Dangote Flour Mills Plc

Unaudited Consolidated and Separate Financial Statements

for the twelve months ended September 30, 2016

Corporate Information

Legal form	Dangote Flour Mills Plc was incorporated in Nigeria on 1 January 2006. The Company is listed on the Lagos Floor of the Nigerian Stock Exchange (NSE) with the symbol "DANGFLOUR". The Group's parent company is Dangote Industries Limited (DIL).	
Country of incorporation and domicile	Nigeria	
Nature of business and principal activities	Milling of wheat and production of wheat products. Dangote Pasta Limited and Dangote Noodles Limited are subsidiaries of Dangote Flour Mills Plc (DFM). DFM produces bread flour, confectionary flour and pasta semolina.	
Registered office	Terminal ‘E’ Greenview Development Building Apapa Wharf, Lagos	
Transfer office	EDC Registrars Limited 154, Ikorodu Road, Onipanu, Shomolu, Lagos	
Secretary	Aisha Ladi Isa (Mrs.)	
Auditors	Akintola Williams Deloitte Civic Tower, Plot GA1, Ozumba Mbadiwe Avenue, Victoria Island, Lagos	
Bankers	Access Bank Diamond Bank Plc Ecobank Nigeria Plc First Bank of Nigeria Plc First City Monument Bank Plc Guaranty Trust Bank Plc Skye Bank Plc Stanbic IBTC Bank Plc Sterling Bank Plc United Bank for Africa Plc Zenith Bank Plc	
Directors	**Executive directors**	
	Mr. Thabo Mabe	
	Mr. Sudarshan Kasturi	
	Ms Halima Dangote	Appointed 1st March, 2016
	Alh. Ahmed Shehu Yakasai	Appointed 15th March, 2016
	Non-executive directors	
	Mr. Olakunle Alake	
	Mr. Asue Ighodalo	
	Mr. Arnold Ekpe	
	Mr. Peter Matlare	
	Mrs. Funke Ighodaro	Resigned 25th February, 2016
	Mr. Noel Doyle	Resigned 25th February, 2016
	Mrs. Yabawa Lawan Wabi mni	Appointed 7th April, 2016

Contents

Statement of Director's responsibilities for the preparation and approval of the consolidated and separate financial statements for the period ended September 30, 2016

The Directors of Dangote Flour Mills Plc are responsible for the preparation of the unaudited consolidated and separate financial statements that presents fairly the financial position of the Group as at September 30, 2016 and the results of its operations, cash flows and changes in equity for the period ended, in compliance with International Financial Reporting Standards, 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 Act, 2011.

The unaudited consolidated and separate financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

In preparing the unaudited consolidated and separate financial statements, the Directors are responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance;
- Making an assessment of the Group's ability to continue as a going concern;

The Directors are responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls throughout the Group;
- Maintaining adequate accounting records that are sufficient to disclose and explain the financial position of the Group and its transactions and results accurately in accordance with International Financial Reporting Standards;
- Maintaining statutory accounting records in compliance with legislation in force in Nigeria and in accordance with International Financial Reporting Standards;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities by implementing a sound system of internal controls.

Going concern

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

The unaudited consolidated and separate financial statements for the period ended September 30, 2016, set out on pages 4 to 59, which have been prepared on the going concern basis, were approved by management on October 26, 2016 and were signed on their behalf by:

Signed on behalf of the Management of the Group by:

Mr. Thabo Mabe
Group Chief Executive Officer
FRC/2013/IODN/00000001741

Mr. Sudarshan Kasturi
Executive Director
FRC/2013/IODN/00000001750

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

for the twelve months ended September 30, 2016

		Group				Company			
	Notes	3 Months to 30-Sep-16 N'000	12 Months to 30-Sep-16 N '000	3 Months to 30-Sep-15 N '000	12 Months to 30-Sep-15 N '000	3 Months to 30-Sep-16 N '000	12 Months to 30-Sep-16 N '000	3 Months to 30-Sep-15 N '000	12 Months to 30-Sep-15 N '000
Revenue	6	28,258,378	78,107,561	14,924,153	48,026,674	22,645,014	62,613,607	10,887,120	36,094,021
Cost of sales	7	(21,919,727)	(57,776,364)	(13,072,315)	(43,558,620)	(17,184,948)	(44,766,997)	(9,491,021)	(33,089,466)
Gross profit		**6,338,651**	**20,331,197**	**1,851,838**	**4,468,054**	**5,460,066**	**17,846,610**	**1,396,099**	**3,004,555**
Other income	8	9,460	77,690	279,807	306,569	254	39,081	120,960	134,066
Distribution and administrative expenses	10	(2,392,239)	(7,988,479)	(2,789,646)	(8,917,339)	(1,527,454)	(5,063,712)	(1,845,622)	(5,205,475)
Operating profit/(loss) before abnormal items		**3,955,872**	**12,420,408**	**(658,001)**	**(4,142,716)**	**3,932,866**	**12,821,979**	**(328,563)**	**(2,066,854)**
Impairment of plant and equipment & investment, profit on sale of subsidiary and other non recurring items	38	-	-	(2,658,820)	(2,658,820)	-	-	(6,080,117)	(6,080,117)
Foreign exchange losses		(289,519)	(4,044,608)	1,747,366	(1,775,755)	(289,519)	(4,044,608)	1,747,366	(1,775,755)
Operating profit (loss) after abnormal items		**3,666,353**	**8,375,800**	**(1,569,455)**	**(8,577,291)**	**3,643,347**	**8,777,371**	**(4,661,314)**	**(9,922,726)**
Finance costs	13	(889,376)	(3,184,042)	(1,341,805)	(3,891,530)	(882,626)	(3,158,522)	(1,335,211)	(3,866,918)
Interest income	11	122,058	350,854	(520)	2,613	121,496	347,930	(2,904)	228
Profit/ (Loss) before tax from continuing operations		**2,899,035**	**5,542,612**	**(2,911,780)**	**(12,466,208)**	**2,882,217**	**5,966,779**	**(5,999,429)**	**(13,789,416)**
Taxation	14	(199,689)	(825)	(654,492)	(213,097)	(227,824)	(163,196)	(608,093)	(289,378)
Profit/ (Loss) after tax from continuing operations		**2,699,346**	**5,541,787**	**(3,566,272)**	**(12,679,305)**	**2,654,393**	**5,803,583**	**(6,607,522)**	**(14,078,794)**
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period		**2,699,346**	**5,541,787**	**(3,566,272)**	**(12,679,305)**	**2,654,393**	**5,803,583**	**(6,607,522)**	**(14,078,794)**
Profit/(loss) attributable to:									
Owners of the parent		2,706,384	5,575,258	(3,461,701)	(12,527,146)	2,654,393	5,803,583	(6,607,522)	(14,078,794)
Non controlling interests		(7,038)	(33,471)	(104,571)	(152,159)	-	-	-	-
		2,699,346	**5,541,787**	**(3,566,272)**	**(12,679,305)**	**2,654,393**	**5,803,583**	**(6,607,522)**	**(14,078,794)**
Total comprehensive income/(loss) attributable to:									
Owners of the parent		2,706,384	5,575,258	(3,461,701)	(12,527,146)	2,654,393	5,803,583	(6,607,522)	(14,078,794)
Non controlling interests		(7,038)	(33,471)	(104,571)	(152,159)	-	-	-	-
		2,699,346	**5,541,787**	**(3,566,272)**	**(12,679,305)**	**2,654,393**	**5,803,583**	**(6,607,522)**	**(14,078,794)**

Consolidated and separate statement of profit or loss and other comprehensive income
for the twelve months ended September 30, 2016

		Group				Company			
		3 Months to 30-Sep-16	12 Months to 30-Sep-16	3 Months to 30-Sep-15	12 Months to 30-Sep-15	3 Months to 30-Sep-16	12 Months to 30-Sep-16	3 Months to 30-Sep-15	12 Months to 30-Sep-15
	Notes	N'000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Profit/(loss) from continuing operations attributable to:									
Owners of the parent		2,706,384	5,575,258	(3,461,701)	(12,527,146)	2,654,393	5,803,583	(6,607,522)	(14,078,794)
Non controlling interest		(7,038)	(33,471)	(104,571)	(152,159)	-	-	-	-
		2,699,346	**5,541,787**	**(3,566,272)**	**(12,679,305)**	**2,654,393**	**5,803,583**	**(6,607,522)**	**(14,078,794)**
Earnings/(loss) per share									
Per share information									
Basic and diluted earnings/(loss) per share (kobo)	15	54.13 k	111.51 k	(69.23)k	(250.54)k	53.09 k	116.07 k	(132.15)k	(281.58)k

Dangote Flour Mills Plc

Unaudited Consolidated and Separate Financial Statements for the twelve months ended September 30, 2016

Consolidated and separate statement of financial position

as at September 30, 2016

		Group			Company		
	Note(s)	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000
Assets							
Non-Current Assets							
Property, plant and equipment	16	24,174,117	23,027,073	23,027,073	15,171,772	13,691,988	13,691,988
Investments in subsidiaries	17	-	-	-	2,507,637	2,507,637	2,507,637
Deferred tax	18	5,198,782	4,753,851	4,753,851	2,773,738	2,529,199	2,529,199
		29,372,899	**27,780,924**	**27,780,924**	**20,453,147**	**18,728,824**	**18,728,824**
Current Assets							
Inventories	19	9,875,426	5,738,870	5,738,870	7,932,784	4,183,629	4,183,629
Amount owed by group companies	20	-	-	-	11,714,184	13,082,546	13,082,546
Trade and other receivables	21	6,526,892	5,102,397	5,102,397	5,032,816	3,230,423	3,230,423
Short term loans receivable	28.1	6,040,116	7,414,953	7,414,953	3,011,299	4,278,435	4,278,435
Cash and cash equivalents	22	21,322,531	3,317,838	3,317,838	20,587,791	2,840,572	2,840,572
		43,764,965	**21,574,058**	**21,574,058**	**48,278,874**	**27,615,605**	**27,615,605**
Total Assets		**73,137,864**	**49,354,982**	**49,354,982**	**68,732,021**	**46,344,429**	**46,344,429**
Equity and Liabilities							
Equity							
Share capital and premium	23	34,590,763	20,616,249	20,616,249	34,590,763	20,616,249	20,616,249
Accumulated loss		(17,476,860)	(23,052,118)	(23,052,118)	(14,816,937)	(20,620,520)	(20,620,520)
Equity Attributable to Equity Holders of Parent		17,113,903	(2,435,869)	(2,435,869)	19,773,826	(4,271)	(4,271)
Non-controlling interest		(668,775)	(635,304)	(635,304)	-	-	-
		16,445,128	**(3,071,173)**	**(3,071,173)**	**19,773,826**	**(4,271)**	**(4,271)**
Liabilities							
Non-Current Liabilities							
Borrowings	24	428,480	999,908	999,908	428,480	999,908	999,908
Deferred tax	18	1,486,994	1,486,995	1,486,995	1,486,994	1,486,995	1,486,995
		1,915,474	**2,486,903**	**2,486,903**	**1,915,474**	**2,486,903**	**2,486,903**
Current Liabilities							
Trade and other payables	25	19,862,900	9,929,759	9,929,759	14,443,333	6,343,968	6,343,968
Borrowings	24	34,295,692	37,869,079	37,869,079	32,050,347	35,631,882	35,631,882
Current tax payable	26	618,670	184,526	184,526	549,041	141,096	141,096
Bank overdraft	22	-	1,955,888	1,955,888	-	1,744,851	1,744,851
		54,777,262	**49,939,252**	**49,939,252**	**47,042,721**	**43,861,797**	**43,861,797**
Total Liabilities		**56,692,736**	**52,426,155**	**52,426,155**	**48,958,195**	**46,348,700**	**46,348,700**
Total Equity and Liabilities		**73,137,864**	**49,354,982**	**49,354,982**	**68,732,021**	**46,344,429**	**46,344,429**

The unaudited consolidated and separate financial statements and the notes on pages 4 to 59, were approved by the on the October 26, 2016 and were signed on its behalf by:

Mr. Thabo Mabe	**Mr. Sudarshan Kasturi**	**Mr. Babatunde Oduwaye**
Group Chief Executive Officer	**Executive Director**	**Head of Finance**
FRC/2013/IODN/00000001741	**FRC/2013/IODN/00000001750**	**FRC/2014/ICAN/00000005598**

