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Dangote Flour Mills Plc
Consolidated and Separate Financial statements
for the year ended 31 December, 2016

Dangote Flour Mills Plc

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, confectionery flour, semolina and wheat meal.	
Registered office	Terminal "E" Greenview Development Building Apapa Wharf, Lagos, Nigeria.	
Transfer office	EDC Registrars Limited 154, Ikorodu road, Onipanu Shomolu, Lagos, Nigeria.	
Secretary	Aisha Ladi Isa (Mrs.)	
Auditors	Akintola Williams Deloitte Chartered Accountants Civic Towers, Plot GA1, Ozumba Mbadiwe Avenue, Victoria Island, Lagos.	
Bankers	Access Bank Plc Diamond Bank Plc Ecobank Nigeria Limited First Bank of Nigeria Limited 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	Resigned on 31 December, 2016
	Ms Halima Dangote	Appointed on 1 March, 2016
	Alh Ahmed Shehu Yakasai	Appointed on 15 March, 2016
	Non-executive directors	
	Alh. Aliko Dangote (GCON)	Resigned 11 November, 2015
	Mr. Olakunle Alake	Re-appointed 10 December, 2015
	Mr. Noel Doyle	Resigned 25 February, 2016
	Mr. Arnold Ekpe	Re-appointed 10 December, 2015
	Mr. Asue Ighodalo	Re-appointed 10 December, 2015
	Mrs. Olufunke Ighodaro	Resigned 25 February, 2016
	Mr. Peter Matlare	
	Mrs Yabawa Lawan Wabi mni	Appointed 7 April, 2016

Dangote Flour Mills Plc

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Dangote Flour Mills Plc

Statement of director's responsibilities for the preparation and approval of the consolidated and separate financial statements for the year ended 31 December, 2016

The Directors of Dangote Flour Mills Plc are responsible for the preparation of the consolidated and separate financial statements that presents fairly the financial position of the Group as at 31 December, 2016 and the results of its operations, cash flows and changes in equity for the year 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 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 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 Group's financial position and financial performance;
- Making an assessment of the Group's ability to continue as a going concern;

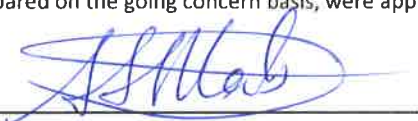
The Directors are responsible for:

- 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 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.

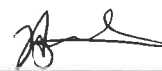
Going concern

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 consolidated and separate financial statements for the year ended 31 December, 2016, set out on pages 12 to 71, which have been prepared on the going concern basis, were approved by management on 24 March, 2017 and were signed on their behalf by:



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



Ms Halima Dangote
Executive Director
FRC/2017/IODN/00000016365

Report of the Audit Committee

TO THE MEMBERS OF TIGER BRANDED CONSUMER GOODS PLC

In accordance with the provisions of section 359(6) of the Companies and Allied Matters Act, CAP 20 Laws of the Federation of Nigeria 2004, we have examined the Auditors' report for the year ended 31st December, 2016. We have obtained all the information and explanations we required.

In our opinion, the Auditors' report is consistent with our review of the scope and planning of the audit.

We are also satisfied that the accounting policies of the Company are in accordance with the legal requirements and agreed ethical practice. Having reviewed the Auditors' findings and recommendations on Management matters, we are satisfied with Management's response therein.



Mr. Olakunle Alake
For Chairman, Audit Committee
FRC/ 2013/ICAN/00000002214

Dated this 24th day of March, 2017

Members of the Committee

Mr. Alex Adio – Chairman

Mr. Akinduro Eric Akinnifesi

Mr. Babatunde Abayomi Opeyemi

Mr. Olakunle Alake

*Mr. Peter Matlare – resigned from the Board

*Mrs. Yabawa Lawan Wabi, mni – Appointed 24th March, 2017

INDEPENDENT AUDITOR'S REPORT To the Shareholders of Dangote Flour Mills Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the accompanying consolidated and separate financial statements of Dangote Flour Mills Plc and its subsidiaries (together referred to as "the Group") set out on pages 12 to 67, which comprise the consolidated and separate statements of financial position as at 31 December 2016, the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity, the consolidated and separate statement of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and financial position of Dangote Flour Mills Plc as at 31 December 2016 and the consolidated and separate financial performance and statement of cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group in accordance with the requirements of the Institute of Chartered Accountants of Nigeria Professional Code of Conduct and Guide for Accountants (ICAN Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matter	How the matter was addressed in the audit
Recoverability of Deferred tax assets	
<p>There are various complexities relating to the treatment and recognition of deferred tax, in particular:</p> <p>The recognition of a deferred tax asset in the Group's books, which comprises calculation of the timing differences in the tax treatment of specific provisions and unrealized foreign exchange differences, timing differences in the treatment of property plant and equipment and in the losses carried forward for the offset against future profits. After calculation of the deferred tax assets arising, the future recoverability needs to be assessed and there is significant judgement involved in such assessment.</p> <p>As a result, taxation is considered a key audit matter due to the complexities and judgement arising in to the calculation, recognition, and classification of deferred tax balances and the materiality of the balances as disclosed in note 17 of the financial statements.</p>	<ul style="list-style-type: none"> • We involved a tax specialist in the engagement to evaluate the tax provisions and potential exposures, with a particular focus on the management's classification and treatment of taxation. • We reviewed the recoverability of the Group's deferred tax assets by looking at the projected future profit/forecasts and other assumptions made in arriving at the basis for recognising deferred tax assets in line with the International Accounting Standard (IAS 12). We also compared the evaluations in respect of the Group's future profitability against current profitability, and also against what is experienced elsewhere in the industry, as well as comparing to historical performance. • We reviewed the Group's profit forecasts in relation to future recoverability of tax losses. • We assessed the presentation and disclosure in respect of taxation related balances and considered whether the disclosures reflected the risks inherent in the accounting for the taxation balances. • We concurred with the Directors' determination of the estimated manner in which timing differences will be realised. Furthermore, we concluded that the deferred tax assets, as included in the Group's financial statements, appeared recoverable and therefore were appropriately recognised.

Key Audit Matter

Consideration of impairment (PPE)

Due to low capacity utilisation and historical lack of maintenance and the continuous poor performance of the entity's subsidiaries, we identified a risk that the Property, Plant and Equipment and investment may be significantly impaired and the loss not properly recorded

The determination of the recoverable amounts of the cash generating units (CGUs) / groups of the CGUs we have assessed in the impairment test requires an estimate of their fair value less costs to sell or of their value in use. Judgement is required in the identification of the CGUs, and the assessment of the recoverable value requires assumptions to be made with respect to the forecast operating cash flows of the CGUs/groups of the CGUs, as well as the discount rates applied.

As a result, impairment of assets is considered a key audit matter due to the complexities and judgements arising in the calculation and assessment of the value of impaired assets and due to the materiality of the relevant asset balances as disclosed in note 15 of the financial statements.

How the matter was addressed in the audit

- We have performed an assessment of the Group's approach to the impairment review in light of the guidance set out in IAS 36 – impairment of assets, including an assessment of the key assumptions utilised in the impairment model.
- An impairment assessment of the ("CGUs") identified for the purpose of impairment testing, including an assessment of the impact of the divisional organisation on the cash generating units
- We considered the Group's sensitivity analysis on the headroom for each CGU. The Directors have booked impairment based on the most conservative result, using the maximum Weighted Average Cost of Capital and minimum earnings multiple in the range of reasonable estimates considered.
- We tested the impairment model utilised for accuracy
- We then assessed the results of the impairment review.
- We reviewed for reasonableness the assumptions underlying the cash flow projections used in the Group's impairment consideration. We tested the impairment model utilised for accuracy, and challenged the estimates used in the model. The key areas of estimation include the weighted average cost of capital (WACC) and the earnings multiple use in the terminal model.

Key Audit Matter	
Consideration of impairment (Investment in subsidiaries)	How the matter was addressed in the audit
<p>Due to the low capacity utilisation and historical lack of maintenance and the continuous poor performance of the entity's subsidiaries, we identified a risk that the investment may be significantly impaired and the loss not properly recorded.</p> <p>The determination of the recoverable amounts of the impairment in the company's account test requires an estimate of their fair value less costs to sell or of their value in use.</p> <p>As a result, impairment of investments and receivables is considered a key audit matter due to the complexities and judgements arising in the calculation and assessment of the value of impaired assets and due to the materiality of the relevant asset balances as disclosed in note 16 of the financial statements.</p>	<ul style="list-style-type: none">• We have performed an assessment of the Group's approach to the impairment review in light of the guidance set out in IFRS 9 – financial instruments, including an assessment of the key assumptions utilised in the impairment model.• An assessment of the investment identified for the purpose of impairment testing, including an assessment of the impact of the divisional organisation on the subsidiary.• We tested the impairment model utilised for accuracy.• We then assessed the results of the impairment review.• We reviewed for reasonableness the assumptions underlying the cash flow projections used in the Group's impairment consideration. We tested the impairment model utilised for accuracy, and challenged the estimates used in the model. The key areas of estimation include the (WACC) and the earnings multiple use in the terminal model.

Key Audit Matter

Disposal of Noodles

As disclosed in Note 39 of the financial statements, plant and machinery in Dangote Noodles Limited have been classified as Held for Sale and this is reflected in the Group financial statements.

Judgment is required to assess whether the assets qualify to be classified as Held for Sale under IFRS 5. Consideration is also required to ascertain whether the activities should be classified as discontinued operations or not.

How the matter was addressed in the audit

We obtained and reviewed the minutes of the Board of Directors for evidence of a plan for the sale of the plant and machinery of Dangote Noodles Limited in order to assess whether the assets qualify to be classified as Held for Sale.

We considered that the Company is still operating as at the date of our report, and reviewed the disclosures in Note 40 of the financial statements explaining the expected re-classification of the activities in 2017.

We concurred with Management's conclusion to classify the relevant Property, Plant and Equipment as Held for Sale and with the treatment and disclosure of the nature of the related activities.

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report, Audit Committee's Report and Company Secretary's Report, which we obtained prior to the date of this auditor's report and the integrated report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, Financial Reporting Council Act, 2011 and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

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

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

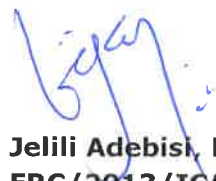
We also provide the audit committee and directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Sixth Schedule of Companies and Allied Matters Act CAP C20 LFN 2004 we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Group has kept proper books of account, so far as appears from our examination of those books.
- iii) The Group and Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.



