



FLOUR MILLS PLC  
RC55495



# ANNUAL REPORT 2026



"Driving Sustainable Growth Through  
Operational Excellence."



*Appreciate  
every  
mouthful*



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# STRATEGIC REPORT





# Notice of 17<sup>th</sup> Annual General Meeting

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting (AGM) of Honeywell Flour Mills Plc (the Company) will be held virtually on Wednesday 16<sup>th</sup> September, 2026 at 11.00 a.m. to transact the following business:

## ORDINARY BUSINESS:

1. To lay the Audited Financial Statements for the year ended 31<sup>st</sup> March 2026 and the Reports of the Directors, Auditors and Audit Committee thereon.
2. Declare a Dividend
3. To re-elect the following Directors retiring by rotation:
  - Mr. Omoboyede Olusanya
  - Mr. Anders Kristiansson
  - Mr. Sadiq Usman
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To disclose the remuneration of Managers of the Company.
6. To elect members of the Statutory Audit Committee.

## SPECIAL BUSINESS BY ORDINARY RESOLUTION:

7. To consider and if thought fit, pass the following resolution on renewal of the General Mandate for Related Party Transactions as an ordinary resolution of the Company:

**"That, pursuant to Rule 20.8 of the Rulebook of the Nigerian Exchange Limited 2015: Issuers Rule, a general mandate be and is hereby given authorizing the Company to continue to procure goods and services and engage in other transactions that are necessary for its day-to-day operations from its related parties on normal commercial terms consistent with the Company's Transfer Pricing Policy. All transactions falling**

**under this category which were earlier entered into in 2026 prior to the date of this meeting are hereby ratified."**

## VOTING BY INTERESTED PERSONS

In line with the provisions of Rule 20.8(h) Rules Governing Related Party Transactions of Nigerian Exchange Limited, interested persons have undertaken to ensure that their proxies, representatives, or associates shall abstain from voting on resolution 7 above.

8. To approve the remuneration of Non-Executive Directors

## NOTES:

### 1. PROXY

A member of the company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. For the appointment to be valid, a completed and duly stamped proxy form must be deposited at the office of Atlas Registrars Limited, 34 Eric Moore Road, Iganmu, Lagos, P.O. Box 3554, Surulere, not later than 48 hours before the time fixed for the meeting.

A proxy form is attached to the Annual Report and is also available at this URL: <https://bit.ly/4FHG0PT>

### 2. DIVIDEND

The Board recommends a dividend of N0.20 per ordinary share of 50k each. This dividend, if approved, is subject to deduction of appropriate withholding tax.

### 3. DIVIDEND PAYMENT

If approved, the dividend will be received on Thursday, 17<sup>th</sup> September to shareholders whose names appear in the Register of Members at the close of Business on 28<sup>th</sup> August 2026. Shareholders who have completed the e-Mandate Activation Forms will receive a direct credit of the dividend into their bank

accounts on the payment date.

#### 4. CLOSURE OF REGISTER AND TRANSFER BOOKS

NOTICE IS HEREBY GIVEN that the Register of Members and Transfer Books of the Company will be closed from Monday 31<sup>st</sup> August to Friday 4<sup>th</sup> September, 2026, both days inclusive.

#### 5. AUDIT COMMITTEE

In accordance with Section 404(6) of the Companies and Allied Matters Act, 2020, a nomination (in writing) by any member or shareholder for appointment to the Audit Committee should reach the Company Secretary at least 21 days before the Annual General Meeting.

Section 404(5) of the Companies and Allied Matters Act 2020 requires that all members of the Audit Committee should have basic financial literacy, be knowledgeable in internal control processes, and at least one member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. We therefore request that nominations must be accompanied by a copy of the nominee's Curriculum Vitae.

#### 6. UNCLAIMED DIVIDENDS

Shareholders are hereby informed that some dividend warrants have been returned to the Registrars as unclaimed while some have neither been presented to the Banks for payment nor to the Registrars for revalidation. A list of such unclaimed dividends will be circulated with the Annual Reports and Financial Statements and also available at this URL: <https://bit.ly/3TKNmcl>

Affected members are, by this notice, advised to contact the Registrars at Atlas Registrars Limited, 34 Eric Moore Road, Iganmu, Lagos, P.O. Box 3554, Surulere or via email at [registrars@atlasregistrars.com](mailto:registrars@atlasregistrars.com).

#### 7. E-DIVIDEND/BONUS MANDATE

Pursuant to the Directive of the Securities and Exchange Commission, notice is hereby given to all shareholders to open bank accounts, stockbroking

accounts and CSCS accounts for e-dividend/bonus. A detachable application form for e-dividend is attached to the Annual Report and also available at this URL: <https://bit.ly/4yY95yd>

This is to enable shareholders furnish particulars of their accounts to the Registrars as soon as possible. The forms can also be downloaded from the Registrars' website – [www.atlasregistrars.com](http://www.atlasregistrars.com). Shareholders are also advised to update their records with the Registrars using the Data Update Form available at this URL: <https://bit.ly/4z2jicD>

All mandates and record updates should be deposited at Atlas Registrars Limited, 34 Eric Moore Road, Iganmu, Lagos, P.O. Box 3554, Surulere or via email at [registrars@atlasregistrars.com](mailto:registrars@atlasregistrars.com).