Consolidated and separate statement of changes in equity

for the twelve months ended September 30, 2016

	Share capital	Share premium	Total share capital	Accumulated loss	Total attributable to owners of the parent	Non-controlling interest	Total equity
	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Group							
Balance at October 1, 2014	**2,500,000**	**18,116,249**	**20,616,249**	**(10,524,972)**	**10,091,277**	**(483,145)**	**9,608,132**
Loss for the twelve months	-	-	-	(12,527,146)	(12,527,146)	(152,159)	(12,679,305)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive Loss for the twelve months	**-**	**-**	**-**	**(12,527,146)**	**(12,527,146)**	**(152,159)**	**(12,679,305)**
Balance at September 30, 2015	**2,500,000**	**18,116,249**	**20,616,249**	**(23,052,118)**	**(2,435,869)**	**(635,304)**	**(3,071,173)**
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the twelve months	**-**	**-**	**-**	**5,575,258**	**5,575,258**	**(33,471)**	**5,541,787**
Loan waiver from former parent company	**-**	**13,974,514**	**13,974,514**	**-**	**13,974,514**	**-**	**13,974,514**
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**13,974,514**	**13,974,514**	**-**	**13,974,514**	**-**	**13,974,514**
Balance at September 30, 2016	**2,500,000**	**32,090,763**	**34,590,763**	**(17,476,860)**	**17,113,903**	**(668,775)**	**16,445,128**

Consolidated and separate statement of changes in equity
for the twelve months ended September 30, 2016

	Share capital	Share premium	Total share capital	Accumulated loss	Total attributable to owners of the parent	Non-controlling interest	Total equity
	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Company							
Balance at October 1, 2014	**2,500,000**	**18,116,249**	**20,616,249**	**(6,541,726)**	**14,074,523**	**-**	**14,074,523**
Loss for the twelve months	-	-	-	(14,078,794)	(14,078,794)	-	(14,078,794)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive Loss for the twelve months	**-**	**-**	**-**	**(14,078,794)**	**(14,078,794)**	**-**	**(14,078,794)**
Balance at September 30, 2015	**2,500,000**	**18,116,249**	**20,616,249**	**(20,620,520)**	**(4,271)**	**-**	**(4,271)**
Profit for the twelve months	-	-	-	5,803,583	5,803,583	-	5,803,583
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the twelve months	**-**	**-**	**-**	**5,803,583**	**5,803,583**	**-**	**5,803,583**
Loan waiver from former parent company	**-**	**13,974,514**	**13,974,514**	**-**	**13,974,514**	**-**	**13,974,514**
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**13,974,514**	**13,974,514**	**-**	**13,974,514**	**-**	**13,974,514**
Balance at September 30, 2016	**2,500,000**	**32,090,763**	**34,590,763**	**(14,816,937)**	**19,773,826**	**-**	**19,773,826**
Note(s)	**23**	**23**	**23**				

The accounting policies on pages 10 to 26 and the notes on pages 26 to 55 form an integral part of the unaudited consolidated and separate financial statements.

Consolidated and separate statement of cash flows
for the twelve months ended September 30, 2016

		Group			Company		
	Note(s)	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000
Cash flows from operating activities							
Cash generated from/(used in) operations	27	20,897,146	(819,232)	(819,232)	19,986,386	(1,144,506)	(1,144,506)
Interest income		350,854	2,613	2,613	347,930	228	228
Finance costs		(2,179,751)	(2,731,563)	(2,731,563)	(2,154,231)	(2,706,951)	(2,706,951)
Tax (paid) received	26	(11,539)	(9,319)	(9,319)	209	(8,108)	(8,108)
Net cash generated from/(used in) operating activities		**19,056,710**	**(3,557,501)**	**(3,557,501)**	**18,180,294**	**(3,859,337)**	**(3,859,337)**
Cash flows from investing activities							
Purchase of property, plant and equipment	16	(3,208,449)	(1,313,463)	(1,313,463)	(2,800,544)	(849,014)	(849,014)
Proceeds from sale of property, plant and equipment		3,672	2,260	2,260	3,672	2,260	2,260
Net cash used in investing activities		**(3,204,777)**	**(1,311,203)**	**(1,311,203)**	**(2,796,872)**	**(846,754)**	**(846,754)**
Cash flows from financing activities							
Repayment of borrowings		(5,110,990)	(4,545,701)	(4,545,701)	(5,110,990)	(4,545,701)	(4,545,701)
Opening of letters of credit		37,637,028	18,770,279	18,770,279	37,637,028	18,770,279	18,770,279
Repayment of letters of credit		(39,134,005)	(20,169,473)	(20,169,473)	(39,134,005)	(20,169,473)	(20,169,473)
Proceeds from Tiger borrowings		-	2,800,001	2,800,001	-	2,800,001	2,800,001
Working capital facilities		(1,683,385)	6,210,613	6,210,613	(1,683,385)	6,210,613	6,210,613
Proceeds from Dangote Industries Limited		12,400,000	-	-	12,400,000	-	-
Net cash generated from financing activities		**4,108,648**	**3,065,719**	**3,065,719**	**4,108,648**	**3,065,719**	**3,065,719**
Net increase/(decrease) in cash and cash equivalents		**19,960,581**	**(1,802,985)**	**(1,802,985)**	**19,492,070**	**(1,640,372)**	**(1,640,372)**
Cash and cash equivalents at the beginning of the year		1,361,950	3,164,935	3,164,935	1,095,721	2,736,093	2,736,093
Total cash and cash equivalents at the end of the year	22	**21,322,531**	**1,361,950**	**1,361,950**	**20,587,791**	**1,095,721**	**1,095,721**

The accounting policies on pages 10 to 26 and the notes on pages 26 to 55 form an integral part of the unaudited consolidated and separate financial statements.

Notes to the consolidated and separate financial statements
for the twelve months ended September 30, 2016

1 General information

1.1 Company information

Dangote Flour Mills Plc (the Company) is a public limited company incorporated in Nigeria. Its parent company is Dangote Industries Limited (DIL). The address of its registered office is Union Marble House, 1 , Alfred Rewane Road, Falomo, Ikoyi, Lagos.

1.2 Nature of operations

The principal activities of Dangote Flour Mills Plc and its subsidiaries ("the Group") are the milling of wheat and production of wheat products. Dangote Pasta Limited and Dangote Noodles Limited are subsidiaries of Dangote Flour Mills Plc. Dangote Flour Mills Plc produces bread flour, confectionery flour and pasta semolina.

1.3 Accounting period

The reporting period covered by the unaudited consolidated and separate financial statements is October 1, 2015 to September 30, 2016.

1.4 Going concern

The consolidated and separate financial statements have been prepared on a going concern basis which assumes realization of assets and discharge of liabilities in the normal course of business in the foreseeable future.

Total group assets exceeded total group liabilities as at September 30, 2016 by N 16.4billion (In 2015: N-3.1billion). Group current assets exceeded current liabilities as at September 30, 2016 by N1.5billion (group current liabilities exceeded current assets as at September 30, 2015 by N17.1billion), not including a loan of N12.5billion (2015: N11.2 billion) advanced by the parent company. The Group recognised a profit for the 12 months ended September 30, 2016 of N5.6billion (2015: N12.5billion loss) which has resulted in accumulated loss of N17.5billion at September 30, 2016 (2015: N23.1billion)

2 Statement of compliance with IFRS

The unaudited consolidated and separate financial statements have been prepared in accordance with the International Financial Reporting Standards.

3 Summary of accounting policies

3.1 Basis of preparation

The unaudited consolidated and separate financial statements have been prepared on the historical cost basis, as explained in the accounting policies below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.2 Presentation of financial statements in accordance with IAS 1 (revised 2007)

The unaudited consolidated and separate financial statements are presented in accordance with IAS 1 Presentation of Financial Statements (revised 2007). The Group has elected to present the statement of comprehensive income in a separate statement from the statement of profit or loss.

3.3 Consolidation

Basis of consolidation

The unaudited consolidated and separate financial statements incorporate the unaudited consolidated and separate financial statements of the Group and all its subsidiaries which are controlled by the Group.

The Group has control of an investee when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns.

The results of subsidiaries are included in the unaudited consolidated and separate financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the unaudited consolidated and separate financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

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.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

If the Group loses control over a subsidiary, it:
- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent’s share of components previously recognised in other comprehensive income to profit or loss.

Business combinations

Business combinations are accounted for using the acquisition method. The value of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

When the Group acquires a business, it assess the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, is recognised in accordance with IAS 39 either in profit or loss or as charge to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity. In instances where the contingent consideration does not fall within the scope of IAS 39, it is measured in accordance with the appropriate IFRS.

3.4 Interests in subsidiaries

Company separate financial statements

In the select entity's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:
- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the select entity; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

3.5 Translation of foreign currencies

Functional and presentation currency

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

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

Notes to the consolidated and separate financial statements
for the twelve months ended September 30, 2016

3.5 Translation of foreign currencies (continued)

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Naira, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- 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 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 unaudited consolidated and separate financial statements 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 to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to 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.

3.6 Segment reporting

The Group has reportable segments that comprise the structure used by the chief operating decision-maker ("CODM") to make key operating decisions and assess performance. The Group's reportable segments are operating segments that are differentiated by the activities that each undertakes and the products they manufacture and market (referred to as business segments).

The Group evaluates the performance of its reportable segments based on operating profit. The Group accounts for inter-segment sales and transfers as if the sales and transfers were entered into under the same terms and conditions as would have been entered into in a market related transaction.

The financial information of the Group's reportable segments is reported to the CODM for purposes of making decisions about allocating resources to the segment and assessing its performance.

The basis of segmental reporting has been set out in note 36.

3.7 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits associated with the item will flow to the select entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Property, plant and equipment is carried at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any impairment losses. Assets subject to finance lease agreements are capitalised at the lower of the fair value of the asset and the present value of the minimum lease payments.

Where an item of Property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate assets. Expenditure incurred on major inspection and overhaul, or to replace an item, is also accounted for separately if the recognition criteria are met.

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

Classes	Average useful life (years)
Freehold land	Not depreciated
Leasehold land and buildings	50
Plant and machinery	15
Furniture and fixtures	5
Motor vehicles	4
Computer equipment	3
Tools and equipments	5

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

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

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

3.8 Intangible assets

An intangible asset is recognised when:
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is the fair value at the date of acquisition.

Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Unless internally generated costs meet the criteria for development costs eligible for capitalisation in terms of IAS 38 (refer to research and development costs accounting policy below), all internally generated intangible assets are expensed as incurred.

De-recognition of intangible assets

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

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

3.8 Intangible assets (continued)

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

3.9 Impairment of assets

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

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

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

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

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

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

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

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

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

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

3.10 Financial instruments

Classification

The Group classifies financial assets and financial liabilities into the following categories:
- Financial assets at fair value through profit or loss - designated
- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities at fair value through profit or loss - designated
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Description of asset/liability	Classification
Investments	Available-for-sale
Derivatives	Financial instruments at fair value through profit or loss
Loans and advances receivable	Loans and receivables
Loans to subsidiaries	Loans and receivables
Trade and other receivables	Loans and receivables
Cash and cash equivalents	Loans and receivables
Loans payable and borrowings	Financial liabilities at amortised cost
Trade and other payables	Financial liabilities at amortised cost
Loans from subsidiaries	Financial liabilities at amortised cost

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.

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

Regular way purchases of financial assets are accounted for at trade date.

3.10 Financial instruments (continued)

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Dividend income is recognised in profit or loss as part of other income when the Group's right to receive payment is established.

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

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.

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation differences on monetary items are recognised in profit or loss, while translation differences on non-monetary items are recognised in other comprehensive income and accumulated in equity.

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

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

3.10 Financial instruments (continued)

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.

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. 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

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. “Significant” is to be evaluated against the original cost of the investment and ‘prolonged’ against the period in which the fair value has been below its original cost. Factors taken into consideration would include external market and economic outlook reports, observable trends and cyclicality.

If an available-for-sale asset is impaired, the amount transferred from other comprehensive income to profit or loss is: (a) the difference between the asset’s acquisition cost (net of any principal payments and amortisation); and (b) its current fair value, less any impairment loss previously recognised in profit or loss.

Reversals in respect of equity instruments classified as available-for-sale are not recognised in profit or loss. Reversals of impairment losses on debt instruments are reversed through profit or loss if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Loans to/(from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

3.10 Financial instruments (continued)

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Derivatives

Derivatives are financial instruments whose value changes in response to an underlying factor, require little or no net investment and are settled at a future date. Derivatives, other than those arising on designated hedges, are measured at fair value with changes in fair value being recognised in profit or loss.