Jelili Adebisi, FCA

FRC/2013/ICAN/000000004247

For: Akintola Williams Deloitte

Chartered Accountants

Lagos, Nigeria

31 March, 2017



Dangote Flour Mills Plc

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

For the year ended 31 December, 2016

	Note	Group		Company	
		15 months to 31-Dec 2016 N '000	12 months to 30-Sept 2015 N '000	15 months to 31-Dec 2016 N '000	12 months to 30-Sept 2015 N '000
Revenue	5	105,765,324	48,026,674	83,671,078	36,094,021
Cost of sales	6	(76,417,616)	(43,558,620)	(58,120,572)	(33,089,466)
Gross profit		29,347,708	4,468,054	25,550,506	3,004,555
Other income	7	1,382,450	1,177,590	1,299,514	1,005,087
Distribution and administrative expenses	8	(11,804,608)	(9,788,360)	(8,183,233)	(6,076,496)
Operating profit/(loss) before impairment and foreign exchange losses		18,925,550	(4,142,716)	18,666,787	(2,066,854)
Impairment of property, plant and equipment and investment	9	1,050,659	(2,658,820)	1,050,659	(6,080,117)
Foreign exchange losses	23.4	(3,940,279)	(1,775,755)	(3,940,279)	(1,775,755)
Profit/(loss) before taxation		16,035,930	(8,577,291)	15,777,167	(9,922,726)
Finance income	11	670,662	2,613	667,219	228
Finance costs	12	(4,887,626)	(3,891,530)	(4,855,987)	(3,866,918)
Profit/(loss) before taxation		11,818,966	(12,466,208)	11,588,399	(13,789,416)
Taxation	13	(1,249,679)	(213,097)	521,957	(289,378)
Profit/(loss) for the year		10,569,287	(12,679,305)	12,110,356	(14,078,794)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the year		10,569,287	(12,679,305)	12,110,356	(14,078,794)
Profit/(loss) attributable to:					
Owners of the parent	14	10,608,555	(12,527,146)	12,110,356	(14,078,794)
Non-controlling interest	16.1	(39,268)	(152,159)	-	-
		10,569,287	(12,679,305)	12,110,356	(14,078,794)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		10,608,555	(12,527,146)	12,110,356	(14,078,794)
Non-controlling interest		(39,268)	(152,159)	-	-
		10,569,287	(12,679,305)	12,110,356	(14,078,794)
Earnings/(loss) per share					
Per share information					
Basic and diluted earnings/(loss) per share (kobo)	14	212.00	(251.00)	242.00	(282.00)

The accounting policies on pages 17 to 32 and the notes on pages 33 to 67 form an integral part of the consolidated and separate financial statements.

Dangote Flour Mills Plc

Consolidated and separate statement of financial position

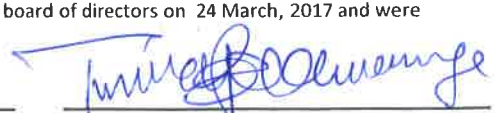
As at 31 December, 2016

	Note	Group		Company	
		31-Dec 2016 N '000	30-Sept 2015 N '000	31-Dec 2016 N '000	30-Sept 2015 N '000
Assets					
Non-Current Assets					
Property, plant and equipment	15	25,103,593	23,027,073	16,337,767	13,691,988
Investments in subsidiaries	16	-	-	2,507,637	2,507,637
Deferred tax	17.2	4,159,474	4,753,851	3,657,517	2,529,199
		29,263,067	27,780,924	22,502,921	18,728,824
Current Assets					
Inventories	18	10,784,629	5,738,870	8,623,532	4,183,629
Amount owed by subsidiaries	16.2	-	-	13,919,545	13,082,546
Trade and other receivables	19	9,480,169	5,102,397	5,648,724	3,230,423
Short term loans receivable	28.1	5,787,872	7,414,953	2,997,143	4,278,435
Other financial asset	30	9,329,792	-	9,329,792	-
Cash and bank balances	20	14,328,310	3,317,838	13,583,631	2,840,572
		49,710,772	21,574,058	54,102,367	27,615,605
Non-current assets held for sale	39	6,143	-	-	-
Total Assets		78,979,982	49,354,982	76,605,288	46,344,429
Equity and Liabilities					
Equity					
Share capital and premium	21	14,027,612	14,027,612	14,027,612	14,027,612
Capital reserves	22	23,276,829	6,588,637	23,276,829	6,588,637
Accumulated loss		(12,443,563)	(23,052,118)	(8,510,164)	(20,620,520)
Equity Attributable to Equity Holders of Parent		24,860,878	(2,435,869)	28,794,277	(4,271)
Non-controlling interest	16.1	(674,572)	(635,304)	-	-
		24,186,306	(3,071,173)	28,794,277	(4,271)
Liabilities					
Non-Current Liabilities					
Borrowings	23	5,860,194	999,908	5,860,194	999,908
Deferred tax	17.3	1,526,319	1,486,995	1,526,319	1,486,995
		7,386,513	2,486,903	7,386,513	2,486,903
Current Liabilities					
Trade and other payables	24	16,240,882	9,929,759	11,552,383	6,343,968
Borrowings	23	30,377,313	39,824,967	28,163,769	37,376,733
Current tax payable	25	788,968	184,526	708,346	141,096
		47,407,163	49,939,252	40,424,498	43,861,797
Total Liabilities		54,793,676	52,426,155	47,811,011	46,348,700
Total Equity and Liabilities		78,979,982	49,354,982	76,605,288	46,344,429

The consolidated and separate financial statements and the notes on pages 17 to 71, were approved by the board of directors on 24 March, 2017 and were signed on its behalf by:


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


Ms Halima Dangote
 Executive Director
 FRC/2017/IODN/00000016365


Mr. Babatunde Oduwaye
 Ag. Group CFO
 FRC/2014/ICAN/00000005598

The accounting policies on pages 17 to 32 and the notes on pages 33 to 67 form an integral part of the consolidated and separate financial statements.

Dangote Flour Mills Plc

Consolidated and separate statement of changes in equity

For the year ended 31 December, 2016

Group	Share capital N '000	Share premium N '000	Total share capital N '000	Capital reserves N '000	Accumulated loss N '000	Total attributable to equity holders of the group N '000	Non-controlling interest N '000	Total equity N '000
Balance at 1 October, 2014	2,500,000	11,527,612	14,027,612	6,588,637	(10,524,972)	10,091,277	(483,145)	9,608,132
Loss for the year	-	-	-	-	(12,527,146)	(12,527,146)	(152,159)	(12,679,305)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive Loss for the year	-	-	-	-	(12,527,146)	(12,527,146)	(152,159)	(12,679,305)
Balance at 1 October, 2015	2,500,000	11,527,612	14,027,612	6,588,637	(23,052,118)	(2,435,869)	(635,304)	(3,071,173)
Profit for the year	-	-	-	-	10,608,555	10,608,555	(39,268)	10,569,287
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	10,608,555	10,608,555	(39,268)	10,569,287
Loan waiver from former parent company	-	-	-	13,974,514	-	13,974,514	-	13,974,514
Fair valuation of parent company loan	-	-	-	2,713,678	-	2,713,678	-	2,713,678
Balance at 31 December, 2016	2,500,000	11,527,612	14,027,612	23,276,829	(12,443,563)	24,860,878	(674,572)	24,186,306
Note(s)	21	21	21	22				

The accounting policies on pages 17 to 32 and the notes on pages 33 to 67 form an integral part of the consolidated and separate financial statements.

Dangote Flour Mills Plc

Consolidated and separate statement of changes in equity

For the year ended 31 December, 2016

Company	Share capital	Share premium	Total share capital	Capital reserves	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	N '000
Balance at 1 October, 2014	2,500,000	11,527,612	14,027,612	6,588,637	(6,541,726)	14,074,523	-	14,074,523
Loss for the year	-	-	-	-	(14,078,794)	(14,078,794)	-	(14,078,794)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive Loss for the year	-	-	-	-	(14,078,794)	(14,078,794)	-	(14,078,794)
Balance at 1 October, 2015	2,500,000	11,527,612	14,027,612	6,588,637	(20,620,520)	(4,271)	-	(4,271)
Profit for the year	-	-	-	-	12,110,356	12,110,356	-	12,110,356
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	12,110,356	12,110,356	-	12,110,356
Loan waiver from former parent company	-	-	-	13,974,514	-	13,974,514	-	13,974,514
Fair valuation of parent company loan	-	-	-	2,713,678	-	2,713,678	-	2,713,678
Balance at 31 December, 2016	2,500,000	11,527,612	14,027,612	23,276,829	(8,510,164)	28,794,277	-	28,794,277
Note(s)	21	21	21	22				

The accounting policies on pages 17 to 32 and the notes on pages 33 to 67 form an integral part of the consolidated and separate financial statements.

Dangote Flour Mills Plc

Consolidated and separate statement of cash flows

For the year ended 31 December, 2016

	Note	Group		Company	
		15 months to 31-Dec 2016 N '000	12 months to 30-Sept 2015 N '000	15 months to 31-Dec 2016 N '000	12 months to 30-Sept 2015 N '000
Cash flows from operating activities					
Cash generated/(used in) from operations	26	8,791,873	(819,232)	7,910,152	(1,144,506)
Finance income		670,662	2,613	667,219	228
Finance costs	26.1	(3,647,053)	(2,731,563)	(3,615,414)	(2,706,951)
Tax (paid)/received	25	(11,536)	(9,319)	213	(8,108)
Net cash generated/(used in) operating activities		5,803,946	(3,557,501)	4,962,170	(3,859,337)
Cash flows from investing activities					
Purchase of property, plant and equipment	15	(4,026,479)	(1,313,463)	(3,662,643)	(849,014)
Proceeds from sale of property, plant and equipment		4,313	2,260	3,803	2,260
Net cash used in investing activities		(4,022,166)	(1,311,203)	(3,658,840)	(846,754)
Cash flows from financing activities					
Repayment of borrowings	23.1	(4,380,447)	(4,545,701)	(4,380,447)	(4,545,701)
Opening of letters of credit		49,528,810	18,770,279	49,528,810	18,770,279
Repayment of letters of credit		(42,280,398)	(20,169,473)	(42,280,398)	(20,169,473)
Proceeds from Tiger borrowings		-	2,800,001	-	2,800,001
Working capital facilities		(1,683,385)	6,210,613	(1,683,385)	6,210,613
Proceeds from Dangote Industries Limited borrowings	22	10,000,000	-	10,000,000	-
Net cash generated from financing activities		11,184,580	3,065,719	11,184,580	3,065,719
Net increase/(decrease) in cash and cash equivalents		12,966,360	(1,802,985)	12,487,910	(1,640,372)
Cash and cash equivalents at the beginning of the year		1,361,950	3,164,935	1,095,721	2,736,093
Total cash and cash equivalents at end of the year	20	14,328,310	1,361,950	13,583,631	1,095,721

The accounting policies on pages 17 to 32 and the notes on pages 33 to 67 form an integral part of the consolidated and separate financial statements.