#### 8. RIGHT OF SHAREHOLDERS TO ASK QUESTIONS

Pursuant to Rule 19.12 (c) of the Nigerian Exchange Limited's Rule Book 2015, please note that it is the right of every shareholder to ask questions not only at the meeting but also in writing prior to the meeting. We urge that such questions be submitted to the Company Secretariat not later than two weeks before the date of the meeting.

#### 9. ELECTRONIC ANNUAL REPORT:

The soft copy of the 2026 Annual Report will be posted on the Company's website and also sent to our shareholders who have provided their email addresses to the Registrars. Shareholders who are interested in receiving the soft copy of the 2026 Annual Report should request via email to: [registrars@atlasregistrars.com](mailto:registrars@atlasregistrars.com).

#### BY ORDER OF THE BOARD



OSOMOMEN L. OLUKEYA  
COMPANY SECRETARY  
FRC/2022/PRO/NBA/004/451605  
12th August, 2026  
1, Golden Penny Place,  
Wharf Road, Apapa, Lagos.

# Corporate Information

**Board of Directors:**

|                                   |                                                      |
|-----------------------------------|------------------------------------------------------|
| Mr. Omoboyede Oyebolanle Olusanya | - Chairman                                           |
| Mrs. Kate Osamede Iketubosin      | - Vice Chairman /Independent Non-Executive Director  |
| Mr. Nassib Raffoul                | - Managing Director                                  |
| Mr. Olanrewaju Bamidele Jaiyeola  | - Non -Executive Director                            |
| Mr. Anders Lars Kristiansson      | - Non-Executive Director                             |
| Mr. Joseph Odion Umolu            | - Non-Executive Director                             |
| Mr. Sadiq Abubakar Usman          | - Non-Executive Director                             |
| Mrs. Uchenna Ajo                  | - Non-Executive Director (Appointed 29 May 2024)     |
| Mrs. Chinonye Nzewi               | - Non-Executive Director (Appointed 29 October 2024) |

**Registered Office:**

1. Golden Penny Place, Wharf Road, Apapa, Lagos

**Registration Number:**

RC 55495

**Operational Office:****Apapa Factory**

2nd Gate By-pass Tin Can Island Port, Apapa Lagos.

**Sagamu Factory**

Sagamu Inter-Change, Sagamu, Ogun State

**Company Secretary:****Mrs. Osomomen L. Olukoya**

Tel: +234 9088328458

**Company Registrar:****Atlas Registrars Limited**

34, Eric Moore Road, Iganmu, Lagos (Bagco - Building), P.O. Box 3554, Surulere, Lagos

Tel: 2348175425054 +2348108724445

Email: registrars@atlasregistrars.com

**Independent Auditor:****Ernst & Young**

10th Floor, UBA House 57, Marina, Lagos, Nigeria

**Bankers:**

Access Bank Plc  
Ecobank Nigeria Plc  
Fidelity Bank Plc  
First Bank of Nigeria Limited  
Guaranty Trust Bank Limited  
Keystone Bank Limited  
Polaris Bank Limited  
Standard Chartered Bank Nigeria Limited  
Union Bank of Nigeria Plc  
United Bank for Africa Plc  
Zenith Bank Plc

**Tax Identification Number:**

01358728-0001

**FRC Number**

FRC/2013/00000001629

## Our Purpose

We are an essential force within Nigeria's food industry, driven by our resources, expertise, and passion for progress. At the heart of our business is a commitment to nourishing Nigeria through quality, affordable food products that improve everyday lives and unlock human potential.



## Our Values

Our values guide how we operate, make decisions, and engage with stakeholders across our value chain.



## Our Mission

To provide consistently high-quality flour and other wheat-based food products that deliver exceptional value and complete satisfaction to our customers through the dedication of our highly motivated workforce.