3.11 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials	Weighted average cost
Finished goods and work-in-progress	Cost of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs

Consumables are written down with regard to their age, condition and utility.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

3.12 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups 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. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

A discontinued operation is a separate major line of business or geographical area of operation that has been disposed of, or classified as held-for-sale, as part of a single coordinated plan. Alternatively, it could be a subsidiary acquired exclusively with a view to resale. In the consolidated income statement of the reporting period and of the comparable period, income and expenses from discontinued operations are reported separate from income and expenses from continuing activities down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the income statement.

3.13 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised as assets.

Contingent liabilities

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Alternatively, it may be a present obligation that arises from past events but is not recognised because an outflow of economic benefits to settle the obligation is not probable, or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised as liabilities unless they are acquired as part of a business combination.

3.14 Leases

At inception date an arrangement is assessed to determine whether it is, or contains, a lease. An arrangement is accounted for as a lease where it is dependent on the use of a specific asset and it conveys the right to use that asset.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Finance lease assets and liabilities are recognised at the lower of the fair value of the leased property or the present value of the minimum lease payments. Finance lease payments are allocated, using the effective interest method, between the lease finance cost, which is included in financing costs, and the capital repayment, which reduces the liability to the lessor.

Capitalised lease assets are depreciated in line with the Group's stated depreciation policy. If there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of its estimated useful life and lease term.

Operating leases are those leases which do not fall within the scope of the definition of a finance lease. Operating lease rentals are charged against trading profit on a straight-line basis over the lease term.

3.15 Revenue

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have passed to the buyer, usually on dispatch of the goods, unless the Group is responsible for delivery, in which case the sale of goods is recognised on delivery.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable excluding value-added tax, normal discounts, rebates, settlement discounts, promotional allowances, and internal revenue which is eliminated on consolidation.

The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent.

3.16 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Qualifying assets generally take two years to get ready for their intended use.

3.17 Tax

Income tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3.17 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit /(tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense
- receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.18 Employee benefits

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

Short-term employee benefits

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

Defined contribution plans

The contribution paid by the Company is recognised as an expense. If the employee has rendered the service, but the contribution has not yet been paid, the amount payable is recognised as a liability.

3.18 Employee benefits (continued)

Defined benefit plans

For defined benefit plans, the Company's contributions were based on the recommendations of independent actuaries and the liability measured using the projected unit credit method, up to the date of cessation of the scheme.

Actuarial gains and losses were recognised in the income statement when the net cumulative unrecognised actuarial gains and losses for each individual plan at the end of the previous reporting period exceed 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses were recognised over the expected average remaining working lives of the employees participating in the plans.

Past-service costs were recognised as an expense on a straight-line basis over the average period until the benefits became vested. If the benefits vested immediately following the introduction of, or changes to, a defined benefit plan, the past-service cost was recognised immediately.

On cessation of the scheme, it was agreed that the frozen liability at closure would be paid into an independently administered fund, as a contribution to a defined contribution plan.

3.19 Events after the reporting date

Amounts recognised in the financial statements are adjusted to reflect significant events arising after the reporting date, but before the financial statements are authorised for issue, provided there is evidence of conditions that existed at the reporting date. Events after the reporting date that are indicative of conditions that arose after the reporting date are dealt with by way of a disclosure in the notes to the financial statements.

4 Significant judgements and sources of estimation uncertainty

In preparing the unaudited consolidated and separate financial statements, management is required to make estimates and assumptions that affect the amounts represented in the unaudited consolidated and separate financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the unaudited consolidated and separate financial statements. Significant judgements include:

4.1 Significant Judgments

Revenue recognition

In making judgment, the directors considers the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18 and in particular whether the Group had transferred to the buyer the significant risks and rewards of ownership of the goods.

Expected manner of realisation for deferred tax

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Refer note 18 – Deferred tax.

Trade receivables

The Group assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

The Company makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analysed historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of the allowance of doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

4.2 Sources of estimation uncertainty

Carrying value of intangible assets

Intangible assets are tested for impairment annually or more frequently if there is an indicator of impairment. Tangible assets and finite life intangible assets are tested when there is an indicator of impairment. The calculation of the recoverable amount requires the use of estimates and assumptions concerning the future cash flows which are inherently uncertain and could change over time. In addition, changes in economic factors, such as discount rates, could also impact this calculation.

Residual values and useful lives of tangible and intangible assets

Residual values and useful lives of tangible and intangible assets are assessed on an annual basis. Estimates and judgements in this regard are based on historical experience and expectations of the manner in which assets are to be used, together with expected proceeds likely to be realised when assets are disposed of at the end of their useful lives. Such expectations could change over time and therefore impact both depreciation charges and carrying values of tangible and intangible assets in the future.

4 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Best estimates, being the amount that the Group would rationally pay to settle the obligation, are recognised as provisions at the reporting date. Risks, uncertainties and future events, such as changes in law and technology, are taken into account by management in determining the best estimates.

Where the effect of discounting is material, provisions are discounted. The discount rate used is the pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability, all of which requires management estimation.

The establishment and review of the provisions requires significant judgement by management as to whether or not a reliable estimate can be made of the amount of the obligation. The Group is required to record provisions for legal or constructive contingencies when the contingency is probable of occurring and the amount of the loss can be reasonably estimated. Liabilities provided for legal matters require judgements regarding projected outcomes and ranges of losses based on historical experience and recommendations of legal counsel. Litigation is however unpredictable and actual costs incurred could differ materially from those estimated at the reporting date.

Allowance for slow moving, damaged and obsolete stock

Reviews are made periodically by management on damaged, obsolete and slow moving inventories. These reviews require judgment and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

Impairment of assets

The Group assesses tangible and intangible assets, excluding goodwill, development assets not yet available for use and indefinite life intangible assets, at each reporting date for an indication that an asset may be impaired. If such an indication exists, the recoverable amount is estimated as the higher of the fair value less costs to sell and the value in use. If the carrying value exceeds the recoverable amount, the asset is impaired and is written down to the recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, the hierarchy is firstly a binding arm’s length sale, then the market price if the asset is traded in an active market, and lastly recent transactions for similar assets.

No impairment loss was recognised this quarter.

5. New Standards and Interpretations

5.1 Standards and interpretations effective and adopted in the current twelve months

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

5.2 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 October 1, 2016 or later periods:

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 January 1, 2016.

Notes to the consolidated and separate financial statements
for the twelve months ended September 30, 2016

5. New Standards and Interpretations (continued)

The Group expects to adopt the amendment for the first time in the 2017 unaudited consolidated and separate financial statements.

The impact of this amendment is currently being assessed.

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 January 1, 2017.

The Group expects to adopt the standard for the first time in the 2018 unaudited consolidated and separate financial statements.

The impact of this standard is currently being assessed.

Notes to the consolidated and separate financial statements
for the twelve months ended September 30, 2016

5. New Standards and Interpretations (continued)

IFRS 9 Financial Instruments

This new standard is the result of a three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. To date, the standard includes chapters for classification, measurement and derecognition of financial assets and liabilities as well as new hedging requirements. The following are main changes from IAS 39:

- Financial assets will be categorised as those subsequently measured at fair value or at amortised cost.
- Financial assets at amortised cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All other financial assets are to be subsequently measured at fair value.
- For hybrid contracts, where the host contract is an asset within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the Group changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model.
- Investments in equity instruments may be measured at fair value through other comprehensive income. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on derecognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost.
- The classification categories for financial liabilities remains unchanged. However, where a financial liability is designated as at fair value through profit or loss, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be recognised in profit or loss.
- The new hedging provisions align hedge accounting more closely with the actual risk management approach.
- Certain non-derivative financial instruments are now allowed as hedging instruments.
- Additional exposures are allowed as hedged items. These exposures include risk components of non-financial items, net positions and layer components of items, aggregated exposures combining derivative and non-derivative exposures and equity instruments at fair value through other comprehensive income.
- The hedge effectiveness criteria have been amended, including the removal of the 80%-125% "bright line test" to qualify for hedge accounting.
- The concept of rebalancing has been introduced when the hedging relationship is ineffective because the hedge ratio is no longer appropriate. When rebalancing is required, and provided the risk management objective remains the same, the hedge ratio is adjusted rather than discontinuing the hedging relationship.
- Additional disclosure requirements have been introduced for hedging.

The effective date has not yet been established as the project is currently incomplete. The IASB has communicated that the effective date will not be before years beginning on or after January 1, 2018. IFRS 9 may be early adopted. If IFRS 9 is early adopted, the new hedging requirements may be excluded until the effective date.

The Group does not envisage the adoption of the standard until such time as it becomes applicable to the Group's operations.

The impact of this standard is currently being assessed.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 give some guidance on how to apply the concept of materiality in practice.

The amendments to IAS 1 are effective fro annual periods beginning on or after 1 January 2016. The directors do not anticipate that the application of these amendments to IAS 1 will have a material impact on the Group's consolidated and separate financial statements.

Notes to the consolidated and separate financial statements
for the twelve months ended September 30, 2016

	Group				Company			
	3 Months to 30-Sep-16 N'000	12 Months to 30-Sep-16 N '000	3 Months to 30-Sep-15 N '000	12 Months to 30-Sep-15 N '000	3 Months to 30-Sep-16 N '000	12 Months to 30-Sep-16 N '000	3 Months to 30-Sep-15 N '000	12 Months to 30-Sep-15 N '000
6. Revenue								
Flour products	22,043,409	60,862,703	10,469,565	34,303,737	22,645,014	62,613,607	10,887,120	36,094,021
Spaghetti, macaroni and other pasta products	4,041,995	10,705,943	3,139,785	8,366,643	-	-	-	-
Noodles products	2,172,974	6,538,915	1,314,803	5,356,294	-	-	-	-
	28,258,378	**78,107,561**	**14,924,153**	**48,026,674**	**22,645,014**	**62,613,607**	**10,887,120**	**36,094,021**
7. Cost of sales								
Sale of goods								
Work in progress and raw materials at the beginning of the year	8,046,494	3,388,473	8,069,673	3,093,731	7,121,851	2,776,697	7,184,955	2,360,469
Work in progress and raw materials at the end of the year	(7,874,338)	(7,874,338)	(3,388,473)	(3,388,473)	(6,849,295)	(6,849,295)	(2,776,697)	(2,776,697)
	172,156	(4,485,865)	4,681,200	(294,742)	272,556	(4,072,598)	4,408,258	(416,228)
Engineering spares and other stocks at the beginning of the year	1,669,400	2,570,336	1,473,149	2,473,977	816,790	1,406,931	822,127	1,692,179
Purchases	19,993,464	55,244,280	7,873,404	38,211,457	15,836,683	44,397,979	4,791,350	29,745,557
	21,835,020	53,328,751	14,027,753	40,390,692	16,926,029	41,732,312	10,021,735	31,021,508
Engineering spares and other stocks at the end of the year	(2,001,088)	(2,001,088)	(2,570,336)	(2,570,336)	(1,083,488)	(1,083,488)	(1,406,931)	(1,406,931)
Cost of materials consumed	**19,833,932**	**51,327,663**	**11,457,417**	**37,820,356**	**15,842,541**	**40,648,824**	**8,614,804**	**29,614,577**
Direct labour cost	482,134	1,329,776	352,466	1,080,757	327,845	833,221	140,846	607,646
Direct overhead cost	851,506	2,439,228	467,501	1,956,736	620,298	1,785,240	375,523	1,356,629
Other overheads	246,743	846,687	(16,333)	560,563	52,980	308,382	81,417	254,971
Depreciation	505,412	1,833,010	811,264	2,140,208	341,284	1,191,330	278,431	1,255,643
Conversion costs	**2,085,795**	**6,448,701**	**1,614,898**	**5,738,264**	**1,342,407**	**4,118,173**	**876,217**	**3,474,889**
Cost of goods produced	**21,919,727**	**57,776,364**	**13,072,315**	**43,558,620**	**17,184,948**	**44,766,997**	**9,491,021**	**33,089,466**

Notes to the consolidated and separate financial statements for the twelve months ended September 30, 2016