Dangote Flour Mills Plc

Notes to the consolidated and separate financial statements

For the year ended 31 December, 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 effective February, 2016 with a 75.7% (2015: 10.0%) shareholding is Dangote Industries Limited. The address of its registered office and principal place of business are disclosed in the corporate information. The previous parent company was Tiger Brands Limited, a company listed on the Johannesburg Stock Exchange.

The name change from Tiger Branded Consumer Goods Plc to Dangote Flour Mills Plc was approved at the 10th annual general meeting by the Shareholders of the Group through a special resolution on 7th April 2016 as a result of the change in parent company.

1.2 Nature of operations

The principal activities of Dangote Flour Mills 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, semolina and wheat meal.

1.3 Accounting period

The reporting period covered by the consolidated and separate financial statements is 01 October 2015 to 31 December 2016. The financial year of "The Group" was changed from 30 September to 31 December following a change in the Company's ownership. The financial statements for 2015 covered the period from 01 October 2014 to 30 September 2015.

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 31 December, 2016 by N24.2 billion (In 2015, total group liabilities exceeded total group assets by N3.1 billion). Group current assets exceeded current liabilities as at 31 December, 2016 by N2.3 billion (group current liabilities exceeded current asset as at September 30, 2015 by N28.4 billion). Included in current and non-current liabilities is a loan of N8.1 billion (2015: N11.2 billion) advanced by the parent company. The Group recognised a profit for the 15 months ended 31 December, 2016 of N10.6 billion (2015: N12.5 billion loss) which has resulted in a reduction of the accumulated losses to N12.4 billion at 31 December, 2016 (2015: N23.1 billion).

1.5 Statement of compliance with IFRS

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

Dangote Flour Mills Plc

Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

2 Summary of accounting policies

2.1 Basis of measurement

The 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.

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

The consolidated and separate financial statements are presented in accordance with IAS 1 Presentation of Financial Statements (revised 2007).

2.3 Consolidation

2.3.1 Basis of consolidation

The consolidated and separate financial statements incorporate the 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 consolidated and separate financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the 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.

Dangote Flour Mills Plc

Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

Consolidation (continued)

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.

2.3.2 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 assesses 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.

2.4 Interests in subsidiaries

Company separate financial statements

In the company'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 company; 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.

2.5 Translation of foreign currencies

2.5.1 Functional and presentation currency

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

Dangote Flour Mills Plc

Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

Translation of foreign currencies (continued)

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

2.5.2 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 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.

2.6 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 38.

Dangote Flour Mills Plc

Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

2.7 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 company; 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.

Dangote Flour Mills Plc

Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

2.8 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.

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.

2.9 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.

Dangote Flour Mills Plc

Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

2.10 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.

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.

Dangote Flour Mills Plc

Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

2.10 Financial instruments (continued)

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.

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.

Dangote Flour Mills Plc

Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

2.10 Financial instruments (continued)

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 cyclicity.

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.

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.

Dangote Flour Mills Plc

Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

2.10 Financial instruments (continued)

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.

Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts and interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

2.11 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.

2.12 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.

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2.13 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.

2.14 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.

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2.15 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.

2.16 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.

2.17 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.

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.

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Tax (continued)

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.

2.18 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.

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 on 30th September, 2012.

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.

2.19 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.

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Notes to the consolidated and separate financial statements

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3 Significant judgements and sources of estimation uncertainty

In preparing the consolidated and separate financial statements, management is required to make estimates and assumptions that affect the amounts represented in the 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 consolidated and separate financial statements. Significant judgements include:

3.1 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 17 – Deferred tax.

3.2 Sources of estimation uncertainty

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 Group 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.

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.

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.

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3 Significant judgements and sources of estimation uncertainty (continued)

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.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

The key assumptions below are based on management's experience and expectations. Based on this experience and the well-established brands the Group owns, management considers forecast cash flow periods of five years to be appropriate. This led to no recognition of impairment as all assets are fully utilised based on capacity and partial reversal of the previous impairment charged.

The Group applies a discounted cash flow methodology (value in use) to assess tangible assets for impairment. This methodology entails a calculation of the present value of future cash flows generated by applicable cash-generating units over a period of five years and incorporates a terminal growth rate. These cash flows have been based on the approved budget for the 2017 financial year which include assumptions on profit before interest and tax, depreciation, working capital movements, capital maintenance expenditure, an appropriate discount rate and a terminal growth rate.

The Group has calculated a weighted average cost of capital (WACC) which is utilised as a basis for performing the value-in-use calculation. The discount rate utilised for the purposes of the impairment testing is 19.7% (2015: 17.6%).

In determining the growth rate, consideration is given to the growth potential of the respective CGU. As part of this assessment, a prudent outlook is adopted that mirrors an inflationary increase in line with the consumer price index and real growth expected within the specific market. Based on these factors, the nominal price growth rates applied for the purposes of the impairment testing ranges between 11% and 14%. Volume growth assumptions are based on management's best estimates of known strategies and future plans to grow the business. The terminal growth rate applied on EBITDA is 6%.

The amount of impairment reversal recognised this year of the Flour mothballed plant in Kano based on capacity utilization is N1.05 billion.

In 2015, the amount of the loss recognized was :

- Flour – N1.43 billion - mothballed plant in Kano
- Pasta – N0.68 billion - CGU based on excess capacity
- Noodles – N0.55 billion - CGU based on excess capacity

Following the decision taken in relations to the Noodles business, as disclosed in Notes 39 & 40, the company's management have determined that the consideration of the value in use is no longer relevant in determining the recoverable amount of the PPE in Dangote Noodles Limited. As at the time of approval of these financial statements, it was concluded that the recoverable amount of the fixed assets in that company, will be at least equal to its book value, but as the final sales price is yet to be agreed, and is hence contingent upon future agreement, management considered that no increase in the recoverable amount should be recognised.

Impairment of investment in subsidiaries

For Dangote Pasta Limited, management assessed the investment in its subsidiaries and amounts receivable from subsidiaries by considering the same discounted future cash flows for. This led to no further impairment in Dangote Pasta Limited other than that already recognised in prior years.

The investment in Dangote Noodles Limited was fully impaired in 2015 and management is considering an alternative approach to the operations (please see disclosures in Notes 39 & 40).

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3 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.

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4. New Standards and Interpretations

4.1 Standards and interpretations effective and adopted in the current year

For amendments effective for financial year beginning on or after January 1, 2016, the group has elected to adopt in the current year.

The group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

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

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

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

The group has adopted the amendment for the first time in the 2016 consolidated and separate financial statements.

The impact of the amendment is not material.

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

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

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

The group has adopted the amendment for the first time in the 2016 consolidated and separate financial statements.

The impact of the amendment is not material.

Amendment to IAS 19: Employee Benefits: Annual Improvements project

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

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

The group has adopted the amendment for the first time in the 2016 consolidated and separate financial statements.

The impact of the amendment is not material.

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

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

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

The group has adopted the amendment for the first time in the 2016 consolidated and separate financial statements.

The adoption of this amendment has not had a material impact on the results of the group, but has resulted in more disclosure than would have previously been provided in the consolidated and separate financial statements.

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

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

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

The group has adopted the amendment for the first time in the 2016 consolidated and separate financial statements.

The impact of the amendment is not material.

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

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

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

The group has adopted the amendment for the first time in the 2016 consolidated and separate financial statements.

The impact of the amendment is not material.

4.2 Standards and interpretations in issue but not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 January, 2017 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

The impact of this amendment is currently being assessed.

IFRS 16 Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the group are as follows:

Group as lessee:

- Lessees are required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.

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- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.
- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications.
- Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.
- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

Group as lessor:

- Accounting for leases by lessors remains similar to the provisions of IAS 17 in that leases are classified as either finance leases or operating leases. Lease classification is reassessed only if there has been a modification.
- A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets; and the increase in consideration is commensurate to the stand alone price of the increase in scope.
- If a finance lease is modified, and the modification would not qualify as a separate lease, but the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease. In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 is applied to all other modifications not required to be treated as a separate lease.
- Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. Changes have also been made to the disclosure requirements of leases in the lessor's financial statements.

Sale and leaseback transactions:

- In the event of a sale and leaseback transaction, the requirements of IFRS 15 are applied to consider whether a performance obligation is satisfied to determine whether the transfer of the asset is accounted for as the sale of an asset.
- If the transfer meets the requirements to be recognised as a sale, the seller-lessee must measure the new right-of-use asset at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The buyer-lessor accounts for the purchase by applying applicable standards and for the lease by applying IFRS 16
- If the fair value of consideration for the sale is not equal to the fair value of the asset, then IFRS 16 requires adjustments to be made to the sale proceeds. When the transfer of the asset is not a sale, then the seller-lessee continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. The buyer-lessor recognises a financial asset equal to the transfer proceeds.

The effective date of the standard is for years beginning on or after 1 January, 2019.

The group expects to adopt the standard for the first time in the 2019 consolidated and separate financial statements.

It is unlikely that the standard will have a material impact on the group's consolidated and separate financial statements.

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IFRS 9 Financial Instruments

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

Key requirements of IFRS 9:

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

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

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

The impact of this standard 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

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

IFRS 15 also includes extensive new disclosure requirements.

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

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

It is unlikely that the standard will have a material impact on the group's consolidated and separate financial statements.

Amendments to IAS 7: Disclosure initiative

The amendment requires entities to provide additional disclosures for changes in liabilities arising from financing activities. Specifically, entities are now required to provide disclosure of the following changes in liabilities arising from financing activities:

- changes from financing cash flows;
- changes arising from obtaining or losing control of subsidiaries or other businesses;
- the effect of changes in foreign exchanges;
- changes in fair values; and
- other changes.

The effective date of the amendment is for years beginning on or after 1 January, 2017.

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

The impact of this amendment is currently being assessed.

Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses

In terms of IAS 12 Income Taxes, deferred tax assets are recognised only when it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. The following amendments have been made, which may have an impact on the group:

If tax law restricts the utilisation of losses to deductions against income of a specific type, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type.

Additional guidelines were prescribed for evaluating whether the group will have sufficient taxable profit in future periods. The group is required to compare the deductible temporary differences with future taxable profit that excludes tax deductions resulting from the reversal of those deductible temporary differences. This comparison shows the extent to which the future taxable profit is sufficient for the entity to deduct the amounts resulting from the reversal of those deductible temporary differences.

The amendment also provides that the estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.

The effective date of the amendment is for years beginning on or after 1 January, 2017.

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

The impact of this amendment is currently being assessed.

