takes advantage of the Central Bank of Nigeria intervention funds and grants from the Federal Government at below market rate in order to mitigate this risk.

The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The sensitivity analyses below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. 1000 basis points (BP) increase or decrease are used when reporting NIBOR risk internally to key management personnel and these represent management's assessment of the reasonably possible change in interest rates.

If NIBOR had been 1000 basis points (i.e. 10%) higher/lower and all other variables were held constant, the Group's profit or loss will be affected as follows:

	Group		Company	
	Profit/(loss) after tax 2016 N'000	2015 N'000	Profit/(loss) after tax 2016 N'000	2015 N'000
If NIBOR is 10 BP lower: Borrowings	2,239,776	1,870,353	1,301,181	954,806
If NIBOR is 10 BP higher Borrowings	(2,239,776)	(1,870,353)	(1,301,181)	(954,806)

Group

	Currency	Nominal interest rate	Maturity	31-Mar-16 N '000	31-Mar-15 N '000
Bank overdraft	Naira	14%-14.5%	On demand	16,412,986	59,700,951
Bank of industry loan- CBN Intervention fund	Naira	7%-10%	2017-2025	41,473,602	13,295,777
Commercial Agricultural Credit Scheme- Agricultural loans	Naira	9%	2016-2022	10,111,596	2,796,277
Other Term loans	Naira	11%-16%	2016-2020	97,254,977	93,408,582
				165,253,161	169,201,587

Company

	Currency	Nominal interest rate	Maturity	31-Mar-16 N '000	31-Mar-15 N '000
Bank overdraft	Naira	14%-14.5%	On demand	6,657,427	41,025,619
Bank of industry loan- CBN Intervention fund	Naira	7%-10%	2017-2025	7,732,671	7,669,136
Other term loans	Naira	11%-16%	2016-2020	67,522,259	20,825,165
				81,912,357	69,519,920

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43. Risk management (continued)

Foreign exchange risk

The Group is mainly exposed to fluctuation in the exchange rate of the United States of America Dollar (USD).

The Group is currently involved in the backward integration of Agro Allied product in order to reduce the foreign exchange risk associated with the high dependence on imported raw materials. The Group has also commenced the export of product to neighbouring African Countries in order to get more inflow of the USD.

The following table details the Group and Company's sensitivity to a 10%, increase and decrease in Naira against USD. Management believes that a 10% movement in either direction is reasonably possible at the balance sheet date. The sensitivity analyses below include outstanding balances of USD denominated assets and liabilities. A positive number indicates an increase in profit where Naira strengthens by 10% against the USD. For a 10% weakening of Naira against the USD there would be an equal and opposite impact on profit, and the balances below would be negative.

Closing rate as at 31 March, 2016 N295.75/ US Dollar (2015: 197.55/ US Dollar). Average rate for the year N246.65 / US Dollar (2015: N197.55/ US Dollar)

Sensitivity analysis

	Group		Company	
	31-Mar-16 Profit/ (loss) after tax N '000	31-Mar-15 Profit/ (loss) after tax N '000	31-Mar-16 Profit/ (loss) after tax N '000	31-Mar-15 Profit/ (loss) after tax N '000
Naira strengthens by 10% against the USD	615,499	165,584	585,797	160,607
Naira strengthens by 10% against the EUR	215	199	215	199
Naira weakens by 10% against the USD	(615,499)	(165,584)	(585,797)	(160,607)
Naira weakens by 10% against the EUR	(215)	(199)	(215)	(199)

Price risk

The Group is further exposed to commodity price risk. The risk arises from the Group's need to buy specific quantities and qualities of raw materials to meet its milling requirements. These raw materials include wheat, rice and cassava flour. The risk is partly mitigated by buying these raw materials 3 months in advance of use. This is based on management past experience with price movements.

Equity price risk

The maximum exposure to the equity price risk for the Group is N37.7 million which is considered and the Directors are of the opinion that this is not material to the Group.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and credit limits are set, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Trade and other receivables consist of a large number of customers, spread across diverse industries and geographical areas. It also includes receivables from related parties. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

Flour Mills of Nigeria Plc

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43. Risk management (continued)

The Group does not have significant credit risk exposure to any single counterparty or any group counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities.