## Our Ambition

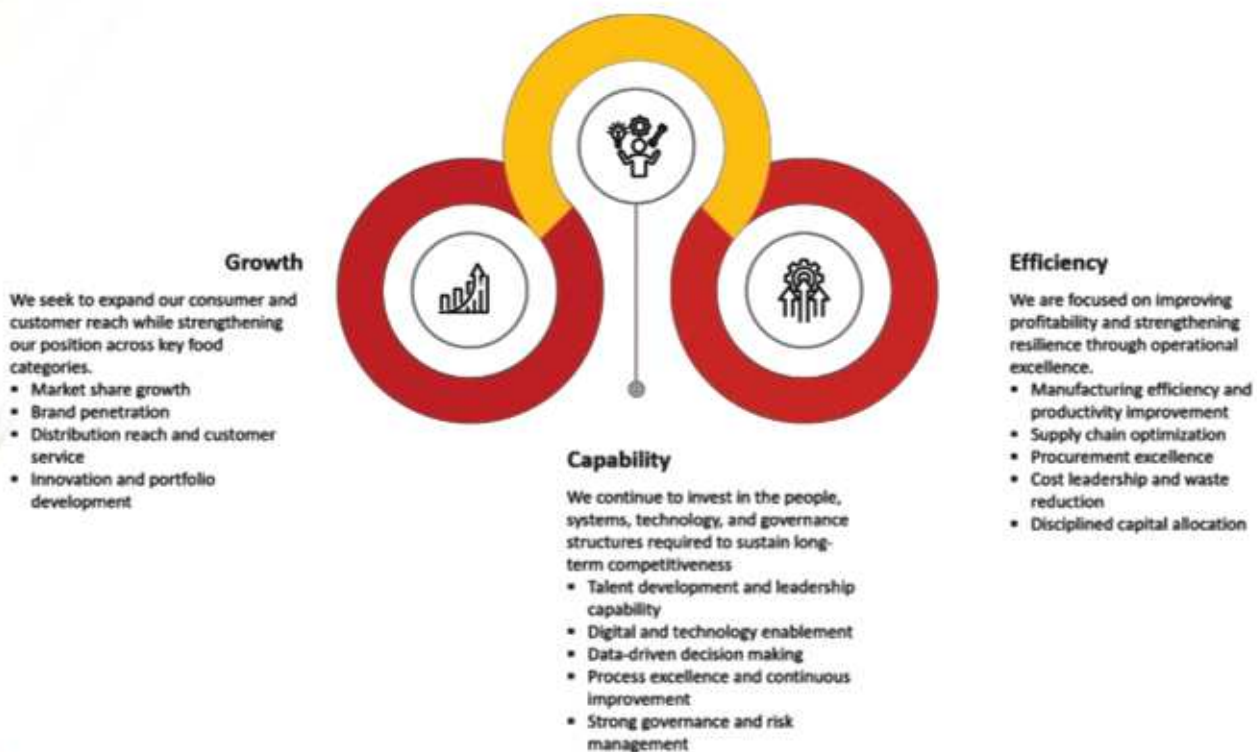
Honeywell Flour Mills Plc is committed to strengthening its position as one of Nigeria's leading food companies by providing trusted, high-quality food products that meet the evolving needs of consumers while delivering sustainable value to shareholders and other stakeholders. With trusted brands, strong manufacturing capabilities, an extensive route-to-market network, and a relentless focus on quality and efficiency, we are well positioned to capitalize on future growth opportunities and deliver sustainable long-term value.

# Our Strategy

Nigeria's growing population, increasing urbanization, and rising demand for packaged foods continue to create significant opportunities within the food sector. At the same time, persistent inflation, foreign exchange volatility, and changing consumer purchasing patterns require businesses to remain agile, efficient, and consumer-focused.

To navigate this environment and create sustainable value, Honeywell Flour Mills Plc executes its strategy through three interconnected pillars:

Together, these strategic pillars enable us to deliver sustainable growth while maintaining our commitment to consumers, customers, employees, communities, and shareholders.





**APPRECIATE  
EVERY MOUTHFUL**





# Our Business:

For more than two decades, Honeywell Flour Mills Plc has been producing quality food products that have become trusted household names across Nigeria.

Since our entry into the flour milling industry in 1998, the Company has built a strong reputation for product quality, consistency, and innovation. Today, our portfolio spans flour, pasta, ball foods, and noodles, serving both commercial and retail consumers across Nigeria.

Our manufacturing footprint comprises strategically located facilities in Apapa and Sagamu, supported by an extensive distribution network that enables us to efficiently deliver high-quality products to consumers nationwide.

## Our Portfolio

### Flour Products

**FY25/26 Revenue: ₦318.0 billion**  
**88% of Revenue**

- Honeywell Superfine Flour
- Honeywell Bakers' Delight Flour
- Honeywell Semolina
- Honeywell Wheatmeal

The categories serve both industrial and retail customers and continues to be recognized for product quality and consistency.

### Pasta Products

**FY25/26 Revenue: ₦35.6 billion**  
**10% of Revenue**

- Honeywell Spaghetti
- Honeywell Spaghettini
- Honeywell Macaroni

The category provides affordable and nutritious meal options for Nigerian consumers and remains an important growth platform for the Company.

### Haulage Services

**FY25/26 Revenue: ₦7.0 billion**  
**2% of Revenue**

- Transportation Services

Our haulage operations support efficient product movement across the value chain while contributing additional revenue and enhancing service delivery capabilities.

# Our Brands:

The Honeywell brand is synonymous with quality, reliability, affordability, and trust. Our portfolio includes some of Nigeria's most recognized food brands across flour, pasta, ball foods, and noodles, serving consumers across different income segments and consumption occasions. Our continued focus on quality, consistency, and consumer satisfaction has enabled Honeywell products to maintain strong customer loyalty and market relevance over many years.