Dangote Flour Mills Plc

Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

	Group		Company	
	2016 N '000	2015 N '000	2016 N '000	2015 N '000
5. Revenue				
Sale of goods	105,765,324	48,026,674	83,671,078	36,094,021
Analysis of revenue				
Flour	81,690,174	34,303,737	83,671,078	36,094,021
Spaghetti, macaroni and other pasta products	15,672,704	8,366,643	-	-
Noodles	8,402,446	5,356,294	-	-
	105,765,324	48,026,674	83,671,078	36,094,021
6. Cost of sales				
Sale of goods				
Work in progress and raw materials at the beginning of the year	3,388,473	3,093,731	2,776,697	2,360,469
Work in progress and raw materials at the end of the year	(9,277,632)	(3,388,473)	(8,034,164)	(2,776,697)
Engineering spares and other stocks at the beginning of the year	(5,889,159)	(294,742)	(5,257,467)	(416,228)
Purchases	2,570,336	2,473,977	1,406,931	1,692,179
Engineering spares and other stocks at the end of the year	73,945,501	38,211,457	58,100,645	29,745,557
Cost of materials consumed	70,626,678	40,390,692	54,250,109	31,021,508
	(2,869,583)	(2,570,336)	(1,944,042)	(1,406,931)
Direct labour cost	67,757,095	37,820,356	52,306,067	29,614,577
Direct overhead cost	1,750,989	1,080,757	1,125,691	607,646
Other overheads	3,527,861	1,956,736	2,605,663	1,356,629
Depreciation and impairments	843,300	560,563	348,780	254,971
Conversion costs	2,538,371	2,140,208	1,734,371	1,255,643
	8,660,521	5,738,264	5,814,505	3,474,889
Cost of goods produced	76,417,616	43,558,620	58,120,572	33,089,466
7. Other income				
Profit on sale of assets	2,682	-	3,803	-
Deferred income - Bank of Industry (BOI)	44,010	39,571	44,010	39,571
Sundry income	91,102	320,998	7,045	148,495
Haulage Recovery	1,244,656	817,021	1,244,656	817,021
	1,382,450	1,177,590	1,299,514	1,005,087

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Notes to the consolidated and separate financial statements

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	Group		Company	
	2016 N '000	2015 N '000	2016 N '000	2015 N '000
8. Distribution and administrative expenses				
The following items are included within distribution and administrative expenses:				
Auditors remuneration	83,000	72,050	53,000	44,220
Legal and professional fees	232,824	513,482	137,491	121,479
Allowances and other impairments	73,444	563,741	127,489	332,814
Depreciation	450,803	323,205	333,153	320,703
Employee costs	2,111,801	1,260,560	1,311,246	817,710
Other expenses	969,743	805,745	969,743	598,915
Distribution expenses	4,793,988	3,649,106	3,274,201	2,270,336
Selling and marketing expenses	1,561,304	1,489,957	1,033,810	724,125
General expenses	1,522,220	982,234	937,619	717,914
Exchange loss	5,481	115,061	5,481	115,061
Loss on sale of assets	-	13,219	-	13,219
	11,804,608	9,788,360	8,183,233	6,076,496

9. Impairment of assets - Property, plant and equipment, amount due by subsidiaries and investment

Material impairment losses recognised/(reversed)				
Property, plant and equipment - assets not in use	(1,050,659)	2,658,820	(1,050,659)	1,427,291
Impairment of amount due from subsidiaries	-	-	-	4,562,826
Impairment of investment in subsidiary	-	-	-	90,000
	(1,050,659)	2,658,820	(1,050,659)	6,080,117

Refer to the details included in Note 3 Significant judgments and estimates - "Impairment of assets".

10. Profit/(loss) before taxation

Profit/(loss) before taxation for the year is stated after accounting for the following:

Operating lease charges				
Land and buildings	435,552	296,782	336,910	206,734
(Profit)/Loss on sale of property, plant and equipment	(2,682)	13,219	(3,803)	13,219
(Impairment reversal)/impairment on property, plant and equipment	(1,050,659)	2,658,820	(1,050,659)	1,427,291
Impairment on investment in subsidiary	-	-	-	90,000
Impairment on amounts due by group companies	-	-	-	4,562,826
Impairment on trade and other receivables	73,444	563,741	127,489	332,814
Loss on exchange differences	5,481	115,061	5,481	115,061
Depreciation on property, plant and equipment	2,989,174	2,463,413	2,067,524	1,576,346
Auditors remuneration	83,000	72,050	53,000	44,220
Foreign exchange losses on borrowings	3,940,279	1,775,755	3,940,279	1,775,755
Staff costs:				
Employee costs - Note 34	3,862,790	2,341,317	2,436,937	1,425,356
Directors remuneration - Note 35.3	441,647	225,985	337,855	163,915

Dangote Flour Mills Plc

Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

	Group		Company	
	2016 N '000	2015 N '000	2016 N '000	2015 N '000
11. Finance income				
Interest income on bank deposits	670,662	2,613	667,219	228
12. Finance costs				
Long term borrowings	700,523	1,581,978	700,523	1,581,978
Bank and other short term borrowings	2,605,297	1,689,891	2,573,658	1,665,279
Interest on letters of credit	1,581,806	619,661	1,581,806	619,661
	4,887,626	3,891,530	4,855,987	3,866,918

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Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

	Group		Company	
	2016 N '000	2015 N '000	2016 N '000	2015 N '000
13. Taxation				
13.1 Major components of the tax expense				
Current				
Nigerian current taxation	332,939	22,569	304,363	-
Education tax	283,039	-	262,674	-
	615,978	22,569	567,037	-
Deferred				
Originating and reversing temporary differences	633,701	190,528	(1,088,994)	289,378
	1,249,679	213,097	(521,957)	289,378
13.2 Reconciliation of the income tax expense to accounting loss:				
Accounting profit/(loss)	11,818,966	(12,466,208)	11,588,399	(13,789,416)
Tax at the applicable tax rate of 30% (2015: 30%)	3,545,690	(3,739,862)	3,476,520	(4,136,825)
Tax effect of adjustments on taxable income				
Effect of income that is exempt from taxation	-	(93,595)	-	(93,595)
Effect of expenses that are not deductible in determining taxable profit	608,874	68,959	582,630	50,632
Effect of investment allowance	(152,826)	-	(143,544)	-
Effect of unused tax losses or tax offsets not recognised as deferred tax assets:				
- Unused tax losses of current year	42,094	2,058,204	-	1,855,113
- Unused tax losses of prior years (previously recognised)	-	202,823	-	202,823
- Unutilised capital allowances	274,464	865,850	-	563,050
- Impairment losses on PPE	-	797,646	-	428,187
- Impairment losses on amounts due by subsidiaries	-	-	-	1,368,848
- Impairment losses on investment in subsidiary	-	-	-	27,000
- Temporary differences on provisions	2,405	-	-	-
Effect of previously derecognised deferred tax assets now recognised:				
- Previously derecognised unused tax losses	(2,486,123)	-	(2,486,123)	-
- Previously derecognised unused capital allowances	(563,050)	-	(563,050)	-
- Impairment losses on amounts due by subsidiaries	-	-	(1,368,848)	-
Effect of different tax rates applied:				
- Due to minimum tax provisions	344,365	22,641	315,789	-
Prior year under(over) provision	(272,023)	-	(298,813)	-
Effect of reversal of PPE impairment	(315,198)	-	(315,198)	-
Effect of Tertiary Education Tax	283,038	-	262,674	-
Effect of change in accounting date	(50,606)	-	27,431	-
Others	(11,425)	30,431	(11,425)	24,145
Income tax expense recognised in profit or loss	1,249,679	213,097	(521,957)	289,378

The charges for taxation in these financial statements were based on the provisions of the Companies Income Taxation Act, CAP C21, LFN 2004 as amended and the Education Tax Act, CAP E4, LFN, 2004.

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Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

	Group		Company	
	2016 N '000	2015 N '000	2016 N '000	2015 N '000
14. Earnings/(Loss) per share				
14.1 Earnings/(Loss) per share				
Basic earnings/(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 year.				
Basic earnings/(loss) per share				
From continuing operations (kobo per share)	212.00	(251.00)	242.00	(282.00)
Total comprehensive profit or loss for the year attributable to ordinary shareholders				
Continuing operations (N'000)	10,608,555	(12,527,146)	12,110,356	(14,078,794)
Weighted average number of ordinary shares (million)	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.

Dangote Flour Mills Plc

Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

15. Property, plant and equipment

Group

	Leasehold land and buildings N'000	Plant, vehicles and equipment N'000	Computer and office equipment N'000	Assets under construction N'000	Total N'000
Cost					
At 1 October, 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 30 September, 2015	6,980,203	31,234,280	924,704	1,017,797	40,156,984
Additions	10,832	2,437,602	55,229	1,522,816	4,026,479
Disposals	-	(49,464)	-	-	(49,464)
Transfers	24,981	2,004,207	-	(2,029,188)	-
Adjustments	-	208,016	(126,925)	(169,292)	(88,201)
Impairment reversal	386,882	2,706,388	19,924	22,381	3,135,575
Transfer to held for sale	-	(516,718)	-	-	(516,718)
Balance at 31 December, 2016	7,402,898	38,024,311	872,932	364,514	46,664,655
Accumulated depreciation and impairment					
At 1 October, 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 30 September, 2015	958,842	15,563,550	607,519	-	17,129,911
Depreciation	176,070	2,728,192	84,912	-	2,989,174
Disposals	-	(47,833)	-	-	(47,833)
Adjustments	2,906	26,308	(113,744)	-	(84,530)
Impairment reversal	91,984	1,973,235	19,696	-	2,084,915
Transfer to held for sale	-	(510,575)	-	-	(510,575)
Balance at 31 December, 2016	1,229,802	19,732,877	598,383	-	21,561,062
Carrying amount					
Balance at 30 September, 2015	6,021,361	15,670,730	317,185	1,017,797	23,027,073
Balance at 31 December, 2016	6,173,096	18,291,434	274,549	364,514	25,103,593

During the year ended 31 December, 2016, reversal of prior year impairment in relation to the property, plant and equipment of Dangote Flour Mills Plc of N1.05 billion was reported. The write back of the assets are based on the production capacity and utilization of the asset.

Based on the capacity utilization and volume projection over five years no new impairment charge for the group's property, plant and equipment of Dangote Flour Mills Plc, Dangote Pasta and Dangote Noodles of Nil, Nil and Nil (2015: N1.43 billion, N0.68 billion, N0.55 billion) respectively were reported.