	Group		Company	
	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-16 N '000	31-Mar-15 N '000
Financial assets and other credit exposures				
Trade and other receivables (Note 29)	18,966,168	17,073,238	66,504,239	73,571,648
Bank balances (Note 31)	32,928,474	20,181,840	21,400,665	7,428,605
	51,894,642	37,255,078	87,904,904	81,000,253

The Group does not hold any collateral or other credit enhancements to cover this credit risk. Staff receivables are recovered through payroll deductions. Accordingly, management does not consider any credit risk on staff receivables.

The directors consider the amounts due from related parties as recoverable as the Group has not suffered significant impairment losses in the past on related party receivables.

The Group/ Company mitigates its credit risk exposure of its bank balances by selecting reputable banks with good credit ratings and a history of strong financial performance.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group and Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cashflows, and by matching the maturity profiles of financial assets and liabilities.

Maturity analysis of financial liabilities

The following tables detail the Group and Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the balance sheet date. The contractual maturity is based on the earliest date on which the entities may be required to pay.

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43. Risk management (continued)

Group

31 March, 2016	Contractual cash flows						
	Carrying amount N '000	Total N '000	Less than 1 month N '000	1-3 month N '000	Between 3	Between 1 and 5 years N '000	More than 5 years N '000
					months and 1 year N '000		
Bank overdraft	16,412,986	16,615,338	16,615,338	-	-	-	-
Borrowings	148,840,175	160,473,975	-	104,062,560	56,411,415	-	-
Trade payables	38,494,348	38,494,348	38,494,348	-	-	-	-
	203,747,509	215,583,661	55,109,686	104,062,560	56,411,415	-	-

31 March, 2015	Contractual cash flows						
	Carrying amount N '000	Total N '000	Less than 1 month N '000	1-3 months N '000	Between 3	Between 1 and 5 years N '000	More than 5 years N '000
					months and 1 year N '000		
Unsecured fixed rate bond	19,248,115	19,494,926	-	9,982,880	9,512,046	-	-
Bank overdraft	59,700,951	59,946,297	59,946,297	-	-	-	-
Borrowings	109,500,136	120,909,385	-	-	55,978,127	64,931,258	-
Trade payables	22,440,179	22,440,179	-	22,440,179	-	-	-
	210,889,381	222,790,787	59,946,297	32,423,059	65,490,173	64,931,258	-

Company

31 March, 2016	Contractual cash flows						
	Carrying amount N '000	Total N '000	Less than 1 month N '000	1-3 month N '000	Between 3	Between 1 and 5 years N '000	More than 5 years N '000
					months and 1 year N '000		
Bank overdraft	6,657,427	6,739,505	-	6,739,505	-	-	-
Borrowings	75,254,930	76,840,671	-	-	67,194,914	9,645,757	-
Trade payables	22,355,911	22,355,751	-	22,355,751	-	-	-
	104,268,268	105,935,927	-	29,095,256	67,194,914	9,645,757	-

31 March, 2015	Contractual cash flows						
	Carrying amount N '000	Total N '000	Less than 1 month N '000	1-3 month N '000	Between 3	Between 1 and 5 years N '000	More than 5 years N '000
					months and 1 year N '000		
Unsecured fixed rate bond	19,248,115	19,494,926	-	9,982,880	9,512,046	-	-
Bank overdraft	41,025,619	41,194,217	41,194,217	-	-	-	-
Borrowings	28,494,301	30,503,946	-	-	21,492,711	9,011,235	-
Trade payables	18,197,848	18,197,648	-	18,197,648	-	-	-
	106,965,883	109,390,737	41,194,217	28,180,528	31,004,757	9,011,235	-

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44. Fair value information of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values due to the immaterial impact of discounting. See note 42 for the categories of financial assets and liabilities as well as their carrying amounts.