	Group				Company			
	3 Months to 30-Sep-16 N'000	12 Months to 30-Sep-16 N '000	3 Months to 30-Sep-15 N '000	12 Months to 30-Sep-15 N '000	3 Months to 30-Sep-16 N '000	12 Months to 30-Sep-16 N '000	3 Months to 30-Sep-15 N '000	12 Months to 30-Sep-15 N '000

8. Other income

Profit on sale of assets	(551)	3,672	-	-	-	3,672	-	-
Deferred income	-	29,678	39,571	39,571	-	29,678	39,571	39,571
Sundry income	10,011	44,340	240,236	266,998	254	5,731	81,389	94,495
	9,460	**77,690**	**279,807**	**306,569**	**254**	**39,081**	**120,960**	**134,066**

9. Operating profit/(loss)

Operating profit/(loss) for the year is stated after accounting for the following:

Operating lease charges

• Land and buildings	75,842	302,051	110,191	296,782	52,610	209,123	53,354	206,734

Loss on sale of property, plant and equipment	-	2,003	(15,796)	13,219	-	-	(15,796)	13,219
Impairment on property, plant and equipment	-	-	2,658,820	2,658,820	-	-	1,427,291	1,427,291
Impairment on businesses (or subsidiaries, joint ventures and associates)	-	-	-	-	-	-	90,000	90,000
Impairment on loans to group companies	-	-	-	-	-	-	4,562,826	4,562,826
Impairment on trade and other receivables	15,000	82,488	425,979	513,464	15,000	82,488	214,003	282,537
Loss on exchange differences	-	18,225	104,827	115,061	-	18,225	104,827	115,061
Foreign exchange losses on borrowings	289,519	4,044,608	(1,747,366)	1,775,755	289,519	4,044,608	(1,747,366)	1,775,755
Depreciation on property, plant and equipment	554,549	2,055,735	797,619	2,463,413	365,450	1,320,762	357,111	1,576,346
Auditors remuneration	24,059	96,138	11,777	72,050	13,413	53,552	11,126	44,220
Staff costs:								
Employee costs	752,241	2,585,006	686,448	2,341,317	448,089	1,531,551	369,222	1,425,356
Directors' remuneration	89,335	375,372	58,730	225,985	59,549	292,871	42,769	163,915

Notes to the consolidated and separate financial statements
for the twelve months ended September 30, 2016

	Group				Company			
	3 Months to 30-Sep-16 N'000	12 Months to 30-Sep-16 N '000	3 Months to 30-Sep-15 N '000	12 Months to 30-Sep-15 N '000	3 Months to 30-Sep-16 N '000	12 Months to 30-Sep-16 N '000	3 Months to 30-Sep-15 N '000	12 Months to 30-Sep-15 N '000
10. Distribution and administrative expenses								
The following items are included within distribution and administrative expenses:								
Auditors remuneration	24,059	96,138	11,777	72,050	13,413	53,552	11,126	44,220
Consulting and professional fees	31,600	76,918	393,263	513,482	18,077	28,579	56,166	121,479
Impairment on trade and other receivables	15,000	82,488	425,979	513,464	15,000	82,488	214,003	282,537
Depreciation	49,137	222,725	(13,645)	323,205	24,166	129,432	78,679	320,703
Employee costs	270,107	1,255,230	333,982	1,260,560	120,244	698,331	228,377	817,710
Other expenses	502,077	1,237,793	172,274	856,022	277,213	953,411	161,079	649,192
Distribution expenses	820,681	2,617,284	1,301,287	2,778,085	404,388	1,455,506	705,030	1,399,315
Selling and marketing expenses	594,356	1,520,568	(18,913)	1,489,957	468,089	1,004,926	248,315	724,125
General expenses	85,222	859,107	94,611	982,234	186,864	639,262	53,816	717,914
Exchange loss	-	18,225	104,827	115,061	-	18,225	104,827	115,061
Loss on sale of assets	-	2,003	(15,796)	13,219	-	-	(15,796)	13,219
	2,392,239	**7,988,479**	**2,789,646**	**8,917,339**	**1,527,454**	**5,063,712**	**1,845,622**	**5,205,475**
11. Interest income								
Bank	122,058	350,854	(520)	2,613	121,496	347,930	(2,904)	228
12. Employee cost								
Direct employee costs								
Salaries, wages and other allowances	482,133	1,329,776	352,466	1,080,757	327,845	833,221	140,845	607,646

Notes to the consolidated and separate financial statements for the twelve months ended September 30, 2016

	Group				Company			
	3 Months to 30-Sep-16 N'000	12 Months to 30-Sep-16 N '000	3 Months to 30-Sep-15 N '000	12 Months to 30-Sep-15 N '000	3 Months to 30-Sep-16 N '000	12 Months to 30-Sep-16 N '000	3 Months to 30-Sep-15 N '000	12 Months to 30-Sep-15 N '000
12. Employee cost (continued)								
Indirect employee costs								
Salaries, wages and other allowances	239,669	1,132,076	211,767	1,039,052	93,558	603,457	173,547	688,165
Other staff costs								
Medical aid - company contributions	20,128	85,517	19,090	86,532	19,266	68,202	12,830	56,754
Post-employment benefits - Pension - Defined contribution plan	10,311	37,637	103,125	134,976	7,420	26,671	42,000	72,791
	30,439	**123,154**	**122,215**	**221,508**	**26,686**	**94,873**	**54,830**	**129,545**
Total employee costs								
Direct employee costs	482,133	1,329,776	352,466	1,080,757	327,845	833,221	140,845	607,646
Indirect employee costs	239,669	1,132,076	211,767	1,039,052	93,558	603,457	173,547	688,165
Other staff costs	30,439	123,154	122,215	221,508	26,686	94,873	54,830	129,545
	752,241	**2,585,006**	**686,448**	**2,341,317**	**448,089**	**1,531,551**	**369,222**	**1,425,356**
13. Finance costs								
Long term borrowings	535,793	1,734,118	522,216	2,201,639	535,793	1,734,118	522,217	2,201,639
Bank and other short term borrowings	353,583	1,449,924	819,589	1,689,891	346,833	1,424,404	812,994	1,665,279
	889,376	**3,184,042**	**1,341,805**	**3,891,530**	**882,626**	**3,158,522**	**1,335,211**	**3,866,918**

Notes to the consolidated and separate financial statements
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14. Taxation

Major components of the tax (income)/expense

	Group				Company			
	3 Months to 30-Sep-16 N'000	**12 Months to 30-Sep-16 N '000**	**3 Months to 30-Sep-15 N '000**	**12 Months to 30-Sep-15 N '000**	**3 Months to 30-Sep-16 N '000**	**12 Months to 30-Sep-16 N '000**	**3 Months to 30-Sep-15 N '000**	**12 Months to 30-Sep-15 N '000**
Current								
Nigeria current taxation	157,592	445,680	(61,274)	22,569	137,528	407,733	(65,376)	-
Deferred								
Originating and reversing temporary differences	42,097	(444,855)	715,766	190,528	90,296	(244,537)	673,469	289,378
Total taxation	**199,689**	**825**	**654,492**	**213,097**	**227,824**	**163,196**	**608,093**	**289,378**

Reconciliation of income tax (credit)/expense to accounting profit or loss:

	Group				Company			
	3 Months to 30-Sep-16 N'000	**12 Months to 30-Sep-16 N '000**	**3 Months to 30-Sep-15 N '000**	**12 Months to 30-Sep-15 N '000**	**3 Months to 30-Sep-16 N '000**	**12 Months to 30-Sep-16 N '000**	**3 Months to 30-Sep-15 N '000**	**12 Months to 30-Sep-15 N '000**
Profit/(loss) before tax from continuing operations	**2,899,035**	**5,542,612**	**(2,911,780)**	**(12,466,208)**	**2,882,217**	**5,966,779**	**(5,999,429)**	**(13,789,416)**
Tax at the applicable tax rate of 30%	1,234,788	2,027,861	(873,534)	(3,739,862)	1,229,743	2,155,111	(1,799,829)	(4,136,825)
Non-deductible expenses	329,663	1,348,690	68,959	68,959	278,852	1,148,451	50,632	50,632
Non-taxable income	-	-	(93,595)	(93,595)	-	-	(93,595)	(93,595)
Tax losses and tax offsets not recognised as deferred tax assets	(1,107,316)	(3,138,538)	2,058,204	2,058,204	(1,107,316)	(3,138,538)	1,855,113	1,855,113
Effect of untilized capital allowances	-	-	865,850	865,850	-	-	563,050	563,050
Effect of minimum tax provisions and eduction tax	157,592	445,681	(61,202)	22,641	137,528	407,733	-	-
Effect of prior year under provision	-	-	(2,138,268)	202,823	-	-	(1,750,082)	202,823
Other items	(415,038)	(682,869)	828,078	828,077	(310,983)	(409,561)	1,782,804	1,848,180
Income tax (credit)/expense recognised in profit or loss	**199,689**	**825**	**654,492**	**213,097**	**227,824**	**163,196**	**608,093**	**289,378**

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	Group				Company			
	3 Months to 30-Sep-16 N'000	**12 Months to 30-Sep-16 N '000**	**3 Months to 30-Sep-15 N '000**	**12 Months to 30-Sep-15 N '000**	**3 Months to 30-Sep-16 N '000**	**12 Months to 30-Sep-16 N '000**	**3 Months to 30-Sep-15 N '000**	**12 Months to 30-Sep-15 N '000**

15. Earnings per share

15.1 Earnings/(loss) per share

Basic profit/(loss) per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the twelve months.

Basic earnings/(loss) per share								
From continuing operations (kobo per share)	54.13	111.51	(69.23)	(250.54)	53.09	116.07	(132.15)	(281.58)
Total comprehensive profit or loss for the twelve months attributable to ordinary shareholders								
Continuing operations	2,706,384	5,575,258	(3,461,701)	(12,527,146)	2,654,393	5,803,583	(6,607,522)	(14,078,794)
Weighted average number of ordinary shares (million)	**5,000**	**5,000**	**5,000**	**5,000**	**5,000**	**5,000**	**5,000**	**5,000**

No ordinary share transactions or potential transactions occurred after the reporting date that would have changed the number of ordinary shares or potential ordinary shares outstanding at the end of the period if those transactions had occurred before the reporting date.

Notes to the consolidated and separate financial statements
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16. Property, plant and equipment

Group

(N'000)	Leasehold land and buildings	Plant, vehicles and equipment	Computer and office equipment	Assets under construction	Total
Cost					
At October 1, 2014	6,817,788	36,479,254	732,577	582,865	44,612,484
Additions	68,315	735,320	67,421	442,407	1,313,463
Disposals	-	(148,606)	(4,557)	-	(153,163)
Transfers	94,100	292,789	129,263	(516,152)	-
Adjustments	-	-	-	508,677	508,677
Impairment	-	(6,124,477)	-	-	(6,124,477)
Balance at September 30, 2015	6,980,203	31,234,280	924,704	1,017,797	40,156,984
Additions	12,955	1,960,105	113,878	1,121,511	3,208,449
Disposals	-	(47,479)	-	-	(47,479)
Transfers	-	61,293	-	(64,963)	(3,670)
Balance at September 30, 2016	**6,993,158**	**33,208,199**	**1,038,582**	**2,074,345**	**43,314,284**
Accumulated depreciation and impairment					
At October 1, 2014	817,062	16,896,971	555,806	-	18,269,839
Depreciation	141,780	2,267,109	54,524	-	2,463,413
Disposals	-	(134,873)	(2,811)	-	(137,684)
Impairment	-	(3,465,657)	-	-	(3,465,657)
Balance at September 30, 2015	958,842	15,563,550	607,519	-	17,129,911
Depreciation	132,754	1,793,817	129,164	-	2,055,735
Disposals	-	(45,479)	-	-	(45,479)
Balance at September 30, 2016	**1,091,596**	**17,311,888**	**736,683**	**-**	**19,140,167**
Carrying amount					
Balance at September 30, 2015	6,021,361	15,670,730	317,185	1,017,797	23,027,073
Balance at September 30, 2016	**5,901,562**	**15,896,311**	**301,899**	**2,074,345**	**24,174,117**

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16. Property, plant and equipment (continued)