## Flour:

**4** Brands:

Honeywell Superfine Flour,  
Honeywell Bakers' Delight Flour,  
Honeywell Pastry, Honeywell Brown  
Flour



Top 3 market position and  
leader in terms of quality

## Pasta:

**3** Brands:

Honeywell Spaghetti, Honeywell  
Spaghetti Mini and Honeywell  
Macaroni



Top 3 market position

## Ball Foods:

**2** Brands:

Honeywell Semolina and Honeywell  
Whole Wheatmeal



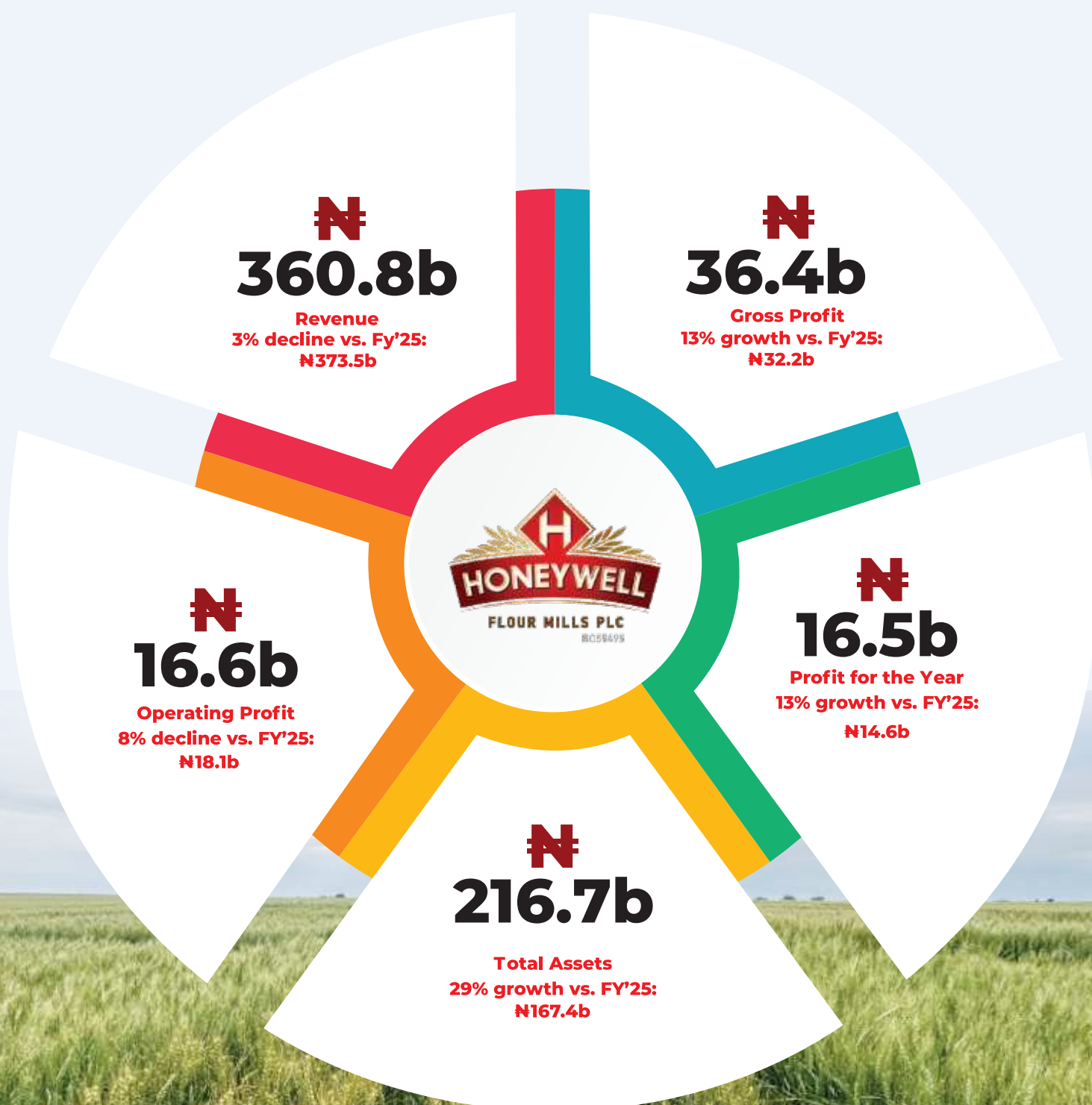
## Noodles:

**1** Brand:

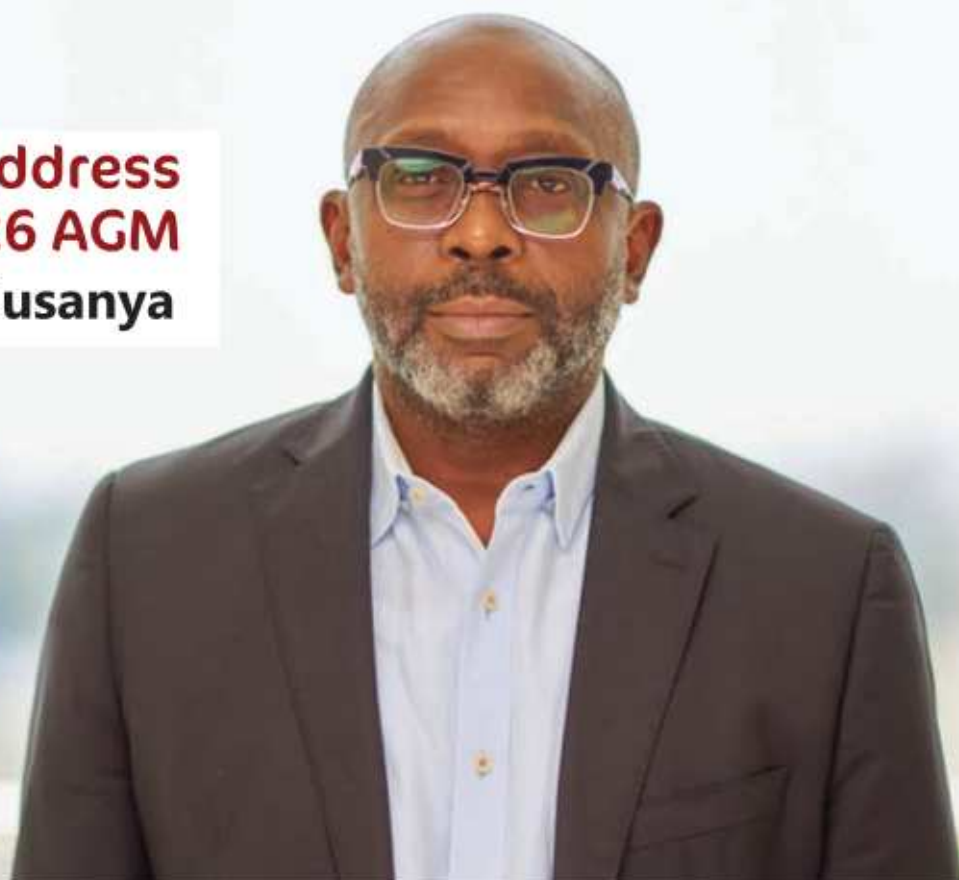
&  
Well recognized.



# Performance Highlights



## Chairman's Address at the 2025/26 AGM Omoboyede Olusanya



### Dear Shareholders,

**T**he 2025/26 financial year was one of resilience, disciplined execution, and strategic repositioning for Honeywell Flour Mills Plc. While the operating environment remained dynamic and consumer spending patterns continued to evolve, your Company demonstrated the strength of its brands, the resilience of its business model, and the effectiveness of its strategic direction.

The Nigerian economy recorded stronger growth during the year, supported by improved foreign exchange liquidity, greater currency stability, moderating inflation, and increased economic activity across key sectors. At the same time, the food industry continued to navigate changing consumer preferences, heightened competition, evolving trade

dynamics, and shifts in affordability patterns. Against this backdrop, we remained focused on what matters most: serving consumers, strengthening our brands, improving execution, and creating sustainable value for shareholders.

Despite these market realities, Honeywell Flour Mills Plc delivered a solid financial performance. Revenue stood at ₦360.8 billion, while Profit Before Tax increased to ₦21.9 billion and Profit After Tax rose by 13% to ₦16.5 billion from ₦14.6 billion. Earnings per share improved to 207.9 kobo, while shareholders' funds increased significantly by 44% to ₦53.9 billion from ₦37.4 billion. Our balance sheet continued to strengthen, reflecting prudent financial management, disciplined capital allocation, and a sustained focus

on long-term value creation.

Importantly, these results were achieved despite significant pressure across several consumer categories. Ball Foods, Pasta, and Noodles experienced varying degrees of volume and competitive pressure driven by affordability challenges, increased availability of lower-cost substitutes, and category-specific products and market dynamics. Rather than viewing these challenges as temporary setbacks, management responded decisively by implementing comprehensive recovery plans focused on product quality, consumer value proposition, distribution expansion, innovation, pricing architecture, and brand revitalization. We believe these actions position the business strongly for future growth.

Our strategic priorities remain anchored on three enduring pillars: Growth, Efficiency, and Capability.

In our consumer business, we continued to strengthen our brands through focused consumer engagement, improved packaging formats, targeted activations, and enhanced customer value propositions. We also accelerated efforts to rebuild momentum in key categories through product relaunches, expanded consumer trials, and deeper market penetration initiatives.

A critical differentiator for our company remains our ability to leverage the extensive route-to-market infrastructure of the FMN Group. Through this platform, our products now reach over 81,000 neighbourhood outlets, 30,000 open-market retailers, more than 2,000 Hotel, Restaurant and Café (HORECA) locations, and modern trade channels nationwide. Supported by a network of warehouses, regional distribution centres, dealer partnerships, and over 450 distribution vehicles, this capability enables us to improve availability, deepen market penetration, and respond more effectively to changing consumer demand.