45. Substantial interest in shares

Excelsior Shipping Company Limited has 1,369,231,166 (2015: 1,369,231,166) ordinary shares of 50k each, representing 52.18% of the issued and paid-up share capital of the Company. No other individual shareholder held up to 5% of the issued share capital of the Company at 31 March, 2016.

46. Commitments

Guarantees and other financial commitments

Financial commitments

The Company has committed itself to provide continued support to all subsidiaries in the Group with net liability position. The Company also had commitments arising from unconfirmed letters of credit amounting to N27.9billion (2015 -N5.6 billion).

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the Company's state of affairs have been taken into consideration in the preparation of the financial statements under review.

Gas agreement

The long term gas purchase agreement signed by the Company for the supply of natural gas to Apapa Factory in April 2005 for twenty years came into effect during the last quarter of 2006. This commits the Company to taking up a specified minimum quantity of gas over the duration of the purchase agreement.

47. Contingencies

Contingent Liabilities

As at 31 March, 2016, there were contingent liabilities in respect of litigation against the Group and the Company and other regulatory reviews amounting to N1.302 billion (2015 - N1.8 billion) respectively. In the opinion of the Directors, the liabilities, if any, are not likely to be material but the amount cannot be determined with sufficient reliability. Accordingly, no provision has been made in these financial statements.

48. Events after the reporting period

FRC waiver for the Group Chief Financial Controller

The Financial Reporting Council of Nigeria (FRC) on May 6, 2016 granted a waiver for the Group Chief Financial Controller to sign the financial statements for the year ended 31 March 2016 while still in the process of completing his FRC registration. The waiver is granted on the condition that registration requirement shall be fulfilled before signing off the financial statements for the year ended 31 March 2017.

Winding up of subsidiaries

Subsequent to year end, on April 29, 2016, the Company has filed to the Corporate Affairs Commission (CAC) for the voluntary winding up of a number of subsidiaries. This has been approved by the CAC on May 16, 2016. The Companies shall be deemed to be dissolved on the expiration of the three (3) months with effect from April 29, 2016. See note 24 for a list of the subsidiaries. The entities were non-operational and dormant with no assets or liabilities as at 31 March 2016.

49. Discontinued operations or disposal groups or non-current assets held for sale

	Group		Company	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	N '000	N '000	N '000	N '000
Non-current assets held for sale	-	3,514,035	-	-

The remaining interest of 15% shareholding in United Cement Company of Nigeria Limited (UNICEM) which was classified as Non-current asset held for sale in 2015 was disposed off during the year ended 31 March 2016.

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Notes to the Annual Report

50 Changes in presentation and classification of comparatives

Certain changes were made to the presentation and classification of line items on the statement of financial position and statement of profit or loss and other comprehensive income. The changes were made in order to achieve fairer presentation and had no impact on the profit for the year, total assets and total liabilities as previously reported. Further details are shown below:

Statement of financial position		Group			Company		
		As reported in 2015 financial year N '000	Reclassification/ re-presentation N '000	2016 Comparative presentation N '000	As reported in 2015 financial year N '000	Reclassification/ re-presentation N '000	2016 Comparative presentation N '000
Assets							
Non-current assets							
Deferred tax assets	(i)	-	411,431	411,431	-	-	-
Other long term assets	(a,g)	1,583,075	(1,583,075)	-	4,228,758	389,250	4,618,008
Prepayments/long-term receivables	(a)	-	1,583,075	1,583,075	-	-	-
Other financial assets/ investments	(g)	-	-	-	503,966	(389,250)	114,716
Total impact on non-current assets		1,583,075	411,431	1,994,506	4,732,724	-	4,732,724
Current assets							
Prepayments and deposits for imports	(b,c)	-	8,169,508	8,169,508	-	6,891,312	6,891,312
Cash and cash equivalents	(c)	31,131,719	(5,109,418)	26,022,301	18,230,274	(5,109,418)	13,120,856
Trade and other receivables	(d)	15,373,448	1,699,790	17,073,238	71,918,940	1,652,708	73,571,648
Due from related companies	(d)	1,699,790	(1,699,790)	-	1,652,708	(1,652,708)	-
Other assets	(b)	3,060,090	(3,060,090)	-	1,781,894	(1,781,894)	-
Total impact on current assets		51,265,047	-	51,265,047	93,583,816	-	93,583,816
Impact on total assets		52,848,122	411,431	53,259,553	98,316,540	-	98,316,540
Equity and liabilities							
Capital and reserves							
Fair value reserve	(j)	-	(20,740)	(20,740)	-	(20,740)	(20,740)
Retained earnings	(j)	45,946,617	20,740	45,967,357	58,527,000	20,740	58,547,740
Impact on total equity		45,946,617	-	45,946,617	58,527,000	-	58,527,000
Non-current liabilities							
Deferred tax liabilities	(i)	9,196,523	411,431	9,607,954	-	-	-
Current liabilities							
Trade and other payables	(e,f)	42,560,787	(7,982,577)	34,578,210	31,517,578	(7,064,827)	24,452,751
Due to related companies	(f)	22,290	(22,290)	-	-	-	-
Provisions	(f)	47,126	(47,126)	-	-	-	-
Customer deposits	(e)	-	8,051,993	8,051,993	-	7,064,827	7,064,827
Bank overdraft	(h)	-	59,700,951	59,700,951	-	41,025,619	41,025,619
Borrowings	(h)	113,940,442	(59,700,951)	54,239,491	64,355,290	(41,025,619)	23,329,671
Total impact on current liabilities		156,570,645	-	156,570,645	95,872,868	-	95,872,868
Impact on total liabilities		165,767,168	411,431	166,178,599	95,872,868	-	95,872,868
Impact on total equity and liabilities		211,713,785	411,431	212,125,216	154,399,868	-	154,399,868

- a Non-current portion of prepayments which were previously presented as other long term assets have now been more appropriately presented as prepayments under non-current assets on the statement of financial position.
- b Current portion of prepayments which were previously presented as other assets have now been more appropriately presented as prepayments under current assets on the statement of financial position.
- c Deposit for imports which were previously presented as part of cash and cash equivalents have been more appropriately presented as part of prepayments and deposits for imports on the statement of financial position.
- d Amounts due from related companies previously presented as a separate line item on the statement of financial position have now been presented as part of trade and other receivables.

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- e Customer deposits which were previously presented as part of trade and other payables have now been shown separately on the statement of financial position.
- f Amounts due to related companies as well as provisions, which were previously presented as separate line items on the statement of financial position have now been presented as part of trade and other payables.
- g Long term loans receivable from subsidiaries previously classified as other financial assets have now been classified as long term receivables.
- h Bank overdrafts previously classified as borrowings have now been disclosed separately on the statement of financial position.
- i Deferred tax assets previously shown net of deferred tax liabilities have now been separately classified on the statement of financial position.
- j Amount represents fair value reserve relating to available for sale investment which was previously included in retained earnings. This has now been separated from retained earnings in order to achieve a more appropriate presentation.

Statement of cash flows

In thousands of Naira

	Note	Group			Company		
		As reported in 2015 financial year	Reclassification/ re-presentation	2016 Comparative presentation	As reported in 2015 financial year	Reclassification/ re-presentation	2016 Comparative presentation
Cash flows from operations							
Cash receipt from customers	(k)	307,789,076	3,151,855	310,940,931	228,724,259	1,767,846	230,492,105
Cash payments to suppliers and employees	(k)	(280,624,489)	(8,314,372)	(288,938,861)	(238,624,325)	19,474,306	(219,150,019)
Cash generated from operations		27,164,587	(5,162,517)	22,002,070	(9,900,064)	21,242,150	11,342,086
Income tax paid	(l)	(2,411,452)	85,269	(2,326,183)	(1,330,574)	85,269	(1,245,305)
Net cash from operating activities		24,753,135	(5,077,248)	19,675,887	(11,230,638)	21,327,419	10,096,781
Cash flow from investing activities							
Proceeds from disposal of investment in associates	(m)	18,200,000	-	18,200,000	26,586,837	(26,586,837)	-
Purchase of investment in subsidiary companies	(o)	-	-	-	(150,000)	150,000	-
Net cash from Investing activities		18,200,000	-	18,200,000	26,436,837	(26,436,837)	-
Cash flow from financing activities							
Dividend paid	(n)	(4,981,928)	(32,170)	(5,014,098)	-	-	-
Net increase in cash and cash equivalents		3,355,692	(5,109,418)	(1,753,726)	(5,504,851)	(5,109,418)	(10,614,269)
Cash and cash equivalent at 1 April		(31,924,924)	-	(31,924,924)	(17,290,494)	-	(17,290,494)
Cash and cash equivalent at 31 March		(28,569,232)	(5,109,418)	(33,678,650)	(22,795,345)	(5,109,418)	(27,904,763)