Dangote Flour Mills Plc

Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

15. Property, plant and equipment (continued)

Company

	Leasehold land and buildings N'000	Plant, vehicles and equipment N'000	Computer and office equipment N'000	Assets under construction N'000	Total N'000
Cost					
At 1 October, 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	(386,882)	(4,463,762)	(19,923)	(22,381)	(4,892,948)
Balance at 30 September, 2015	5,316,942	17,976,911	598,512	622,627	24,514,992
Additions	5,897	2,119,487	34,571	1,502,688	3,662,643
Disposals	-	(31,599)	-	-	(31,599)
Transfers	24,981	1,793,157	-	(1,818,138)	-
Intercompany Transfers	-	441,023	-	-	441,023
Impairment reversal	386,882	2,706,388	19,924	22,381	3,135,575
Balance at 31 December, 2016	5,734,702	25,005,367	653,007	329,558	31,722,634
Accumulated depreciation and impairment					
At 1 October, 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	(91,984)	(3,353,977)	(19,696)	-	(3,465,657)
Balance at 30 September, 2015	643,790	9,805,421	373,793	-	10,823,004
Depreciation	142,746	1,852,192	72,586	-	2,067,524
Disposals	-	(31,599)	-	-	(31,599)
Intercompany Transfers	-	441,023	-	-	441,023
Impairment reversal	91,984	1,973,235	19,696	-	2,084,915
Balance at 31 December, 2016	878,520	14,040,272	466,075	-	15,384,867
Carrying amount					
Balance at 30 September, 2015	4,673,152	8,171,490	224,719	622,627	13,691,988
Balance at 31 December, 2016	4,856,182	10,965,095	186,932	329,558	16,337,767

During the year ended 31 December, 2016, reversal of prior year impairment in relation to the company's property, plant and equipment of Dangote Flour Mills Plc of N1.05 billion was reported. The write back of the assets are based on the production capacity and utilization of the asset.

Based on the capacity utilization and volume projection over five years no new impairment charge for the company's property, plant and equipment of N0 billion (2015: N1.43 billion) respectively was reported.

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For the year ended 31 December, 2016

16. Investment in subsidiaries

Company

Name of company	Place of incorporation and operation	% voting power 2016	% voting power 2015	% holding 2016	% holding 2015	Carrying amount	Carrying amount
						2016	2015
						N'000	N'000
Dangote Noodles Limited	Nigeria	90.00 %	90.00 %	90.00 %	90.00 %	90,000	90,000
Dangote Pasta Limited	Nigeria	99.00 %	99.00 %	99.00 %	99.00 %	2,507,637	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

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

In 2015, the investments were assessed for impairment by evaluating net asset values of the subsidiary companies using cost and income valuation techniques. The fair value measurement took into account the ability of the Group to generate economic benefits from the entities by using their plants and assets in their highest and best use.

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.

16.1 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		Accumulated non-controlling interests	
		2016 %	2015 %	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Dangote Pasta Limited	Dangote Pasta Limited	1	1	2,450	(19,242)	(62,070)	(49,067)
Dangote Noodles Limited	Dangote Noodles Limited	10	10	(41,718)	(132,917)	(612,502)	(586,237)
				(39,268)	(152,159)	(674,572)	(635,304)

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	Group		Company	
	2016 N '000	2015 N '000	2016 N '000	2015 N '000
16.2 Amounts owed by/(to) group companies				
Loans receivable from subsidiaries - Held directly				
Dangote Pasta Limited				
Amount due by subsidiary			19,376,650	18,424,792
Impairment			(5,342,246)	(5,342,246)
			14,034,404	13,082,546
Dangote Noodles Limited				
Amount due by subsidiary			2,444,759	2,559,618
Impairment			(2,559,618)	(2,559,618)
			(114,859)	-
Carrying amount			13,919,545	13,082,546
Reconciliation of provision for impairment of loans to group companies				
Dangote Pasta Limited				
Balance as at 1 October 2015			(3,339,038)	(3,339,038)
Provision for impairment			(2,003,208)	-
Amounts written off as uncollectable			5,342,246	-
			-	(3,339,038)
Dangote Noodles Limited				
Balance as at 1 October 2015			(2,559,618)	(2,559,618)
Amounts written off as uncollectable			2,559,618	-
			-	(2,559,618)

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	Group		Company	
	2016 N '000	2015 N '000	2016 N '000	2015 N '000
17. 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	(1,526,319)	(1,486,995)	(1,526,319)	(1,486,995)
Deferred tax asset	4,159,474	4,753,851	3,657,517	2,529,199
Total net deferred tax asset	2,633,155	3,266,856	2,131,198	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.

17.1 Reconciliation of deferred tax asset/(liability)

Balance at beginning of year:

Deferred tax asset	4,753,851	4,928,320	2,529,199	2,802,518
Deferred tax liability	(1,486,995)	(1,470,936)	(1,486,995)	(1,470,936)
	3,266,856	3,457,384	1,042,204	1,331,582
Temporary differences: deferred tax asset/(liability)	(633,701)	(190,528)	1,088,994	(289,378)
	2,633,155	3,266,856	2,131,198	1,042,204

17.2 Recognition of deferred tax asset

Analysis of deferred tax asset balances:

Property, plant and equipment	1,551,754	1,557,616	-	-
Gratuity	49,512	49,512	-	-
Allowance for bad debt	2,558,208	983,552	3,657,517	703,792
Losses	-	2,163,171	-	1,825,407
	4,159,474	4,753,851	3,657,517	2,529,199

17.3 Analysis of deferred tax liabilities

Property, plant and equipment	1,526,319	1,486,995	1,526,319	1,486,995
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17.4 Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

Unused capital allowances and provision	276,869	-	-	-
Deferred tax on assessed losses	42,094	3,402,794	-	2,486,123
	318,963	3,402,794	-	2,486,123

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	Group		Company	
	2016 N '000	2015 N '000	2016 N '000	2015 N '000
18. Inventories				
Raw materials	7,753,343	3,015,421	6,650,245	2,730,435
Finished goods	229,402	564,400	29,243	238,362
Engineering spares and other stock	2,846,773	2,197,938	1,944,044	1,230,860
Total inventories	10,829,518	5,777,759	8,623,532	4,199,657
Inventories write-downs (slow moving)	(44,889)	(38,889)	-	(16,028)
	10,784,629	5,738,870	8,623,532	4,183,629

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

Group - The amount of write-down of inventories recognised as an expense is N44.9 million (2015: N39 million). This expense is included in cost of sales. Inventory recognised as an expenses during the period totalled N66.6 billion (2015: N37.8 billion) - See Note 6.

Company - The amount of write-down of inventories recognised as an expense is Nil (2015: N16 million). This expense is included in cost of sales. Inventory recognised as an expenses during the period totalled N52.3 billion (2015: N29.6 billion) - See Note 6.

19. Trade and other receivables

Trade receivables	12,486,726	10,169,754	10,112,046	8,323,287
Staff debtors	116,660	69,685	97,171	63,728
Prepayments	191,321	553,740	167,841	470,726
Supplier advance	2,036,699	1,072,065	1,654,381	596,924
VAT receivable	117,908	52,459	-	-
Other receivables	1,972,454	552,849	62,653	93,637
Total trade and other receivables	16,921,768	12,470,552	12,094,092	9,548,302
Impairment allowance: Trade receivables	(6,802,193)	(6,731,238)	(5,805,962)	(5,680,962)
Impairment allowance: Other receivables	(639,406)	(636,917)	(639,406)	(636,917)
Net trade and other receivables	9,480,169	5,102,397	5,648,724	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.

Before accepting a new customer the Group and the Company 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.

Supplier advances represent various advances made for the purchase of materials and spare parts which were not received at the year end.

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Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

	Group		Company	
	2016 N '000	2015 N '000	2016 N '000	2015 N '000
19. Trade and other receivables (continued)				
19.1 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:				
31 to 60 days	2,772,711	3,074,630	1,464,248	2,306,480
61 - 90 days	209,283	73,696	94,839	48,877
91 - 180 days	111,457	63,544	43,138	60,322
Over 180 days	-	226,646	-	226,646
	3,093,451	3,438,516	1,602,225	2,642,325

19.2 Trade receivables impaired (ageing)

The ageing of impaired trade receivables is as follows:

Current to 60 days	45,000	48,722	45,000	-
61 - 90 days	5,000	23,155	5,000	-
91 - 180 days	15,000	29,867	15,000	26,803
181 - 365 days	60,000	76,870	60,000	-
Over 365 days	6,677,193	6,552,624	5,680,962	5,654,159
	6,802,193	6,731,238	5,805,962	5,680,962

19.3 Impairment allowance (Trade and other receivables)

Balance as at 1 October 2015	7,368,155	6,804,416	6,317,879	5,985,065
Raised during the year	73,444	563,739	127,489	332,814
	7,441,599	7,368,155	6,445,368	6,317,879

Allowance is made when there is objective evidence that the Company 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 N98 million (2015: N105 million) provided by Dangote Industries Limited and hence not provided for.

19.4 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	1,847,132	466,462	1,210,442	333,405
Company B	435,746	355,938	280,499	231,866
Company C	331,995	291,631	205,660	188,943
	2,614,873	1,114,031	1,696,601	754,214

These balances are recent and the accounts are active hence no provision applied

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For the year ended 31 December, 2016

	Group		Company	
	2016 N '000	2015 N '000	2016 N '000	2015 N '000
20. Cash and bank balances				
Cash and bank balances consist of:				
Cash and bank balances	9,379,466	3,317,838	8,634,787	2,840,572
Short-term deposits	4,948,844	-	4,948,844	-
Bank overdraft	14,328,310	3,317,838 (1,955,888)	13,583,631	2,840,572 (1,744,851)
Cash and cash equivalents	14,328,310	1,361,950	13,583,631	1,095,721

21. Share capital and premium

Authorised				
6,000,000,000 ordinary shares of 50k each	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
Share premium	11,527,612	11,527,612	11,527,612	11,527,612
	14,027,612	14,027,612	14,027,612	14,027,612

22. Capital reserves

In February 2016, Dangote Industries Limited took over the shareholding of Tiger Brands Limited in Dangote Flour Mills Plc. The share purchase agreement (SPA) provided among others that the loans owed to Tiger Brands Limited and Stanbic IBTC will be extinguished by way of debt forgiveness and a N10.0 billion injected into the business in the form of a convertible (at lender's option) shareholders' loan.

The result of the exercise is the N13.9 billion loan waiver from former parent company.

The N10.0 billion loan was injected at 10% interest rate (with a 12 months moratorium period and 4years repayment plan as set out in the agreement) hence the need to fair value the loan at market rate. This gave rise to the N2.7 billion treated as contribution to equity - N850m recognised as part of finance cost and the balance of N1.85 billion used to reduce value of DIL Loan.