In our B2B Flour segment, we continued to strengthen customer relationships, expand our bakery-focused initiatives, improve service delivery, and enhance logistics capabilities. Our focus remains on building

long-term partnerships, providing superior customer experience, and creating sustainable competitive advantages through outstanding service, product quality, and operational reliability.

Technology and data analytics continue to play an increasingly important role in our business. We are embedding digital tools, sales automation, and data-driven decision-making into our commercial and operational processes to improve forecasting accuracy, execution effectiveness, customer responsiveness, and overall productivity.

As a Board, we remain committed to maintaining the highest standards of governance, transparency, risk management, and ethical conduct. These principles continue to underpin our decision-making and support the sustainable growth of the Company.

One of the most significant milestones during the year is the Board's recommendation of a dividend of 20 kobo per ordinary share. This represents the first dividend declaration since the Company's integration into the FMN Group and reflects our confidence in the progress made to restore profitability, strengthen the balance sheet, and position the business for long-term growth. While we remain mindful of the need to preserve capital to support ongoing operational recovery

and future strategic opportunities, we believe it is appropriate to share a portion of the value created with our shareholders.

Looking ahead, our priorities are clear. We will continue to accelerate category recovery, strengthen our route-to-market capabilities, deepen consumer engagement, enhance operational efficiency, and leverage technology to improve decision-making and execution. We remain confident that the investments we are making today will strengthen our competitive position and support sustainable growth over the long term.

On behalf of the Board, I would like to express our sincere appreciation to our shareholders for their continued trust and support, our consumers and customers for their loyalty, our employees for their commitment and resilience, and our business partners for their collaboration throughout the year.

Together, we will continue building a stronger Honeywell Flour Mills—one that delivers affordable nutrition, creates sustainable value, and remains well-positioned for future growth.

Thank you.



**Omoboyede Olusanya**  
Chairman

# GOVERNANCE REPORT



## PROFILE OF DIRECTORS



### **MR. OMOBOYEDE OLUSANYA**

Chairman- Non-Executive Director

Transformational business leader with over 25 years of executive leadership experience across the FMCG, Agriculture, Telecommunications, Technology, Energy, Infrastructure, and Financial Services sectors. Currently serves as the Group Chief Executive Officer of FMN Holdings Limited (FMNH), where he is leading the strategic transformation of one of Africa's largest food and agro-allied businesses into a vertically integrated, consumer-centric food and agro-industrial platform.

Recognized for driving large-scale enterprise transformation, strategic growth, operational turnaround, governance redesign, and organizational restructuring across complex institutions operating in dynamic and rapidly evolving environments. Proven track record in leading multi-business platforms, executing strategic acquisitions, strengthening route-to-market capabilities, deepening local content integration, and positioning businesses for long-term value creation and regional expansion.

Experienced in mobilizing strategic partnerships, managing high-level stakeholder relationships, and aligning corporate strategy with broader economic, industrialization, and food security priorities. Has successfully led organizations through periods of disruption, transition, accelerated growth, and strategic repositioning while maintaining operational resilience and commercial performance.

He also plays a significant role in shaping Nigeria's economic and food systems landscape, serving as Vice Chairman of the Nigerian Economic Summit Group (NESG) and as a member of the Presidential Food Systems Coordination Unit. In addition, he serves on multiple corporate boards, providing strategic oversight across diverse industries.

Prior to joining FMN, Boye built a distinguished leadership career across telecommunications, industrials, and private equity. He held senior leadership positions at VMobile (formerly ECONET Wireless), including Deputy CEO and Acting CEO, where he led major transition and transformation initiatives that strengthened the company's strategic positioning and operational performance.

He subsequently served as Managing Director of Dancom Technologies and later as Chief Transformation Officer at Dangote Industries, where he led a group-wide transformation programme focused on organizational redesign, governance enhancement, and operational efficiency across multiple business units.

Boye later served as CEO of 9mobile, where he stabilized the business during a critical transition period and successfully led the company through its sale process. He subsequently joined Helios Investment Partners as Group Operating Partner, where he drove operational optimization, strategic oversight, and technology-enabled transformation initiatives across portfolio companies operating in multiple sectors.



### **MRS. KATE OSAMEDE IKETUBOSIN**

Vice-Chairman-Independent Non-Executive Director

Kate Osamede Iketubosin née Guobadia holds a BSc Hons. degree in Business Administration from the University of Benin and an MBA from the IESE Business School of the University of Navarra, Spain.

Prior to establishing her Consulting Firm, Stern & Kay Consulting Ltd, she worked in the Banking Industry for almost two decades in NAL Merchant Bank Plc, EcoBank Nigeria Plc and National Bank Ltd.