- k Amounts represent reclassifications to accurately reflect the cash flows relating to cash receipts from customers and cash payments to suppliers and employees.
- l This reclassification represents withholding tax utilized in settlement of tax liabilities and which was previously presented as cash payments. This has now been excluded from cash payments in order to achieve a more appropriate presentation.
- m This represents non-cash movement in investment account previously presented as proceeds from disposal of investment in associates. This has now been treated as a non-cash item and excluded from the statement of cash flows.
- n Amount has been updated to include dividend paid to shareholders with non-controlling interest.
- o Amount represents non-cash movement in investment account. This has been treated as a non-cash item and excluded from the statement of cash flows.

Other National Disclosures

Flour Mills of Nigeria Plc

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Consolidated and Separate Statements of Value Added

	31-Mar-16 N '000	31-Mar-16 %	31-Mar-15 N '000	31-Mar-15 %
Group				
VALUE ADDED				
Revenue:	342,586,459		308,756,526	
Investment income	1,103,475		1,922,576	
Gain on disposal of investment in associate	23,731,422		14,289,953	
Bought - in materials and services	-		-	
- Local	(67,478,762)		(53,608,908)	
- Foreign	(233,528,043)		(213,972,947)	
Total Value Added	66,414,551	100	57,387,200	100
VALUE DISTRIBUTED				
To Pay Employees				
Salaries, wages, medical and personnel costs	17,835,424		18,703,527	
	17,835,424	27	18,703,527	33
To Pay Providers of Capital				
Finance costs	22,397,762		18,703,526	
	22,397,762	34	18,703,526	33
To Pay Government				
Income tax	389,685		1,553,329	
	389,685	1	1,553,329	3
To be retained in the business for expansion and future wealth creation:				
Depreciation and amortisation	14,692,087		12,255,377	
Deferred tax	(3,320,691)		(2,291,621)	
Discontinued operations	-		(11,280)	
Non-controlling interest	(200,037)		(542,203)	
Retained profit	14,620,321		9,016,545	
	25,791,680	38	18,426,818	31
Total Value Distributed	66,414,551	100	57,387,200	100

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

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Consolidated and Separate Statements of Value Added

	31-Mar-16 N '000	31-Mar-16 %	31-Mar-15 N '000	31-Mar-15 %
Company				
VALUE ADDED				
Turnover:	247,876,504		229,777,869	
Investment income	1,008,096		3,652,727	
Gain on disposal of investment in associate	13,952,039		-	
Bought - in materials and services	-		-	
- Local	(36,848,534)		(43,194,090)	
- Foreign	(185,186,240)		(163,947,733)	
Total Value Added	40,801,865	100	26,288,773	100
VALUE DISTRIBUTED				
To Pay Employees				
Salaries, wages, medical and other personnel costs	13,649,469		9,889,908	
	13,649,469	33	9,889,908	38
To Pay Providers of Capital				
Finance costs	13,011,811		9,548,061	
	13,011,811	32	9,548,061	36
To Pay Government				
Income tax	(100,083)		441,671	
	(100,083)	-	441,671	2
To be retained in the business for expansion and future wealth creation:				
Depreciation and amortisation	7,892,088		5,939,820	
Deferred tax	(4,077,206)		(1,950,231)	
Retained profit	10,425,786		2,419,544	
	14,240,668	35	6,409,133	24
Total Value Distributed	40,801,865	100	26,288,773	100