Balance as at 1 October, 2015	6,588,637	6,588,637	6,588,637	6,588,637
Loan waiver from former parent company	13,974,514	-	13,974,514	-
Fair valuation of parent company loan	2,713,678	-	2,713,678	-
	23,276,829	6,588,637	23,276,829	6,588,637

23. Borrowings

Held at amortised cost

Bank overdraft	-	1,955,888	-	1,744,851
Term borrowings	36,237,507	38,868,987	34,023,963	36,631,790
	36,237,507	40,824,875	34,023,963	38,376,641

Included in the term borrowings is N609 million (2015: N1.2 billion) Bank of Industry loan secured against existing shared debenture over the fixed and floating assets of Dangote Flour Mills Plc.

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	Group		Company	
	2016 N '000	2015 N '000	2016 N '000	2015 N '000
23. Borrowings (continued)				
Non-current liabilities				
At amortised cost	5,860,194	999,908	5,860,194	999,908
Current liabilities				
At amortised cost	30,377,313	39,824,967	28,163,769	37,376,733
	36,237,507	40,824,875	34,023,963	38,376,641
23.1 Term borrowings				
Balance at the beginning of the year	4,989,203	9,534,904	4,989,203	9,534,904
Long term portion of DIL (SPA) loan - Note 22	5,418,105	-	5,418,105	-
Repayment	(4,380,447)	(4,545,701)	(4,380,447)	(4,545,701)
Balance at end of the year	6,026,861	4,989,203	6,026,861	4,989,203
Long term portion	5,860,194	999,908	5,860,194	999,908
Short term portion	166,667	3,989,295	166,667	3,989,295
23.2 Short term borrowings (Current)				
Unsecured loans - Note 23.3	352,885	321,165	-	-
Amount due to related parties - Note 28.1	9,673,577	16,719,170	7,812,918	14,803,138
Letters of credit for wheat purchases	20,184,184	10,628,836	20,184,184	10,628,836
Short term portion of long term loans	166,667	3,989,295	166,667	3,989,295
Working capital facility	-	6,210,613	-	6,210,613
Bank overdraft - Note 20	-	1,955,888	-	1,744,851
	30,377,313	39,824,967	28,163,769	37,376,733
23.3 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.				
23.4 Foreign exchange losses				
Currency devaluation impact of N3.9 billion (2015: N1.8 million) recognised in the statement of profit or loss as an abnormal item represents:				
<ul style="list-style-type: none"> Foreign exchange losses impact on open LCs - N5.4 billion (2015: N2.2 billion) Revaluation gain on Tiger loan - N1.5 billion (2015: N427 million). 				

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For the year ended 31 December, 2016

	Group		Company	
	2016 N '000	2015 N '000	2016 N '000	2015 N '000
24. Trade and other payables				
Trade payables	1,563,337	906,702	224,563	45,760
Customers' deposits	4,352,528	1,494,764	3,622,634	1,101,238
Accrued expenses	6,413,975	4,199,909	4,168,755	2,282,856
Unclaimed dividend	601,753	601,753	601,753	601,753
Withholding tax	230,896	243,241	161,199	142,213
VAT Payable	620,398	448,032	463,954	377,840
Other payables	1,706,255	1,308,147	1,676,242	1,182,746
Pension payable	54,273	30,602	39,542	12,683
Retirement benefits payable	697,467	696,609	593,741	596,879
	16,240,882	9,929,759	11,552,383	6,343,968

24.1 Fair value of trade and other payables

The carrying amount approximates fair value.

24.2 Pension payable

Balance as at 1 October 2015	30,602	57,157	12,683	33,385
Interest accrued	270,986	134,976	96,518	72,791
Benefits paid from the company	(247,315)	(161,531)	(69,659)	(93,493)
	54,273	30,602	39,542	12,683

24.3 Retirement benefit payable

Balance as at 1 October 2015	696,609	719,146	596,879	570,157
Interest accrued	128,170	70,290	116,480	61,016
Benefits paid by the company	(127,312)	(92,827)	(119,618)	(34,294)
	697,467	696,609	593,741	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 N698 million (2015: N697 million) accrued interest at 10%.

The unclaimed dividend value represent 90% of some dividend warrants that have not been presented to the Bank for payment and those returned to the Registrar unclaimed because the addresses have changed or could not be traced. The 10% balance is with the Registrar for disbursement.

25. Current tax payable

Balance at the beginning of the year	184,526	171,276	141,096	149,204
Provisions for the year	615,978	22,569	567,037	-
Payments during the year - Note 27	(11,536)	(9,319)	213	(8,108)
Balance at end of the year	788,968	184,526	708,346	141,096

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	Group		Company	
	2016 N '000	2015 N '000	2016 N '000	2015 N '000
26. Cash generated from/(used in) operations				
Profit/(loss) before taxation	11,818,966	(12,466,208)	11,588,399	(13,789,416)
Adjustments for:				
Depreciation	2,989,174	2,463,413	2,067,524	1,576,346
(Profit)/loss on sale of assets	(2,682)	13,219	(3,803)	13,219
Interest received	(670,662)	(2,613)	(667,219)	(228)
Finance costs	4,887,626	3,891,530	4,855,987	3,866,918
Foreign exchange losses	3,940,279	1,775,755	3,940,279	1,775,755
Impairment (reversal)/loss	(1,050,659)	2,658,820	(1,050,659)	6,080,117
Allowance for trade and other receivables	73,444	563,741	127,489	332,814
Stanbic loan forgiveness by parent company	(716,933)	-	(716,933)	-
Fair valuation of LC	-	109,280	-	109,280
Monthly management fees from Tiger	34,181	215,688	34,181	215,688
Changes in working capital:				
Inventories	(5,045,759)	(309,811)	(4,439,903)	(131,081)
Trade and other receivables	(4,451,216)	394,357	(2,545,790)	862,509
Amount due by group companies	-	-	(836,999)	(1,816,308)
Short term loans receivables	1,627,081	(483,620)	1,281,292	(458,640)
Other financial asset	(9,329,792)	-	(9,329,792)	-
Trade and other payables	4,688,825	357,217	3,606,099	218,521
Total working capital	(12,510,861)	(41,857)	(12,265,093)	(1,324,999)
	8,791,873	(819,232)	7,910,152	(1,144,506)

Significant Non-Cash transactions

26.1 Finance costs paid which are included in Operating Cash flow section of the Cash Flow Statement exclude N1.241 billion (2015: N1.159 billion) interest accrued on the Tiger and DIL borrowings.

27. Tax (paid)/refunded

Balance at beginning of the year	(184,526)	(171,276)	(141,096)	(149,204)
Current tax for the year recognised in profit or loss - Note 13.1	(615,978)	(22,569)	(567,037)	-
Balance at end of the year - Note 25	788,968	184,526	708,346	141,096
Payments during the year	(11,536)	(9,319)	213	(8,108)

Dangote Flour Mills Plc

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	Group		Company	
	2016 N '000	2015 N '000	2016 N '000	2015 N '000
28. Related parties				
28.1 Related party balances				
Short term loans receivable				
Dangote Industries Limited	5,882,777	5,814,268	3,122,404	2,905,488
Dangote Cement Plc	27,045	71,528	-	-
Dangote Textiles Nigeria Limited	51,000	51,000	51,000	51,000
Dangote Foundation	-	57,912	-	-
Dangote Freight Limited	-	13,758	-	-
UAC Foods	-	333,405	-	333,405
Dangote Fisheries Nigeria Limited	1,500	1,500	1,500	1,500
Greenview Development Building	3,311	-	-	-
Deli Foods Limited	-	991,327	-	933,802
DIL Strategic Service	105,951	132,966	105,951	105,951
Impairment allowance	(283,712)	(52,711)	(283,712)	(52,711)
	5,787,872	7,414,953	2,997,143	4,278,435
Amount due to related parties				
Dangote Industries Limited	1,458,540	1,528,170	13,296	13,296
Dangote Cement Plc	1,584,543	493,163	1,447,148	331,997
National Salt Company of Nigeria Plc	29,372	28,763	-	-
Dangote Sugar Refinery Plc	874,688	263,392	806,735	193,869
Dangote Nigeria Limited	68,061	68,061	68,061	68,061
Dangote Transport Nigeria Limited	1,779,602	1,779,602	1,779,602	1,779,602
Greenview Development Nigeria Limited	709,982	815,517	709,982	815,517
Dancom Technologies Limited	204,683	426,763	204,683	293,934
Dangote Agrosacks Limited	203,372	22,677	22,677	22,677
Bluestar Shipping Company	25,269	25,993	25,269	25,993
Dangote Port Operations	17,520	17,520	17,520	17,520
Tiger Brands Limited	-	11,240,672	-	11,240,672
Dangote Industries Limited - Short term portion of SPA	2,717,945	-	2,717,945	-
DIL Strategic Service	-	8,877	-	-
	9,673,577	16,719,170	7,812,918	14,803,138

Dangote Flour Mills Plc

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	Group		Company	
	2016 N '000	2015 N '000	2016 N '000	2015 N '000
28. Related parties (continued)				
28.2 Related party transactions				
Sales of goods to related parties				
Dangote Industries Limited	149,126	75,197	-	-
Dangote Cement Plc	36,859	-	-	-
Dangote Foundation	631,324	145,979	231,232	-
UAC Foods	-	1,289,074	-	1,289,074
Deli Foods Limited	-	1,724,327	-	1,724,327
Purchase of goods and services from related parties				
Dangote Industries Limited	575,216	17,546	-	-
Dangote Cement Plc	1,224,488	-	1,224,488	-
National Salt Company of Nigeria Plc	6,530	1,701	-	-
Dangote Sugar Refinery	510,730	145,697	505,480	133,330
Dangote Freight Limited	28,955	-	-	-
Greenview Development Nigeria Limited	260,434	160,329	260,434	160,329
Dancom Technologies Limited	80,377	98,659	80,377	98,659
Dangote Agrosacks Limited	222,734	415,893	222,734	415,893
Bluestar Shipping Company	363,476	166,535	363,476	1,665,353
Loan from related parties				
Dangote Industries Limited	14,000,000	-	14,000,000	-
Tiger Brands Limited	-	2,800,000	-	2,800,000

- Dangote Industries Limited is the Group's parent company. It provides strategic management services. The amount owed is interest bearing at 10% (Note 22).
- Dangote Cement Plc is a related company under common control by Dangote Industries Limited and provides AGO (Automotive Gas Oil) to Dangote Flour Mills Group.
- Dangote Textiles Nigeria Limited is a related party under common control by Dangote Industries Limited. No transactions were concluded during the period under review.
- Dangote Foundation is a related company under common control by Dangote Industries Limited and buys pasta and noodles products from the Company's subsidiaries.
- Dangote Transport Nigeria Limited and Dangote Freight Limited are related parties under common control by Dangote Industries Limited and provides haulage services to the Company and the Group.
- Greenview Development Nigeria Limited is a related party under common control by 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 by Dangote Industries Limited.
- Dangote Sugar Refinery Plc is a related company under common control by Dangote Industries Limited and provides trucks, power and LPFO (Low Pour Fuel Oil) to some of the Company's mills.
- Dangote Nigeria Ltd is a related party under common control by Dangote Industries Limited.