A member of the Institute of Directors (IOD), a member of the Chartered Institute of Personnel Management of Nigeria (CIPMN), among other professional associations, she is a certified trainer on the IFC-GCGF/FITC Bank Leadership Training Program in Sub-Saharan Africa; a credentialed Coach with the International Coaching Federation. She is a Resource Person/Facilitator at the Pan Atlantic University (Lagos Business School), China Europe International Business School (CEIBS), Financial Institutions Training Centre (FITC) and the Chartered Institute of Bankers (CIBN) among other Institutions.

Kate is a Director of Petunia Books Limited and Amazon Investment and Consulting Limited.



### **MR. NASSIB RAFFOUL**

Managing Director- Executive Director

Mr. Raffoul joined Flour Mills of Nigeria Plc (FMN) Group with the acquisition of Nigerian Eagle Flour Mills Ltd in July 2006 where he served as General Manager/Director. Subsequently, he has served in several various managerial capacities as Corporate Customers & Logistics Director (FMN), Managing Director, Golden Sugar Refinery, and Chief Operating Officer for the FMN Agro Allied Division. Prior to joining FMN, Nassib worked in various managerial capacities with the Ideal Group, Glassforce Ltd and Nigerian Eagle Flour Mills Ltd, Ibadan between June 1992 and June 2006. He is currently the Managing Director, Honeywell Flour Mills Plc.

Nassib obtained a Master of Science Degree in Electrical /Computer Engineering from the Faculty of Engineering, AULFG2, Lebanon (1991). He has attended several training programmes with Buhler Uzwil Switzerland; Fenwick, France, University of Cambridge, LBS Lagos, Nigeria. Nassib is a registered member of, Engineering Order Board (Electrical Session) Lebanon and a Lebanese University alumnus.



## MR. OLANREWAJU JAIYEOLA

Non-Executive Director

Lanre holds a Bachelor's degree in Mathematics and Statistics from the University of Ife, Nigeria (now Obafemi Awolowo University) and an MBA in Finance from the University of Lagos. He is a Chartered Accountant; a Fellow of the Institute of Chartered Accountants of Nigeria. He is also an alumnus of the Lagos Business School, Nigeria and INSEAD, Business School, France.

Lanre started his career with Akintola Williams & Co. (now Akintola Williams Deloitte) where he trained as an Auditor and later worked in the service and Finance industries before joining the Honeywell Group in September 1995. His career and business management experience in the company span finance, sales management and manufacturing management.

In January 2014, he rose to become the Managing Director of Honeywell Flour Mills Plc; a position he held until May 2022.

He was nominated one of the top 25 performing CEOs on the Nigerian stock exchange in April 2018.

He is the current Vice Chairman of the Flour Millers Association of Nigeria. He was also the Deputy Coordinator of the Technical Working Group (TWG), Manufacturing & Industrialization sector for the preparation of the Medium-term National Development Plan (2021-2025) and Nigeria Agenda 2050.

Lanre is a patron of both the Nigerian Red Cross Society and the Federal Road Safety Corps of Nigeria.



## MR. ANDERS KRISTIANSSON

Non-Executive Director

Anders Kristiansson started his career with Procter & Gamble (P&G) in Scandinavia and thereafter worked for P&G in South Africa. "He has been a global divisional controller for Eaton Automotive, working in Europe and North America. Thereafter, he came to Africa to oversee Celtel's (today Airtel) finance departments across its African operations.

He moved to Nigeria in 2008 as Group CFO for PZ Cussons Nigeria. He joined Lafarge Africa in 2014 and was an integral part of the transition from Wapco to Lafarge Africa Plc, being a board member of Lafarge Africa Plc, Ashaka Plc and Lafarge South Africa Ltd. He thereafter worked at the corporate level for Lafarge Holcim in Switzerland. He moved back to Nigeria in 2018 as the Group Chief Finance Officer for Flour Mills of Nigeria Plc until December 2025.



### MR. JOSEPH UMOLU

Non-Executive Director

Mr. Joseph Odion Umolu is currently a Board Director as well as the Group Director, Legal Services Company Secretary of Flour Mills of Nigeria Plc (Now known as Golden Penny Foods Limited) with a career in corporate legal practice that cuts across both the private and public sectors and spans over two decades. He is also a Non-Executive Director on the Boards of Honeywell Flour Mills Plc, FMN Agro Limited, FMN Holdings Limited, Bagco Packaging Solutions Limited and Apapa Bulk Terminal Limited.

He holds a Bachelor of Arts Degree in Philosophy from the University of Ibadan and a Law Degree from the University of Lagos. He was called to the Nigerian Bar in October 2000 and subsequently obtained a Master of Laws degree from the University of Lagos.

He commenced his career in Gocuz Chambers as the Managing Counsel before joining the Nigerian Civil Aviation Authority as Senior Legal Officer in 2003. He proceeded to the Legal Department of Union Bank of Nigeria Plc, where he rose to the position of a Manager. Joseph began his career with FMN as Manager of Legal Services in January 2012 and later became Head of Legal Services in 2014. He was appointed the Company Secretary in January 2016 and became Director, Legal Services in 2017.