Company

(N'000)	Leasehold land and buildings	Plant, vehicles and equipment	Computer and office equipment	Assets under construction	Total
Cost					
At October 1, 2014	5,621,419	21,840,414	457,330	277,925	28,197,088
Additions	65,760	616,092	74,774	92,388	849,014
Disposals	-	(142,282)	(4,557)	-	(146,839)
Transfers	16,645	126,449	90,888	(233,982)	-
Adjustments	-	-	-	508,677	508,677
Impairment	-	(4,892,948)	-	-	(4,892,948)
Balance at September 30, 2015	5,703,824	17,547,725	618,435	645,008	24,514,992
Additions	3,272	1,424,725	99,087	1,273,460	2,800,544
Disposals	-	(31,599)	-	-	(31,599)
Transfers	-	505,991	-	(64,963)	441,028
Balance at September 30, 2016	**5,707,096**	**19,446,842**	**717,522**	**1,853,505**	**27,724,965**
Accumulated depreciation and impairment					
At October 1, 2014	618,543	11,900,577	324,555	-	12,843,675
Depreciation	117,231	1,387,370	71,745	-	1,576,346
Disposals	-	(128,549)	(2,811)	-	(131,360)
Impairment	-	(3,465,657)	-	-	(3,465,657)
Balance at September 30, 2015	735,774	9,693,741	393,489	-	10,823,004
Depreciation	106,339	1,094,693	119,730	-	1,320,762
Disposals	-	(31,599)	-	-	(31,599)
Transfers	-	441,023	-	-	441,023
Balance at September 30, 2016	**842,114**	**11,197,859**	**513,220**	**-**	**12,553,193**
Carrying amount					
Balance at September 30, 2015	4,968,050	7,853,984	224,946	645,008	13,691,988
Balance at September 30, 2016	**4,864,982**	**8,248,983**	**204,302**	**1,853,505**	**15,171,772**

Notes to the consolidated and separate financial statements
for the twelve months ended September 30, 2016

17. Investment in subsidiaries

Company

Name of company	Place of incorporation and operation	% holding and voting power 30 June 2016	% holding and voting power 30 June 2015	% holding and voting power 30 Sept 2015	Carrying amount 30 June 2016	Carrying amount 30 June 2015	Carrying amount 30 Sept 2015
					N'000	N'000	N'000
Dangote Noodles Limited	Nigeria	90.00 %	90.00 %	90.00 %	-	90,000	90,000
Dangote Pasta Limited	Nigeria	99.00 %	99.00 %	99.00 %	2,507,637	2,507,637	2,507,637
Total investment					2,507,637	2,597,637	2,597,637
Impairment of investment in Dangote Noodles Limited		- %	- %	- %	-	(90,000)	(90,000)
					2,507,637	2,507,637	2,507,637

In 2007, the Company acquired a controlling interest in Dangote Pasta Limited and in 2008 acquired a controlling interest in Dangote Noodles Limited.

The principal activity of the subsidiaries are as follows:

Dangote Pasta Limited - Manufacture and sale of pasta products.

Dangote Noodles Limited - Manufacture and sale of noodles products.

17.1 Details of non-wholly owned subsidiaries with non-controlling interests

Subsidiaries	Country of incorporation	% Ownership interest held by non-controlling interest			Loss allocated to non-controlling interests ('N'000)			Accumulated non-controlling interests ('N'000)		
		30 Sept 2016	30 Sept 2015	30 Sept 2015	30 Sept 2016	30 Sept 2015	30 Sept 2015	30 Sept 2016	30 Sept 2015	30 Sept 2015
Dangote Pasta Limited	Nigeria	1 %	1 %	1 %	810	(19,242)	(19,242)	(48,257)	(49,067)	(49,067)
Dangote Noodles Limited	Nigeria	10 %	10 %	10 %	(34,281)	(132,917)	(132,917)	(620,518)	(586,237)	(586,237)
				-	**(33,471)**	**(152,159)**	**(152,159)**	**(668,775)**	**(635,304)**	**(635,304)**

Notes to the consolidated and separate financial statements
for the twelve months ended September 30, 2016

	Group			Company		
	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000

18. Deferred tax

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(1,486,994)	(1,486,995)	(1,486,995)	(1,486,994)	(1,486,995)	(1,486,995)
Deferred tax asset	5,198,782	4,753,851	4,753,851	2,773,738	2,529,199	2,529,199
Total net deferred tax asset	**3,711,788**	**3,266,856**	**3,266,856**	**1,286,744**	**1,042,204**	**1,042,204**

Assessed losses available for offset against future taxable income have been recognised as it is probable that there will be future taxable income against which the assessed loss may be utilised, based on best estimate cashflows.

18.1 Reconciliation of deferred tax asset / (liability)

Balance at beginning of year:						
Deferred tax asset	4,753,851	4,928,320	4,928,320	2,529,199	2,802,518	2,802,518
Deferred tax liability	(1,486,995)	(1,470,936)	(1,470,936)	(1,486,995)	(1,470,936)	(1,470,936)
	3,266,856	3,457,384	3,457,384	1,042,204	1,331,582	1,331,582
Temporary differences: deferred tax asset	444,932	-	-	244,540	-	-
Temporary differences: deferred tax asset/(liability)	-	(190,528)	(190,528)	-	(289,378)	(289,378)
	3,711,788	**3,266,856**	**3,266,856**	**1,286,744**	**1,042,204**	**1,042,204**

18.2 Recognition of deferred tax asset

Analysis of deferred tax asset balances:						
Property, plant and equipment	2,153,622	1,557,616	1,557,616	396,228	-	-
Gratuity	49,512	49,512	49,512	-	-	-
Allowance for bad debt	998,579	983,552	983,552	718,278	703,792	703,792
Losses	1,997,069	2,163,171	2,163,171	1,659,232	1,825,407	1,825,407
	5,198,782	**4,753,851**	**4,753,851**	**2,773,738**	**2,529,199**	**2,529,199**

18.3 Analysis of deferred tax liabilities

Property, plant and equipment	1,486,994	1,486,995	1,486,995	1,486,994	1,486,995	1,486,995

18. Deferred tax (continued)

18.4 Analysis of movement in deferred tax balances

Group

N'000	Property, plant and equipment	Gratuity	Other provisions	Losses	Total
At October 1, 2014	16,660	49,512	1,025,218	2,365,994	3,457,384
Profit and loss	54,033	-	(41,738)	(202,823)	(190,528)
Year ended September 30, 2015	70,693	49,512	983,480	2,163,171	3,266,856
Profit and loss	596,006	-	15,027	(166,101)	444,932
Held for sale	-	-	-	-	-
Year ended September 30, 2016	**666,699**	**49,512**	**998,507**	**1,997,070**	**3,711,788**

Company

N'000	Property, plant and equipment	Gratuity	Other provisions	Losses	Total
At October 1, 2014	(1,470,936)	-	774,288	2,028,230	1,331,582
Profit and loss	(16,059)	-	(70,496)	(202,823)	(289,378)
Held for sale	-	-	-	-	-
Year ended September 30, 2015	(1,486,995)	-	703,792	1,825,407	1,042,204
Profit and loss	396,228	-	14,486	(166,174)	244,540
Held for sale	-	-	-	-	-
Year ended September 30, 2016	**(1,090,767)**	**-**	**718,278**	**1,659,233**	**1,286,744**

Notes to the consolidated and separate financial statements
for the twelve months ended September 30, 2016

	Group			Company		
	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000
19. Inventories						
Raw materials	7,596,093	3,015,421	3,015,421	6,764,034	2,730,435	2,730,435
Finished goods	301,176	564,400	564,400	85,261	238,362	238,362
Engineering spares and other stock	2,017,116	2,197,938	2,197,938	1,099,517	1,230,860	1,230,860
Total inventories	**9,914,385**	**5,777,759**	**5,777,759**	**7,948,812**	**4,199,657**	**4,199,657**
Inventories write-downs (slow-moving)	(38,959)	(38,889)	(38,889)	(16,028)	(16,028)	(16,028)
	9,875,426	**5,738,870**	**5,738,870**	**7,932,784**	**4,183,629**	**4,183,629**

Inventory is carried at the lower of cost and net realisable value.

Group - Inventory recognised as an expenses during the period totalled N50.1 billion (2015: N37.8 billion) - See Note 7.

Company - Inventory recognised as an expense during the period totalled N39.4 billion (2015: N29.6 billion) - See Note 7.

20 Amounts owed by/(to) group companies						
Loans receivable from subsidiaries - Held directly						
Dangote Pasta Limited						
Amount due by subsidiary				17,401,616	18,424,792	18,424,792
Impairment				(5,342,246)	(5,342,246)	(5,342,246)
				12,059,370	**13,082,546**	**13,082,546**
Dangote Noodles Limited						
Amount due by subsidiary				2,214,432	2,559,618	2,559,618
Impairment				(2,559,618)	(2,559,618)	(2,559,618)
				(345,186)	**-**	**-**
Carrying amount				**11,714,184**	**13,082,546**	**13,082,546**
21. Trade and other receivables						
Trade receivables	11,300,166	10,169,754	10,169,754	9,444,135	8,323,287	8,323,287
Staff debtors	91,296	69,685	69,685	77,068	63,728	63,728
Prepayments	376,956	553,740	553,740	311,551	470,726	470,726
Supplier advance	1,620,177	1,072,065	1,072,065	1,400,352	596,924	596,924
VAT receivable	134,631	52,459	52,459	-	-	-
Other receivables	454,310	552,849	552,849	200,078	93,637	93,637
Total trade and other receivables	13,977,536	12,470,552	12,470,552	11,433,184	9,548,302	9,548,302
Impairment allowance: Trade receivables	**(6,811,238)**	(6,731,238)	(6,731,238)	(5,760,962)	(5,680,962)	(5,680,962)
Impairment allowance: Other receivables	**(639,406)**	(636,917)	(636,917)	(639,406)	(636,917)	(636,917)
Net trade and other receivables	**6,526,892**	**5,102,397**	**5,102,397**	**5,032,816**	**3,230,423**	**3,230,423**

The average credit period granted to customers is 30 days. Trade receivables which generally have 30-60 day terms, are non-interest bearing and are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Notes to the consolidated and separate financial statements
for the twelve months ended September 30, 2016

	Group			Company		
	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000

21. Trade and other receivables (continued)

Before accepting a new customer the Group and the Select Entity initially trades with the customer on a 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.

21.1 Trade and other receivables past due but not impaired

Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

The ageing of amounts past due but not impaired is as follows:

Current to 60 days	4,194,042	3,074,630	3,074,630	3,388,287	2,306,480	2,306,480
61 - 90 days	25,224	73,696	73,696	25,224	48,877	48,877
91 - 180 days	37,714	63,544	63,544	37,714	60,322	60,322
Over 180 days	231,948	226,646	226,646	231,948	226,646	226,646
	4,488,928	**3,438,516**	**3,438,516**	**3,683,173**	**2,642,325**	**2,642,325**

21.2 Trade receivables impaired (ageing)

The ageing of trade receivables is as follows:

Current to 60 days	10,000	48,722	48,722	10,000	-	-
61 - 90 days	5,000	23,155	23,155	5,000	-	-
91 - 180 days	15,000	29,867	29,867	15,000	26,803	26,803
181 - 365 days	50,000	76,870	76,870	50,000	-	-
Over 365 days	6,731,238	6,552,624	6,552,624	5,680,962	5,654,159	5,654,159
	6,811,238	**6,731,238**	**6,731,238**	**5,760,962**	**5,680,962**	**5,680,962**

21.3 Impairment allowance (Trade and other receivables)

Opening balance	7,368,155	6,804,416	6,804,416	6,317,879	5,985,065	5,985,065
Raised during the year	82,489	563,739	563,739	82,488	332,814	332,814
	7,450,644	**7,368,155**	**7,368,155**	**6,400,367**	**6,317,879**	**6,317,879**

Allowance is made when there is objective evidence that the Select Entity will not be able to collect the debts. The allowance raised is the amount needed to reduce the carrying value to the present value of expected future cash receipts. Bad debts are written off when identified.

Amounts past due but not impaired greater than 180 days are covered by an indemnity of N105 million (2015: N105 million) provided by Dangote Industries Limited and hence not provided for.