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

Flour Mills of Nigeria Plc

Annual report for the year ended 31 March, 2016

Five Year Financial Summary

	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-14 N '000	31-Mar-13 N '000	31-Mar-12 N '000
Group					
Consolidated and Separate Statement of Financial Position					
Assets					
Non-current assets	220,662,484	219,656,664	195,717,504	169,964,513	135,877,631
Current assets	124,685,842	123,604,166	100,843,743	110,173,479	96,700,423
Total assets	345,348,326	343,260,830	296,561,247	280,137,992	232,578,054
Liabilities					
Non-current liabilities	66,543,351	76,636,231	84,342,937	83,142,765	73,066,705
Current liabilities	183,039,201	179,214,204	128,658,878	114,509,976	78,495,811
Total liabilities	249,582,552	255,850,435	213,001,815	197,652,741	151,562,516
Total equity	95,765,774	87,410,395	83,559,432	82,485,251	81,015,538
Total equity and liabilities	345,348,326	343,260,830	296,561,247	280,137,992	232,578,054
Profit and loss account					
Revenue	342,586,459	308,756,526	362,156,081	320,123,472	258,268,251
Profit before taxation	11,489,278	7,724,770	7,686,943	11,803,161	11,803,161
Taxation	2,931,006	738,292	(3,317,643)	(3,977,079)	(4,041,532)
Profit from discontinued operations	14,420,284	8,463,062	4,369,300	7,826,082	7,761,629
Discontinued operations	-	11,280	-	-	-
Profit for the year	14,420,284	8,474,342	4,369,300	7,826,082	7,761,629
Non-controlling interest	200,037	542,203	-	793,897	564,698
Retained income for the year	14,620,321	9,016,545	4,369,300	8,619,979	8,326,327
Per share data					
Earnings - basic and diluted (kobo)	557	345	193	283	308
Net asset	36	33	35	35	35

Earnings per share is based on profit for the year and the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share is based on net assets and the number of issued and fully paid ordinary shares at the end of each financial year.

Flour Mills of Nigeria Plc

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Five Year Financial Summary

	31-Mar-16 N '000	31-Mar-15 N '000	31-Mar-14 N '000	31-Mar-13 N '000	31-Mar-12 N '000
Company					
Statement of Financial Position					
Assets					
Non-current assets	95,683,538	90,024,782	113,108,927	112,001,080	90,504,857
Current assets	137,613,069	141,505,096	107,036,628	111,888,645	82,034,887
Total assets	233,296,607	231,529,878	220,145,555	223,889,725	172,539,744
Liabilities					
Non-current liabilities	18,543,783	18,762,765	39,308,867	46,726,101	40,876,997
Current liabilities	114,508,685	116,115,447	81,893,577	84,562,513	52,167,279
Total liabilities	133,052,468	134,878,212	121,202,444	131,288,614	93,044,276
Total equity	100,244,139	96,651,666	98,943,111	92,601,111	79,495,468
Total equity and liabilities	233,296,607	231,529,878	220,145,555	223,889,725	172,539,744
Profit and loss account*					
Revenue	247,876,504	229,777,869	251,479,752	183,402,710	183,402,710
Profit before taxation	6,248,497	910,984	12,457,020	11,459,537	11,459,536
Taxation	4,177,289	1,508,560	(2,257,664)	(3,259,081)	(3,259,081)
Profit from discontinued operations	10,425,786	2,419,544	10,199,356	8,200,456	8,200,455
Profit for the year	10,425,786	2,419,544	10,199,356	8,200,456	8,200,455
Retained income for the year	10,425,786	2,419,544	10,199,356	8,200,456	8,200,455
Per share data					
Earnings - basic and diluted (kobo)	397	92	438	373	351
Net asset	38	37	41	39	34

*Due to the merger of the Company with five subsidiaries during the year, the 2016 Company numbers are those of the merged entities while the 2015 numbers are those of the Company prior to the merger.

Earnings per share is based on profit for the year and the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share is based on the net assets total and the number of issued and fully paid ordinary shares at the end of each financial year.