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28. Related parties (continued)

- Dancom Technologies Limited is a related party under common control by Dangote Industries Limited. They provide the Group with information technology services.
- Dangote Agrosacks Limited is a related party under common control by Dangote Industries Limited and sells packaging materials to Dangote Flour Mills Group.
- Bluestar Shipping Company is a related party under common control by Dangote Industries Limited and provide shipping agency services to Dangote Flour Mills Group.
- Dangote Port Operations is a related company under common control by Dangote Industries Limited and they manage terminals used by the Group for its operations.
- Tiger Brands was the Group's former parent company before the share purchase agreement was effected in February, 2016. The amount was interest bearing at 11.75%.
- Deli Foods Limited used to be a related party under common control of Tiger Brands Limited and buys flour (raw material) from Dangote Flour Mills Plc.
- UAC Foods used to be a related party under common control of Tiger Brands Limited and buys flour (raw material) from Dangote Flour Mills Plc.

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	Group		Company	
	2016 N '000	2015 N '000	2016 N '000	2015 N '000
29. Financial assets by category				
Loans and receivables				
Amount due by group companies	-	-	13,919,545	13,082,546
Short term loans receivables - Note 28.1	5,787,872	7,414,953	2,997,143	4,278,435
Trade and other receivables - Note 19	9,480,169	5,102,397	5,648,724	3,230,423
Other financial asset - Note 30	9,329,792	-	9,329,792	-
Cash and bank balances - Note 20	14,328,310	3,317,838	13,583,631	2,840,572
	38,926,143	15,835,188	45,478,835	23,431,976

30. Other financial asset

The other financial asset is in respect of the deposit for foreign currency forward contracts. The balance represents amounts transferred to the Central Bank of Nigeria (CBN) as deposit for foreign currency to be delivered by CBN at specified future dates and applied in liquidating obligations to foreign suppliers/banks in respect of letters of credit.

31. Financial liabilities by category

Financial liabilities at amortised cost				
Amount due to related parties - Note 28.1	9,673,577	16,719,170	7,812,918	14,803,138
Borrowings - Note 23	36,237,507	38,868,987	34,023,963	36,631,790
Trade and other payables - Note 24	16,240,882	9,929,759	11,552,383	6,343,968
Bank overdraft - Note 23	-	1,955,888	-	1,744,851
	62,151,966	67,473,804	53,389,264	59,523,747

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	Group		Company		
	2016 N '000	2015 N '000	2016 N '000	2015 N '000	
32. Risk management					
32.1 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:					
Total borrowings					
Borrowings	23	36,237,507	38,868,987	34,023,963	36,631,790
Less: Amount due to related parties	23.2	(9,673,577)	(16,719,170)	(7,812,918)	(14,803,138)
		26,563,930	22,149,817	26,211,045	21,828,652
Less: Cash and cash equivalents	20	14,328,310	1,361,950	13,583,631	1,095,721
Net debt		12,235,620	20,787,867	12,627,414	20,732,931
Total equity		24,186,306	(3,071,173)	28,794,277	(4,271)
		36,421,926	17,716,694	41,421,691	20,728,660
Gearing ratio		0.51	(6.77)	0.44	(4,854.35)

32.2 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.

Dangote Flour Mills Plc

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32. Risk management (continued)

32.3 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 19.

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

	Group		Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Financial instrument				
Trade and other receivables	9,480,169	5,102,397	5,648,724	3,230,423
Other financial asset	9,329,792	-	9,329,792	-
Cash and bank balances	14,328,310	3,317,838	13,583,631	2,840,572

32.4 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.

Dangote Flour Mills Plc

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32. Risk management (continued)

32.5 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.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company will be required to pay. The table includes both interest and principal cash flows.

Group

At 31 December, 2016	0-6 months	7-12 months	1-5 years	Over 5 years	Total
	N'000	N'000	N'000	N'000	N'000
Borrowings	21,937,329	8,087,099	6,213,079	-	36,237,507
Trade and other payables	16,240,882	-	-	-	16,240,882

At 30 September, 2015

Borrowings	19,459,735	6,847,507	12,561,745	-	38,868,987
Trade and other payables	9,929,759	-	-	-	9,929,759
Bank overdraft	1,955,888	-	-	-	1,955,888

Company

At 31 December, 2016

Borrowings	21,626,490	6,537,279	5,860,194	-	34,023,963
Trade and other payables	11,552,386	-	-	-	11,552,386

At 30 September, 2015

Borrowings	19,459,735	4,931,475	12,240,580	-	36,631,790
Trade and other payables	6,343,968	-	-	-	6,343,968
Bank overdraft	1,744,851	-	-	-	1,744,851

32.6 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. Some bank loans and the loan from parent company (Dangote Industries Limited) are linked to MPR. The effect of 1% fluctuation in the interest rates on these loans would have an impact of N81 million per annum (2015: N110 million).

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Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

	Group		Company	
	2016 N '000	2015 N '000	2016 N '000	2015 N '000

32. Risk management (continued)

32.7 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

Assets

Foreign currency forward contract (US Dollar)	9,329,792	-	9,329,792	-
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Liabilities

Short term financial liabilities (US Dollar)	20,184,184	10,628,836	20,184,184	10,628,836
Short term financial liabilities (ZAR)	-	11,240,672	=	11,240,672

As at 31 December, 2016, the effect of a 20% (2015: 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 N4.0 billion (2015: N531 million) and in ZAR of Nil (2015: N562 million).

33. 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.

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Notes to the consolidated and separate financial statements

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	Group		Company	
	2016 N '000	2015 N '000	2016 N '000	2015 N '000
34. Employee costs				
The following items are included within employee benefits expense:				
Direct employee costs				
Salaries, wages and other allowances	1,750,989	1,080,757	1,125,691	607,646
Indirect employee costs				
Salaries, wages and other allowances	1,967,715	1,039,052	1,200,479	688,165
Other staff costs				
Medical aid - company contributions	97,256	86,532	76,639	56,754
Post-employment benefits - Pension - Defined contribution plan	46,830	134,976	34,128	72,791
	144,086	221,508	110,767	129,545
Total employee costs				
Direct employee costs	1,750,989	1,080,757	1,125,691	607,646
Indirect employee costs	1,967,715	1,039,052	1,200,479	688,165
Other staff costs	144,086	221,508	110,767	129,545
	3,862,790	2,341,317	2,436,937	1,425,356

34.1 Average number of persons employed during the year was:

	Number	Number	Number	Number
Managerial	53	84	41	51
Senior staff	619	477	427	293
Expatriates	3	9	-	2
Distribution drivers	263	312	263	261
Junior staff	677	507	394	204
	1,615	1,389	1,125	811

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

	Number	Number	Number	Number
Up to N1,000,000	488	513	313	287
N1,000,001 - N2,000,000	585	475	441	297
Above 2,000,000	542	401	371	227
	1,615	1,389	1,125	811

Dangote Flour Mills Plc

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For the year ended 31 December, 2016

35. Remuneration of directors

Remuneration of directors and key management personnel for the year ended 31 December, 2016 was N442 million (2015:N226 million).

35.1 Non-executive

2016

	Board meetings	Other fees	Total
	N'000	N'000	N'000
Mr. Olakunle Alake	3,000	10,520	13,520
Mr. Arnold Ekpe	2,650	13,300	15,950
Mr. Asue Ighodalo	2,900	13,530	16,430
Mrs Yabawa Lawan Wabi mni	1,450	12,800	14,250
	10,000	50,150	60,150

2015

	Board meetings	Other fees	Total
	N'000	N'000	N'000
Alh. Aliko Dangote (GCON)	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

35.2 Directors' interest in share capital

	31 December, 2016		30 September, 2015	
	Number of ordinary shares ('000)	Percentage of issued share capital (%)	Number of ordinary shares ('000)	Percentage of issued share capital (%)
Shareholding				
Olakunle Alake	2,378	0.05 %	2,378	0.05 %

Dangote Flour Mills Plc

Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

	Group		Company	
	2016 N '000	2015 N '000	2016 N '000	2015 N '000
35. Remuneration of directors (continued)				
35.3 Remuneration, other than to employees, for:				
Executive directors				
Salaries and bonuses	217,910	129,547	158,624	92,744
Retirement, medical and other benefits	163,587	88,938	119,081	63,671
Non-executive directors				
Fees	60,150	7,500	60,150	7,500
	441,647	225,985	337,855	163,915

36. Contingencies

As at 31 December, 2016, the contingent liability in respect of the Group was N9.2 billion (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 LC established by the bank of N9.1 billion but not booked as the documentation is not completed while the balance relates to claims made for damages from alleged negligence.

37. Commitments

37.1 Operating leases – as lessee (expense)

Non-cancellable operating lease rentals

- Less than one year	388,284	310,498	289,643	220,450
- One to five years	877,374	955,737	836,420	818,770
	1,265,658	1,266,235	1,126,063	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.

38. 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, confectionery flour and whole wheat
Pasta	Manufactures and sells spaghetti and macaroni
Noodles	Manufactures and sells noodles

Dangote Flour Mills Plc

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For the year ended 31 December, 2016

38. Segment information (continued)

38.1 Segment revenue and results

Transactions within the Group take place at arms length.