Notes to the consolidated and separate financial statements
for the twelve months ended September 30, 2016

	Group			Company		
	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000

21. Trade and other receivables (continued)

21.4 Concentration of risk

Of the trade receivables balance at the end of the year, the amounts due from the top three customers in the Group and Company are:

Company A	902,113	466,462	466,462	719,458	333,405	333,405
Company B	506,960	355,938	355,938	337,300	231,866	231,866
Company C	325,411	291,631	291,631	216,185	188,943	188,943
	1,734,484	**1,114,031**	**1,114,031**	**1,272,943**	**754,214**	**754,214**

22. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash and bank balances	21,322,531	3,317,838	3,317,838	20,587,791	2,840,572	2,840,572
Bank overdraft	-	(1,955,888)	(1,955,888)	-	(1,744,851)	(1,744,851)
	21,322,531	**1,361,950**	**1,361,950**	**20,587,791**	**1,095,721**	**1,095,721**

23. Share capital and premium and premium

Authorised						
6,000,000,000 ordinary shares of 50k each	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

Issued						
5,000,000,000 ordinary share of 50k each	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Share premium	32,090,763	18,116,249	18,116,249	32,090,763	18,116,249	18,116,249
	34,590,763	**20,616,249**	**20,616,249**	**34,590,763**	**20,616,249**	**20,616,249**

Notes to the consolidated and separate financial statements
for the twelve months ended September 30, 2016

	Group			Company		
	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000

24. Borrowings

Held at amortised cost						
Term borrowings	34,724,172	38,868,987	38,868,987	32,478,827	36,631,790	36,631,790
Non-current liabilities						
At amortised cost	428,480	999,908	999,908	428,480	999,908	999,908
Current liabilities						
At amortised cost	34,295,692	37,869,079	37,869,079	32,050,347	35,631,882	35,631,882
	34,724,172	**38,868,987**	**38,868,987**	**32,478,827**	**36,631,790**	**36,631,790**

24.1 Term borrowings

Balance at the beginning of the year	4,989,203	9,534,904	9,534,904	4,989,203	9,534,904	9,534,904
Additions to loan	-	-	-	-	-	-
Repayment	(4,394,056)	(4,545,701)	(4,545,701)	(4,394,056)	(4,545,701)	(4,545,701)
	595,147	**4,989,203**	**4,989,203**	**595,147**	**4,989,203**	**4,989,203**
Long term portion	428,480	999,908	999,908	428,480	999,908	999,908
Short term portion	166,667	3,989,295	3,989,295	166,667	3,989,295	3,989,295

24.2 Short term borrowings (Current)

Unsecured loans - Note 24.3	321,165	321,165	321,165	-	-	-
Amount due to related parties - Note 28.1	19,142,255	16,719,170	16,719,170	17,218,075	14,803,138	14,803,138
Letters of credit for wheat purchases	14,665,605	10,628,836	10,628,836	14,665,605	10,628,836	10,628,836
Short term portion of long term loans	166,667	3,989,295	3,989,295	166,667	3,989,295	3,989,295
Working capital facility	-	6,210,613	6,210,613	-	6,210,613	6,210,613
	34,295,692	**37,869,079**	**37,869,079**	**32,050,347**	**35,631,882**	**35,631,882**

24.3 Unsecured loan

A subsidiary of the Company, Dangote Noodles Limited previously obtained a loan of N250 million from Dangote Industries Limited at a fixed interest rate of 8% per annum. There is no fixed period of payment and the amount is payable on demand.

24.4 Foreign exchange (gain)/losses

Currency revaluation loss of N4.0 billion (2015: N1.7 billion loss) recognised in the statement of profit or loss as an abnormal item represents:

- Foreign exchange losses impact on open LCs - N5.5 billion (2015: N2.2 billion)
- Revaluation gain on Tiger loan - N 1.5 billion (2015: N427 million).

Notes to the consolidated and separate financial statements

for the twelve months ended September 30, 2016

	Group			Company		
	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000

25. Trade and other payables

Trade payables	1,184,989	906,702	906,702	77,599	45,760	45,760
Customers' deposits	7,590,504	1,494,764	1,494,764	6,314,767	1,101,238	1,101,238
Accrued expenses	6,408,222	4,199,909	4,199,909	4,210,914	2,282,856	2,282,856
Withholding Tax	208,650	243,241	243,241	133,142	142,213	142,213
Other payables	3,764,472	2,357,932	2,357,932	3,117,000	2,162,339	2,162,339
Pension payable	37,494	30,602	30,602	22,763	12,683	12,683
Retirement benefits payable	668,569	696,609	696,609	567,148	596,879	596,879
	19,862,900	**9,929,759**	**9,929,759**	**14,443,333**	**6,343,968**	**6,343,968**

25.1 Fair value of trade and other payables

The carrying amount approximates fair value.

25.2 Retirement benefit payable

Opening balance	696,609	719,146	719,146	596,879	570,157	570,157
Interest accrued	100,540	70,290	70,290	91,155	61,016	61,016
Benefits paid by the company	(128,580)	(92,827)	(92,827)	(120,886)	(34,294)	(34,294)
	668,569	**696,609**	**696,609**	**567,148**	**596,879**	**596,879**

The average credit period on purchases is 30 days. No interest is charged on the trade payables from the date of the invoice. The Group has financial risk management policies in place to ensure that all payables are paid within pre-agreed credit terms.

The outstanding balance for retirement benefit of N 669 million (2015: N697 million) accrued interest at 10%.

26. Current tax payable

Balance at the beginning of the year	184,526	171,276	171,276	141,096	149,204	149,204
Provisions for the year	445,683	22,569	22,569	407,736	-	-
Payments during the year	(11,539)	(9,319)	(9,319)	209	(8,108)	(8,108)
	618,670	**184,526**	**184,526**	**549,041**	**141,096**	**141,096**

Notes to the consolidated and separate financial statements
for the twelve months ended September 30, 2016

	Group			Company		
	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000

27. Cash generated from (used in) operations

Profit (loss) before taxation	5,542,612	(12,466,208)	(12,466,208)	5,966,779	(13,789,416)	(13,789,416)
Adjustments for:						
Depreciation	2,055,735	2,463,413	2,463,413	1,320,762	1,576,346	1,576,346
(Profit) loss on sale of assets	(1,669)	13,219	13,219	(3,672)	13,219	13,219
Interest received	(350,854)	(2,613)	(2,613)	(347,930)	(228)	(228)
Finance costs	3,184,042	3,891,530	3,891,530	3,158,522	3,866,918	3,866,918
Foreign exchange losses	4,044,608	1,775,755	1,775,755	4,044,608	1,775,755	1,775,755
Impairment loss	-	2,658,820	2,658,820	-	6,080,117	6,080,117
Impairment of trade receivables	80,000	513,464	513,464	80,000	282,537	282,537
Fair valuation of LC	-	109,280	109,280	-	109,280	109,280
Allowance for other receivables	2,488	50,277	50,277	2,488	50,277	50,277
Monthly management fees from Tiger	34,181	215,688	215,688	34,181	215,688	215,688
Changes in working capital:						
Inventories	(4,136,556)	(309,811)	(309,811)	(3,749,154)	(131,081)	(131,081)
Trade and other receivables	(1,506,984)	394,357	394,357	(1,884,880)	862,509	862,509
Amount due by group companies	-	-	-	1,368,362	(1,816,308)	(1,816,308)
Short term loans receivables	1,374,837	(483,620)	(483,620)	1,267,135	(458,640)	(458,640)
Trade and other payables	10,574,706	357,217	357,217	8,729,185	218,521	218,521
Total working capital	6,306,003	(41,857)	(41,857)	5,730,648	(1,324,999)	(1,324,999)
	20,897,146	**(819,232)**	**(819,232)**	**19,986,386**	**(1,144,506)**	**(1,144,506)**

Significant Non-Cash transactions

27.1 Finance costs paid which are included in Operating Cash flow section of the Cash Flow Statement exclude N305 million (2015: N1.159 billion) interest accrued on the Tiger borrowings and N610 million interest accrued on DIL loan.

Notes to the consolidated and separate financial statements
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	Group			Company		
	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000

28. Related parties

28.1 Related party balances

Amount due from related parties						
Dangote Cement Plc	96,776	71,528	71,528	-	-	-
Dangote Industries Limited	5,719,261	5,814,268	5,814,268	2,892,199	2,905,488	2,905,488
Dangote Textiles Nigeria Limited	51,000	51,000	51,000	51,000	51,000	51,000
Dangote Foundation	50,807	57,912	57,912	-	-	-
Dangote Freight Limited	13,758	13,758	13,758	-	-	-
UAC Foods	-	333,405	333,405	-	333,405	333,405
Dangote Fisheries Nigeria Limited	1,500	1,500	1,500	1,500	1,500	1,500
Deli Foods Limited	-	991,327	991,327	-	933,802	933,802
DIL Strategic Service	132,966	132,966	132,966	105,951	105,951	105,951
Others	13,361	-	-	13,361	-	-
Impairment allowance	(52,711)	(52,711)	(52,711)	(52,711)	(52,711)	(52,711)
	6,026,718	**7,414,953**	**7,414,953**	**3,011,300**	**4,278,435**	**4,278,435**
Amount due to related parties						
Dangote Cement Plc	953,545	493,163	493,163	753,830	331,997	331,997
Dangote Industries Limited	1,459,791	1,528,170	1,528,170	13,296	13,296	13,296
National Salt Company of Nigeria Plc	16,987	28,763	28,763	-	-	-
Dangote Sugar Refinery Plc	889,081	263,392	263,392	817,411	193,869	193,869
Dangote Nigeria Limited	68,061	68,061	68,061	68,061	68,061	68,061
Dangote Transport Nigeria Limited	1,779,602	1,779,602	1,779,602	1,779,602	1,779,602	1,779,602
Greenview Development Nigeria Limited	977,114	815,517	815,517	977,114	815,517	815,517
Dancom Technologies Limited	402,581	426,763	426,763	234,281	293,934	293,934
Dangote Agrosacks Limited	46,223	22,677	22,677	38,489	22,677	22,677
Bluestar Shipping Company	25,269	25,993	25,993	25,269	25,993	25,993
Dangote Port Operations	17,520	17,520	17,520	17,520	17,520	17,520
Tiger Brands Limited	-	11,240,672	11,240,672	-	11,240,672	11,240,672
Dangote Industries Limited - SPA	12,493,202	-	-	12,493,202	-	-
DIL Strategic Service	13,279	8,877	8,877	-	-	-
	19,142,255	**16,719,170**	**16,719,170**	**17,218,075**	**14,803,138**	**14,803,138**

Notes to the consolidated and separate financial statements
for the twelve months ended September 30, 2016

28. Related parties (continued)

28.2 Related party transactions

- Dangote Industries Limited (DIL) is the Group's parent company. It provides strategic management services.
- Dangote Cement Plc is a related company under common control of Dangote Industries Limited.
- Dangote Foundation is a related company under common control of Dangote Industries Limited and buys pasta and noodles products from the Company's subsidiaries.
- Dangote Sugar Refinery Plc is a related company under common control of Dangote Industries Limited and provides power and LPFO (Low Pour Fuel Oil) to some of the Company's mills.
- Dangote Nigeria Ltd is a related party under common control of Dangote Industries Limited.
- Dangote Transport Nigeria Limited and Dangote Freight Limited are related parties under common control of Dangote Industries Limited and provides haulage services to the Company and the Group.
- Greenview Development Nigeria Limited is a related party under common control of Dangote Industries Limited and provides leased property during the period under review.
- National Salt Company of Nigeria Plc is a related company under common control of Dangote Industries Limited.
- Dancom Technologies Limited is a related party under common control of Dangote Industries Limited. They provide the Group with information technology services.
- Dangote Agrosacks Limited is a related party under common control of Dangote Industries Limited and sells packaging materials to Tiger Branded Consumer Goods Group.
- Bluestar Shipping Company is a related party under common control of Dangote Industries Limited and provide shipping agency services to Tiger Branded Consumer Goods Group.
- Dangote Port Operations is a related company under common control of Dangote Industries Limited and they manage terminals used by the Group for its operations.
- Dangote Textiles Nigeria Limited is a related company under common control of Dangote Industries Limited. No transactions were concluded during the period under review.
- Tiger Brands was the Group's former parent company before the share purchase agreement was effected in February 2016. The amount owed in 2015 was interest bearing at 11.75%.
- Deli Foods Limited used to be a related party through common control by Tiger Brands Limited and buys flour (raw material) from Tiger Branded Consumer Goods Plc.
- UAC Foods used to be a related party through common control by Tiger Brands Limited and buys flour (raw material) from Tiger Branded Consumer Goods Plc.

Notes to the consolidated and separate financial statements
for the twelve months ended September 30, 2016

		Group			Company		
		12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000

29. Financial assets by category

	Group 12 Months to 30-Sep-16 N '000	Group 12 Months to 30-Sep-15 N '000	Group 12 Months 30-Sep-15 N '000	Company 12 Months to 30-Sep-16 N '000	Company 12 Months to 30-Sep-15 N '000	Company 12 Months 30-Sep-15 N '000
Loans and receivables						
Amount due by group companies	-	-	-	11,714,184	13,082,546	13,082,546
Short term loans receivable	6,040,116	7,414,953	7,414,953	3,011,299	4,278,435	4,278,435
Trade and other receivables	6,526,892	5,102,397	5,102,397	5,032,816	3,230,423	3,230,423
Cash and bank balances	21,322,531	3,317,838	3,317,838	20,587,791	2,840,572	2,840,572
	33,889,539	**15,835,188**	**15,835,188**	**40,346,090**	**23,431,976**	**23,431,976**

30. Financial liabilities by category

	Group 12 Months to 30-Sep-16 N '000	Group 12 Months to 30-Sep-15 N '000	Group 12 Months 30-Sep-15 N '000	Company 12 Months to 30-Sep-16 N '000	Company 12 Months to 30-Sep-15 N '000	Company 12 Months 30-Sep-15 N '000
Financial liabilities at amortised cost						
Borrowings	34,724,172	38,868,987	38,868,987	32,478,827	36,631,790	36,631,790
Trade and other payables	19,862,900	9,929,759	9,929,759	14,443,333	6,343,968	6,343,968
Bank overdraft	-	1,955,888	1,955,888	-	1,744,851	1,744,851
	54,587,072	**50,754,634**	**50,754,634**	**46,922,160**	**44,720,609**	**44,720,609**

31. Risk management

31.1 Capital management

The Group manages its capital structure, calculated as equity plus net debt and makes adjustments to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

The Group's risk management committee reviews the capital structure of the Group on a frequent basis. A part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group has put in place measures to improve on current gearing ratios.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing ratio at 2016 and 2015 respectively were as follows:

	Note	Group 12 Months to 30-Sep-16 N '000	Group 12 Months to 30-Sep-15 N '000	Group 12 Months 30-Sep-15 N '000	Company 12 Months to 30-Sep-16 N '000	Company 12 Months to 30-Sep-15 N '000	Company 12 Months 30-Sep-15 N '000
Total borrowings							
Borrowings	24	34,724,172	38,868,987	38,868,987	32,478,827	36,631,790	36,631,790
Less: Amount due to related parties	24.2	(19,142,255)	(16,719,170)	(16,719,170)	(17,218,075)	(14,803,138)	(14,803,138)
		15,581,917	**22,149,817**	**22,149,817**	**15,260,752**	**21,828,652**	**21,828,652**
Less: Cash and cash equivalents	22	21,322,531	1,361,950	1,361,950	20,587,791	1,095,721	1,095,721
Net (cash)/debt		(5,740,614)	20,787,867	20,787,867	(5,327,039)	20,732,931	20,732,931
Total equity		16,445,128	(3,071,173)	(3,071,173)	19,773,826	(4,271)	(4,271)
		10,704,514	**17,716,694**	**17,716,694**	**14,446,787**	**20,728,660**	**20,728,660**
Gearing ratio		(0.35)	(6.77)	(6.77)	(0.27)	(4,854.35)	(4,854.35)

Notes to the consolidated and separate financial statements
for the twelve months ended September 30, 2016

31. Risk management (continued)

31.2 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, procurement risk, interest rate risk and price risk), credit risk and liquidity risk as detailed below.

The Group's objective in using financial instruments is to reduce the uncertainty over future cash flows arising principally as a result of commodity price, currency and interest rate fluctuations. The use of derivatives for the hedging of firm commitments against commodity price, foreign currency and interest rate exposures must be approved by the Board of Directors. Significant finance obtained is approved by the Board of Directors. The Group finances its operations through a combination of retained surpluses, bank borrowings and long term loans.

31.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade receivables (customers) and investment securities.

The potential concentration of credit risk consists mainly of other receivables and cash and cash equivalents. The Group limits its counterparty exposures from its cash and cash equivalents by dealing only with well established financial institutions of a high quality credit standing. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Credit risk in respect of the Group's customer base is controlled by the application of credit limits and credit monitoring procedures. Certain significant receivables are monitored on a daily basis. Where appropriate, credit guarantee insurance is obtained. The Group's credit exposure in respect of its customer base is represented by the net aggregate balance of amounts receivable. Concentrations of credit risk (ageing analysis of trade receivables) are disclosed in Note 21.

Financial assets exposed to credit risk at twelve months end were as follows:

	Group			**Select Entity**		
Financial instrument	30-Sep-16 N'000	30-Sep-15 N'000	30-Sep-15 N'000	30-Sep-16 N'000	30-Sep-15 N'000	30-Sep-15 N'000
Trade and other receivables	6,526,892	5,102,397	5,102,397	5,032,816	3,230,423	3,230,423
Cash and bank balances	21,322,531	3,317,838	3,317,838	20,587,791	2,840,572	2,840,572

31.4 Procurement risk (commodity price risk)

Commodity price risk arises from the Group being subject to raw materials price fluctuations caused by supply conditions, weather, economic conditions and other factors. The strategic raw materials acquired by the Group include wheat and polypropylene.

The Group uses derivative instruments to reduce the volatility of commodity input strategic raw materials. Derivative contracts are taken out in order only to match an underlying physical requirement for the raw materials. the Group does not enter into "naked" derivative contracts.

31.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient cash on demand to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its liquidity risk by monitoring weekly cash flows and ensuring that adequate cash is available or borrowing facilities with shareholders and holding company structures are accessible and maintained.

	Group			Company		
	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000

31. Risk management (continued)

31.6 Interest rate risk

Interest rate risk results from the cash flow and financial performance uncertainty arising from interest rate fluctuations. Financial assets and liabilities affected by interest rate fluctuations include bank and cash deposits as well as bank borrowings.The Group manages interest rate risk by ensuring that loans and overdraft are on fixed rates and balances from subsidiary and other related companies are interest free..

31.7 Foreign exchange risk

The Group has currency exposure arising from purchases of raw material (wheat) and goods and services in currencies other than the reporting currency. The Group is exposed to the extent of exchange rate fluctuation on its outstanding balances under letters of credit. The level of foreign currency risk is monitored regularly by management.

Foreign currency exposure at the end of the reporting period

Liabilities						
Short term financial liabilities (US Dollar)	14,665,605	10,628,836	10,628,836	14,665,605	10,628,836	10,628,836
Short term financial liabilities (ZAR)	-	11,240,672	11,240,672	-	11,240,672	11,240,672

As at September 30, 2016, the effect of a 5% fluctuation in the exchange rate would result in a corresponding movement in the Naira value of the financial liabilities held in US dollars of N672 million (2015: N531 million) and in ZAR: Nil (2015: N562 million).

32. Fair value information

Financial instruments are normally held by the Group until they close out in the normal course of business. There are no significant differences between carrying values and fair values of financial assets and liabilities. Trade and other receivables, investments and loans and trade and other payables carried on the statement of financial position approximate the fair values thereof. Long-term and short-term borrowings are measured at amortised cost using the effective interest method and the carrying amounts approximate their fair value.

The Group used techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data for determining and disclosing the fair value of financial instruments.

33. Remuneration of directors

Remuneration of and key management personnel for the twelve months ended September 30, 2016 was N375 million (2015:N226 million).

33.1 Non-executive

September 30, 2016

	Board meetings	Other fees	Total
	N'000	N'000	N'000
Mr. Olakunle Alake	2,400	10,120	12,520
Mr. Arnold Ekpe	2,050	12,600	14,650
Mr. Asue Ighodalo	2,400	13,530	15,930
Mrs. Yabawa Lawan Wabi mni	800	12,800	13,600
	7,650	**49,050**	**56,700**

30 September, 2015

	Board meetings	Other fees	Total
	N'000	N'000	N'000
Alh. Aliko Dangote	1,400	-	1,400
Mr. Olakunle Alake	1,100	1,600	2,700
Mr. Arnold Ekpe	900	-	900
Mr. Asue Ighodalo	1,100	1,400	2,500
	4,500	**3,000**	**7,500**

33.2 Directors' interest in share capital

		September 30, 2016		30 September, 2015	
	Nature of interest	**Number of ordinary shares ('000)**	**Percentage of issued share capital (%)**	**Number of ordinary shares ('000)**	**Percentage of issued share capital (%)**
Olakunle Alake	shareholding	2,378	0.05 %	2,378	0.05 %

Notes to the consolidated and separate financial statements for the twelve months ended September 30, 2016

	Group				Company			
	3 Months to 30-Sep-16 N'000	12 Months to 30-Sep-16 N '000	3 Months to 30-Sep-15 N '000	12 Months to 30-Sep-15 N '000	3 Months to 30-Sep-16 N '000	12 Months to 30-Sep-16 N '000	3 Months to 30-Sep-15 N '000	12 Months to 30-Sep-15 N '000

33. Remuneration of directors (continued)

33.3 Remuneration, other than to employees, for:

Executive directors								
Salaries and bonuses	59,898	181,581	33,597	129,547	47,800	136,377	24,052	92,744
Retirement, medical and other benefits	26,937	137,091	22,583	88,938	9,249	99,794	16,167	63,671
Non-executive directors								
Fees	2,500	56,700	2,550	7,500	2,500	56,700	2,550	7,500
	89,335	**375,372**	**58,730**	**225,985**	**59,549**	**292,871**	**42,769**	**163,915**

34. Contingencies

As at September 30, 2016, the contingent liability in respect of the Group was N67m (2015: N27 million). According to the Directors and Solicitors acting on behalf of the Group, the expected final liabilities, if any, are not likely to be significant and no provision has been made in these financial statements.

The contingent liability relates to claims arising from ex- employees industrial action.

Notes to the consolidated and separate financial statements
for the twelve months ended September 30, 2016

	Group			Company		
	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000	12 Months to 30-Sep-16 N '000	12 Months to 30-Sep-15 N '000	12 Months 30-Sep-15 N '000
35. Commitments						
35.1 Operating leases – as lessee (expense)						
Non-cancellable operating lease rentals						
- Less than one year	351,908	310,498	310,498	258,981	220,450	220,450
- One to five years	1,233,938	955,737	955,737	1,042,398	818,770	818,770
	1,585,846	**1,266,235**	**1,266,235**	**1,301,379**	**1,039,220**	**1,039,220**

Some leases require restoration of the facilities at the Group's expense upon termination of the agreements. Management is confident all lease agreements will be renewed under largely the same terms and has not provided for demolition costs.

36. Segment information

Information reported to the Chief Operating Decision Maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods delivered.

All segments operate in same geographical area and are on an arm's length basis in relation to inter-segment pricing.

The factors used to identify the Group's reportable segments include the basis of organisation and the format of regular reporting to management as a basis for decision making. Management has chosen to organise the Group around differences in products and separate entities within the Group. None of the segments have been aggregated.

These reportable segments as well as the products and services from which each of them derives revenue are set out below:

Reportable Segment	Products and services
Flour	Milling and sale of bread and confectionery flour
Pasta	Manufactures and sells spaghetti and macaroni
Noodles	Manufactures and sells noodles

Notes to the consolidated and separate financial statements
for the twelve months ended September 30, 2016

36. Segment information (continued)

36.1 Segment revenue and results

Transactions within the Group take place at arms length.