Year ended 31 December, 2016

	Flour N'000	Pasta N'000	Noodles N'000	Inter-group N'000	Total N'000
Revenue	83,671,078	15,672,704	8,402,447	(1,980,904)	105,765,325
Cost of sales	(58,120,572)	(13,285,324)	(6,992,625)	1,980,904	(76,417,617)
Gross profit	25,550,506	2,387,380	1,409,822	-	29,347,708
Distribution and administrative expenses	(8,183,233)	(2,075,860)	(1,545,515)	-	(11,804,608)
Other income	1,299,514	56,133	26,803	-	1,382,450
Operating profit/(loss)	18,666,787	367,653	(108,890)	-	18,925,550
Non-recurring items	(2,889,620)	-	-	-	(2,889,620)
Net finance costs	(4,188,768)	3,228	(31,424)	-	(4,216,964)
Profit/(loss) before taxation	11,588,399	370,881	(140,314)	-	11,818,966
Taxation	521,957	(125,919)	(276,869)	(1,368,848)	(1,249,679)
Profit/(loss) after taxation	12,110,356	244,962	(417,183)	(1,368,848)	10,569,287
Profit/(loss) for the year	12,110,356	244,962	(417,183)	(1,368,848)	10,569,287

Year ended 30 September, 2015

	Flour N'000	Pasta N'000	Noodles N'000	Inter-group N'000	Total N'000
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	(6,076,496)	(1,789,839)	(1,922,025)	-	(9,788,360)
Other income	1,005,087	108,645	63,858	-	1,177,590
Operating loss	(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	(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	(14,078,794)	(1,924,166)	(1,329,171)	4,652,826	(12,679,305)
Loss for the year	(14,078,794)	(1,924,166)	(1,329,171)	4,652,826	(12,679,305)

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Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

38. Segment information (continued)

38.2 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

	Flour N'000	Pasta N'000	Noodles N'000	Inter-group N'000	Total N'000
Year ended 31 December, 2016					
Total assets	76,605,288	20,441,050	1,955,389	(20,021,745)	78,979,982
Total liabilities	47,811,011	17,534,436	5,572,894	(16,124,665)	54,793,676
Year 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

38.3 Other segment information

	Flour N'000	Pasta N'000	Noodles N'000	Total N'000
Year ended 31 December, 2016				
Depreciation	2,067,524	838,755	82,895	2,989,174
Additions to non-current assets	3,662,643	310,413	53,423	4,026,479
Impairment	1,050,659	-	-	1,050,659
Year ended 30 September, 2015				
Depreciation	1,576,346	749,086	137,981	2,463,413
Additions to non-current assets	849,014	282,732	181,717	1,313,463
Impairment	(1,427,291)	(678,584)	(552,945)	(2,658,820)

38.4 Revenue from major products and services

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

Products	Flour N'000	Pasta N'000	Noodles N'000	Inter-group N'000	Total N'000
Year ended 31 December, 2016	83,671,078	15,672,704	8,402,447	(1,980,904)	105,765,325
Year ended September 30, 2015	36,094,021	8,366,643	5,356,294	(1,790,284)	48,026,674

38.5 Information about major customers

	2016		2015	
	%	N'000	%	N'000
Customer A	5 %	5,095,947	4 %	3,956,849
Customer B	3 %	3,269,512	2 %	2,596,890
Customer C	2 %	1,952,282	2 %	1,969,589
Total		10,317,741		8,523,328

Dangote Flour Mills Plc

Notes to the consolidated and separate financial statements

For the year ended 31 December, 2016

38. Segment information (continued)

The revenue from the top three major customer A,B, and C was derived in the manufacturing of bread flour,confectionery flour, pasta and semolina.

39. Non-current assets held for sale

Management decided in October 2016 to sell the plant and machinery in Dangote Noodles Limited, and commenced the process to identify and approach a private buyer. Management is committed to a sale within the next 12 months through negotiation which is already at an advanced stage with the final fee yet to be agreed. Production is currently continuing, pending conclusion of the sale agreement, which will determine inter alia the date of sale of the assets, and hence the date by which production will be required to cease.

The decision by the management led to the reclassification of the lower of net book value and net realisable value of the asset held for sale. There is no expectation that the realisable value will be less than the book value of the machinery and therefore no gain or loss on sale has been recognized in the financial statements.

The value of the plant and machinery held for sale as at 31st December, 2016 are set out below:

Net assets of Dangote Noodles Limited classified as held for sale

Non-current assets held for sale

Property, plant and equipment	6,143	-	-	-
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40. Events after the reporting period

Following the expected sale of the plant and machinery of Dangote Noodles Limited referred to in Note 39, management have decided to halt the Noodles operations after sales negotiations are concluded and a date of transfer of assets agreed. As such it is expected that the results of the Noodles business in 2017 will be classified as discontinued, Had the decision to cease operations been taken prior to the year end, the results of the Noodles business, as disclosed in Note 38.1 would have been excluded from group profit and loss account and included separate as discontinued activities in a line item Profit from discontinued activities.

There are no other significant events arising since the end of the reporting period that could have a material effect on the financial statements of the Company , that have not been adequately provided for or disclosed elsewhere in the financial statements.

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Value added statement

For the year ended 31 December, 2016

	2016 N '000	2016 %	2015 N '000	2015 %
Group				
VALUE ADDED				
Turnover: Local	105,765,324		48,026,674	
Interest received	670,662		2,613	
Other income	1,382,450		1,177,590	
	107,818,436		48,335,856	
Bought - in materials and services	-		-	
- Local	(29,858,689)		(17,592,400)	
- Foreign	(55,451,850)		(32,725,605)	
Total Value Added	22,507,897	100	(1,111,128)	100
VALUE DISTRIBUTED				
To Pay Employees				
Salaries, wages, medical and other benefits	3,862,790		2,341,317	
	3,862,790	17	2,341,317	(211)
To Pay Providers of Capital				
Finance costs	4,887,626		3,891,530	
	4,887,626	22	3,891,530	(350)
To Pay Government				
Income tax	332,939		22,569	
Education tax	283,039		-	
	615,978	3	22,569	(2)
To be retained in the business for expansion and future wealth creation:				
Depreciation	2,989,174		2,463,413	
Impairment on property, plant and equipment	(1,050,659)		2,658,820	
Deferred tax	633,701		190,528	
Non-controlling interest	(39,268)		(152,159)	
Retained income/(loss)	10,608,555		(12,527,146)	
	13,141,503	58	(7,366,544)	663
Total Value Distributed	22,507,897	100	(1,111,128)	100

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.

Dangote Flour Mills Plc

Value added statement

For the year ended 31 December, 2016

	2016 N '000	2016 %	2015 N '000	2015 %
Company				
VALUE ADDED				
Turnover: Local	83,671,078		36,094,021	
Interest received	667,219		228	
Other income	1,299,514		1,005,087	
	85,637,811		36,228,315	
Bought - in materials and services				
- Local	(23,008,899)		(14,907,494)	
- Foreign	(42,730,724)		(27,685,347)	
Total Value Added	19,898,188	100	(5,493,505)	100
VALUE DISTRIBUTED				
To Pay Employees				
Salaries, wages, medical and other benefits	2,436,937		1,425,356	
	2,436,937	12	1,425,356	(26)
To Pay Providers of Capital				
Finance costs	4,855,987		3,866,918	
	4,855,987	25	3,866,918	(70)
To Pay Government				
Income tax	304,363		-	
Education tax	262,674		-	
	567,037	3	-	-
To be retained in the business for expansion and future wealth creation:				
Depreciation	2,067,524		1,576,346	
Impairment on property, plant and equipment	(1,050,659)		1,427,291	
Deferred tax	(1,088,994)		289,378	
Retained income/(loss)	12,110,356		(14,078,794)	
	12,038,227	60	(10,785,779)	196
Total Value Distributed	19,898,188	100	(5,493,505)	100

Value added represents the additional wealth which the Company 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

Five year financial summary

For the year ended 31 December, 2016

	15 months 31 Dec 2016 N '000	12 months 30 Sept 2015 N '000	12 months 30 Sept 2014 N '000	9 months 30 Sept 2013 N '000	12 months 31 Dec 2012 N '000
Group					
NET ASSETS					
Property, plant and equipment	25,103,593	23,027,073	26,342,645	30,002,456	44,048,647
Other long term assets	-	-	-	-	3,894
PPE held for sale	6,143	-	-	-	-
Assets of disposal groups held for sale	-	-	-	17,813,661	-
Net current assets/(liabilities)	2,309,752	(28,365,194)	(15,147,449)	(10,902,689)	(5,548,354)
Deferred tax assets/(liabilities)	27,419,488	(5,338,121)	11,195,196	36,913,428	38,504,187
Provision for liabilities and charges	2,633,155	3,266,856	3,457,384	443,277	(1,233,957)
Liabilities classified as held for sale	-	-	-	(9,603,878)	-
Long term liabilities	(5,860,194)	(999,908)	(5,044,448)	(9,646,302)	(10,692,375)
Total net assets	24,186,306	(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	11,527,612	11,527,612	11,527,612	18,116,249	18,116,249
Capital reserves	23,276,829	6,588,637	6,588,637	-	-
Retained earnings	(12,443,563)	(23,052,118)	(10,524,972)	(4,305,067)	3,627,929
Non-controlling interest	(674,572)	(635,304)	(483,145)	1,795,343	1,079,348
Total equity	24,186,306	(3,071,173)	9,608,132	18,106,525	25,323,526
REVENUE AND PROFIT					
Revenue	105,765,324	48,026,674	41,268,721	29,960,419	41,472,599
Profit/(loss) before taxation	11,818,966	(12,466,208)	(9,285,013)	(8,342,294)	(5,602,972)
Taxation	(1,249,679)	(213,097)	3,006,708	1,577,990	1,258,659
Discontinued operations	-	-	168,797	(452,697)	2,080,977
Non-controlling interest	39,268	152,159	(110,397)	(715,995)	(577,377)
Retained income/(loss) for the year	10,608,555	(12,527,146)	(6,219,905)	(7,932,996)	(2,840,713)
Per share data (kobo per share)					
Earnings/(loss) per share	212	(251)	(124)	(159)	(55)
Net assets per share	329	61	192	362	506

Dangote Flour Mills Plc

Five year financial summary

For the year ended 31 December, 2016

	15 months 31 Dec 2016 N '000	12 months 30 Sept 2015 N '000	12 months 30 Sept 2014 N '000	9 months 30 Sept 2013 N '000	12 months 31 Dec 2012 N '000
Company					
NET ASSETS					
Property, plant and equipment	16,337,767	13,691,988	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 assets/(liabilities)	13,677,869	(16,246,192)	(163,661)	3,539,667	9,613,645
	32,523,273	(46,567)	17,787,389	28,444,355	35,914,749
Deferred tax assets/(liabilities)	2,131,198	1,042,204	1,331,582	(564,228)	(1,824,317)
Provision for liabilities and charges	-	-	-	-	(851,584)
Long term liabilities	(5,860,194)	(999,908)	(5,044,448)	(9,646,302)	(10,524,375)
Total net assets	28,794,277	(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	11,527,612	11,527,612	11,527,612	18,116,249	18,116,249
Capital reserves	23,276,829	6,588,637	6,588,637	-	-
Retained earnings	(8,510,164)	(20,620,520)	(6,541,726)	(2,382,424)	2,098,224
Total equity	28,794,277	(4,271)	14,074,523	18,233,825	22,714,473
REVENUE AND PROFIT					
Revenue	83,671,078	36,094,021	31,704,340	23,079,590	29,859,976
Profit/(loss) before taxation	11,588,399	(13,789,416)	(6,055,112)	(5,647,490)	(4,264,583)
Taxation	521,957	(289,378)	1,895,810	1,166,842	1,126,464
Retained income/(loss) for the year	12,110,356	(14,078,794)	(4,159,302)	(4,480,648)	(3,138,119)
Per share data (kobo per share)					
Earnings/(loss) per share	242	(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 year.

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

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