Period ended September 30, 2016 (N'000)

	Flour	Pasta	Noodles	Inter-group	Total
Revenue	62,613,607	10,705,943	6,538,915	(1,750,904)	78,107,561
Cost of sales	(44,766,997)	(9,172,485)	(5,587,786)	1,750,904	(57,776,364)
Gross profit	**17,846,610**	**1,533,458**	**951,129**	**-**	**20,331,197**
Distribution and administrative expenses	(5,063,712)	(1,643,926)	(1,280,841)	-	(7,988,479)
Other income	39,081	21,065	17,544	-	77,690
Operating profit/(loss) from continuing operations	**12,821,979**	**(89,403)**	**(312,168)**	**-**	**12,420,408**
Non-recurring items	(4,044,608)	-	-	-	(4,044,608)
Net finance costs	(2,810,592)	2,709	(25,305)	-	(2,833,188)
Profit/(loss) before taxation from continuing operations	**5,966,779**	**(86,694)**	**(337,473)**	**-**	**5,542,612**
Taxation	(163,196)	167,708	(5,337)	-	(825)
Profit/(loss) after taxation from continuing operations	**5,803,583**	**81,014**	**(342,810)**	**-**	**5,541,787**
Profit/(loss) for the period	**5,803,583**	**81,014**	**(342,810)**	**-**	**5,541,787**

Period ended 30 September, 2015 (N'000)

	Flour	Pasta	Noodles	Inter-group	Total
Revenue	36,094,021	8,366,643	5,356,294	(1,790,284)	48,026,674
Cost of sales	(33,089,466)	(8,108,534)	(4,150,904)	1,790,284	(43,558,620)
Gross profit	**3,004,555**	**258,109**	**1,205,390**	**-**	**4,468,054**
Distribution and administrative expenses	(5,205,475)	(1,789,839)	(1,922,025)	-	(8,917,339)
Other income	134,066	108,645	63,858	-	306,569
Operating loss from continuing operations	**(2,066,854)**	**(1,423,085)**	**(652,777)**	**-**	**(4,142,716)**
Non-recurring items	(7,855,872)	(678,584)	(552,945)	4,652,826	(4,434,575)
Net finance costs	(3,866,690)	2,376	(24,603)	-	(3,888,917)
Loss before taxation from continuing operations	**(13,789,416)**	**(2,099,293)**	**(1,230,325)**	**4,652,826**	**(12,466,208)**
Taxation	(289,378)	175,127	(98,846)	-	(213,097)
Loss after taxation from continuing operations	**(14,078,794)**	**(1,924,166)**	**(1,329,171)**	**4,652,826**	**(12,679,305)**
Loss for the period	**(14,078,794)**	**(1,924,166)**	**(1,329,171)**	**4,652,826**	**(12,679,305)**

Notes to the consolidated and separate financial statements
for the twelve months ended September 30, 2016

36. Segment information (continued)

36.2 Segment assets and liabilities

The table below provides information on segment assets and liabilities as well as a reconciliation to total assets and liabilities as per the consolidated and separate statement of financial position

(N'000)	Flour	Pasta	Noodles	Inter-group	Total
Period ended September 30, 2016					
Total assets	68,732,021	18,872,036	2,207,355	(16,673,548)	73,137,864
Total liabilities	48,958,195	21,471,616	8,310,105	(22,047,180)	56,692,736
Period ended 30 September, 2015					
Total assets	46,344,429	18,590,299	2,074,333	(17,654,079)	49,354,982
Total liabilities	46,348,700	21,270,893	7,834,274	(23,027,712)	52,426,155

36.3 Other segment information

(N'000)	Flour	Pasta	Noodles	Total
Period ended September 30, 2016				
Depreciation	1,320,762	665,924	69,048	2,055,734
Additions to non-current assets	2,800,544	376,399	31,504	3,208,447
Period ended 30 September, 2015				
Depreciation	1,576,346	749,086	137,981	2,463,413
Additions to non-current assets	849,014	282,732	181,716	1,313,462
Impairment	(1,427,291)	(678,584)	(552,945)	(2,658,820)

36.4 Revenue from major products and services

The following is the analysis of revenue from continuing operations from major products and services:

Products (N'000)	Flour	Pasta	Noodles	Inter-group	Total
Period ended September 30, 2016	62,613,607	10,705,943	6,538,915	(1,750,904)	78,107,561
Period ended 30 September, 2015	36,094,021	8,366,643	5,356,294	(1,790,284)	48,026,674

37. Events after the reporting period

There are no significant events after the reporting period.

38. Impairment of plant and equipment & investment, profit on sale of subsidiary and other non recurring items

Property, plant and equipment	-	-	2,658,820	2,658,820
Impairment of amount due by subsidiaries	-	-	-	-
Impairment of investment in subsidiary	-	-	-	-
	-	**-**	**2,658,820**	**2,658,820**

Dangote Flour Mills Plc

Unaudited Consolidated and Separate Financial Statements for the twelve months ended September 30, 2016

Consolidated value added statement

for the twelve months ended September 30, 2016

	30-Sep-16 N '000	30-Sep-15 N '000	30-Sep-15 N '000
Group			
VALUE ADDED			
Turnover: Local	78,107,561	48,026,674	48,026,674
Interest received	350,854	2,613	2,613
Other income	77,690	306,569	306,569
	78,536,105	48,335,856	48,335,856
Bought - in materials and services	-	-	-
- Local	(22,809,049)	(17,306,445)	(17,306,445)
- Foreign	(42,359,661)	(32,140,542)	(32,140,542)
Total Value Added	**13,367,395**	**(1,111,131)**	**(1,111,131)**
VALUE DISTRIBUTED			
To Pay Employees			
Salaries, wages, medical and other benefits	2,585,006	2,341,317	2,341,317
	2,585,006	**2,341,317**	**2,341,317**
To Pay Providers of Capital			
Finance costs	3,184,042	3,891,530	3,891,530
	3,184,042	**3,891,530**	**3,891,530**
To Pay Government			
Income tax	445,680	22,569	22,569
	445,680	**22,569**	**22,569**
To be retained in the business for expansion and future wealth creation:			
Depreciation	2,055,735	2,463,413	2,463,413
Impairment on property, plant and equipment	-	2,658,820	2,658,820
Deferred tax	(444,855)	190,528	190,528
Non-controlling interest	(33,471)	(152,159)	(152,159)
Retained earnings/(loss)	5,575,258	(12,527,149)	(12,527,149)
	7,152,667	**(7,366,547)**	**(7,366,547)**
Total Value Distributed	**13,367,395**	**(1,111,131)**	**(1,111,131)**

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

This statement shows the allocation of that wealth among employees, government, capital providers and that retained in the business for expansion and future creation of more wealth.

This report is not prepared under IFRS. Instead, it has been prepared in compliance with the Nigerian Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004.

Consolidated value added statement
for the twelve months ended September 30, 2016

	30-Sep-16 N '000	30-Sep-15 N '000	30-Sep-15 N '000
Company			
VALUE ADDED			
Turnover: Local	62,613,607	36,094,021	36,094,021
Interest received	347,930	228	228
Other income	39,081	134,066	134,066
	63,000,618	36,228,315	36,228,315
Bought - in materials and services	-	-	-
- Local	(17,432,127)	(14,602,637)	(14,602,637)
- Foreign	(32,373,951)	(27,119,183)	(27,119,183)
Total Value Added	**13,194,540**	**(5,493,505)**	**(5,493,505)**
VALUE DISTRIBUTED			
To Pay Employees			
Salaries, wages, medical and other benefits	1,531,552	1,425,356	1,425,356
	1,531,552	**1,425,356**	**1,425,356**
To Pay Providers of Capital			
Finance costs	3,158,522	3,866,918	3,866,918
	3,158,522	**3,866,918**	**3,866,918**
To Pay Government			
Income tax	407,733	-	-
	407,733	**-**	**-**
To be retained in the business for expansion and future wealth creation:			
Depreciation	1,320,762	1,576,346	1,576,346
Impairment on property, plant and equipment	-	1,427,291	1,427,291
Deferred tax	(244,537)	289,378	289,378
Retained earnings/(loss)	7,020,508	(14,078,794)	(14,078,794)
	8,096,733	**(10,785,779)**	**(10,785,779)**
Total Value Distributed	**13,194,540**	**(5,493,505)**	**(5,493,505)**

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

This statement shows the allocation of that wealth among employees, government, capital providers and that retained in the business for expansion and future creation of more wealth.

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Dangote Flour Mills Plc

Unaudited Consolidated and Separate Financial Statements for the twelve months ended September 30, 2016

Five year financial summary

for the twelve months ended September 30, 2016

	IFRS 12 Months 30-Sep-16 N '000	IFRS 12 Months 30-Sep-15 N '000	IFRS 12 Months 30-Sep-14 N '000	IFRS 9 Months 30-Sep-13 N '000	IFRS 12 Months 31-Dec-12 N '000
Group					
NET ASSETS					
Property, plant and equipment	24,174,116	23,027,073	26,342,645	30,002,456	44,048,647
Other long term assets	-	-	-	-	3,894
Assets of disposal groups held for sale	-	-	-	17,813,661	-
Net current (liabilities) assets	(11,012,296)	(28,365,194)	(15,147,449)	(10,902,689)	(5,548,354)
	13,161,820	(5,338,121)	11,195,196	36,913,428	38,504,187
Deferred tax assets/(liabilities)	3,711,788	3,266,856	3,457,384	443,277	(1,233,957)
Provision for liabilities and charges	-	-	-	-	(1,254,329)
Liabilities classified as held for sale	-	-	-	(9,603,878)	-
Long term liabilities	(428,480)	(999,908)	(5,044,448)	(9,646,302)	(10,692,375)
Total net assets	**16,445,128**	**(3,071,173)**	**9,608,132**	**18,106,525**	**25,323,526**
CAPITAL AND RESERVES					
Share capital	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Share premium	32,090,763	18,116,249	18,116,249	18,116,249	18,116,249
Retained earnings	(17,476,860)	(23,052,118)	(10,524,972)	(4,305,067)	3,627,929
Non-controlling interest	(668,775)	(635,304)	(483,145)	1,795,343	1,079,348
Total equity	**16,445,128**	**(3,071,173)**	**9,608,132**	**18,106,525**	**25,323,526**
REVENUE AND PROFIT					
Revenue	78,107,561	48,026,674	41,268,721	29,960,419	41,472,599
Profit (loss) before taxation	**5,544,615**	**(12,466,208)**	**(9,285,013)**	**(8,342,294)**	**(5,602,972)**
Taxation	(825)	(213,097)	3,006,708	1,577,990	1,258,659
Discontinued operations	-	-	168,797	(452,697)	2,080,977
Non-controlling interest	33,471	152,159	(110,397)	(715,995)	(577,377)
Retained income (loss) for the twelve months	**5,577,261**	**(12,527,146)**	**(6,219,905)**	**(7,932,996)**	**(2,840,713)**
Per share data (kobo per share)					
(Loss)/Earnings per share	54	(251)	(124)	(159)	(55)
Net assets per share	329	(61)	192	362	506

Dangote Flour Mills Plc

Unaudited Consolidated and Separate Financial Statements for the twelve months ended September 30, 2016

Five year financial summary

for the twelve months ended September 30, 2016

	IFRS Select month 30-Sep-16 N '000	IFRS 12 Months 30-Sep-15 N '000	IFRS 12 Months 30-Sep-14 N '000	IFRS 9 Months 30-Sep-13 N '000	IFRS Restated 12 Months 31-Dec-12 N '000
Company					
NET ASSETS					
Property, plant and equipment	15,171,771	13,691,989	15,353,413	17,351,051	18,747,467
Investments in subsidiaries	2,507,637	2,507,637	2,597,637	2,597,637	7,553,637
Other long term assets	-	-	-	-	-
Assets of disposal groups held for sale	-	-	-	4,956,000	-
Net current (liabilities) assets	1,236,154	(16,246,194)	(163,661)	3,539,667	9,613,645
	18,915,562	**(46,568)**	**17,787,389**	**28,444,355**	**35,914,749**
Deferred tax assets/(liabilities)	1,286,744	1,042,205	1,331,582	(564,228)	(1,824,317)
Provision for liabilities and charges	-	-	-	-	(851,584)
Long term liabilities	(428,480)	(999,908)	(5,044,448)	(9,646,302)	(10,524,375)
Total net assets	**19,773,826**	**(4,271)**	**14,074,523**	**18,233,825**	**22,714,473**
CAPITAL AND RESERVES					
Share capital	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Share premium	32,090,763	18,116,249	18,116,249	18,116,249	18,116,249
Retained earnings	(14,816,937)	(20,620,520)	(6,541,726)	(2,382,424)	2,098,224
Total equity	**19,773,826**	**(4,271)**	**14,074,523**	**18,233,825**	**22,714,473**
REVENUE AND PROFIT					
Revenue	62,613,607	36,094,021	31,704,340	23,079,590	29,859,976
Profit (loss) before taxation	**5,966,780**	**(13,789,416)**	**(6,055,112)**	**(5,647,490)**	**(4,264,583)**
Taxation	(163,196)	(289,378)	1,895,810	1,166,842	1,126,464
Retained income (loss) for the twelve months	**5,803,584**	**(14,078,794)**	**(4,159,302)**	**(4,480,648)**	**(3,138,119)**
Per share data (kobo per share)					
Earnings/(Loss) per share	116	(282)	(83)	(90)	(63)
Net assets per share	395	-	281	365	454

Note

Earnings/(Loss) per share are based on profit/(loss) after tax and the number of issued and fully paid ordinary shares at the end of each financial twelve months.

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 twelve months.

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