He is a member of the Nigerian Bar Association (NBA), the Institute of Directors (IOD), the Society for Corporate Governance, Nigeria and a fellow of the Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN) and Chairman of Edo State Oil Palm Programme (ESOPP).



### MR. SADIQ USMAN

Non-Executive Director

Sadiq Usman is currently the Managing Director, FMN Agro Limited and Director, Strategic Engagements & Partnerships, FMN Holdings.

Sadiq is also a Non-Executive Director at Northern Nigeria Flour Mills Plc, a grain processing company. He had initially joined the Group as the Head, Corporate Business Development, and later took up the role of Deputy COO Agro-Allied / Director Backward Integration Programs.

Prior to joining FMN, Sadiq worked with the Central Bank of Nigeria (CBN) as a Special Assistant to the Governor on Economic Development. While at the CBN, he was involved in crisis resolution, banking reform, and policy

development. Sadiq also served as the Secretary to the Bankers' Committee sub-Committee on Economic Development and Sustainability.

Before taking up the role at the CBN, Sadiq was a Vice-President at JPMorgan Chase Bank N.A., where he worked in a variety of roles serving the financing needs of sub-Saharan African Financial and Corporate clients.

Sadiq has a Bachelor's degree in Economics, Business, and Finance from the University of East Anglia, UK. He also has a Master's degree in Development Economics from the School of Oriental and African Studies (SOAS), University of London, UK. He is also a graduate of the Advanced Management and Leadership program at the Said Business School, University of Oxford, UK.



## **MRS. UCHENNA STEPHANIE AJO**

Non-Executive Director

Mrs. Uchenna Stephanie Ajo is currently the Group Human Resources and Services Director for Flour Mills of Nigeria PLC. She has over 21 years' experience in Human Resources Management in the FMCG Sector, of which for the last 14 years has been at Management/Director level.

Until June 2023, she was the Senior Director - Human Resources, Sub-Sahara Africa for Procter & Gamble, a Fortune 500 company and was responsible for overall Human Resources and People strategy across Sub-Saharan Africa. Prior to this role, she was the Director, Compensation & Benefits IMEA where she was responsible for Total Rewards across India, Middle East & Africa.

Mrs. Ajo has experience across different areas of Human Resources including

business partnering to drive organization strategy with leadership team, Talent acquisition and development, executive compensation, and Total Rewards. Since 2013, she has been a key member of a number of Executive Leadership teams across Sub-Sahara Africa.

Mrs. Ajo's passion is in enabling businesses improve productivity and performance via driving team effectiveness and behavioral changes, and over the course of her career, she has received multiple awards in recognition of her breakthrough contributions to the business in these areas.

She is a member of the Chartered Institute of Personnel Management (CIPM). Mrs. Ajo has a first-class degree in Mathematics from the University of Jos.



## **MRS CHINONYE NZEWI**

Non-Executive Director

Chinonye Nzewi is a dynamic corporate finance professional with over two decades experience gained across diverse sectors including financial services, public services, telecommunications, and fast-moving consumer goods.

She holds a Bachelor of Science degree in Accounting from Ambrose Alli University, Ekpoma; a Masters degree in International Management from King's College London; and an Executive MBA from Said Business School, University of Oxford. She is a Fellow of both the Institute of Chartered Accountants of Nigeria and the Association of Chartered Certified Accountants, UK.

Chinonye was Group Treasury & Investor Relations Director at Flour Mills of Nigeria Plc (FMN), and as Head of Treasury and Corporate Finance at Etisalat Nigeria. She was also a founding executive and Chairperson of the FMN Women Network, where she led gender parity initiatives in partnership with external organisations to promote advocacy and diversity.

She serves as a Trustee of MyVision, a charity in Oxfordshire supporting the blind and visually impaired, where she chairs the Finance Committee.



## **MRS. OSOMOMEN L. OLUKOYA**

Company Secretary

Mrs. Osomomen Olukoya, a chartered secretary with over 20 years' experience in corporate legal services, is the Assistant Company Secretary and Head, Legal department of the Flour Mills of Nigeria Plc, (now Golden Penny Food Ltd) providing quality, effective and efficient Legal and Corporate Secretarial services to the group in line with statutory and regulatory requirements and frameworks for the Company and all its subsidiaries, professionally responsible for the formulation of policies and strategic goals of the department.

She was appointed as the Company Secretary of Honeywell Flour Mills Plc following the acquisition therefore providing the same required Legal guidance for both companies and their subsidiaries.

Her professional career began with the Negotiation and Conflict Management Group (which introduced the multi-door courthouse concept to Nigeria), after which she joined Union Bank of Nigeria Plc before subsequently moving to the Dangote Industries Limited.

She holds a Bachelor's degree in law from the University of Ilorin and is a member of the Institute of Chartered

## REPORT OF THE DIRECTORS

The Directors are pleased to present their report on the financial statements of Honeywell Flour Mills Plc for the year ended 31 March 2026.

### 1 Incorporation

Honeywell Flour Mills Plc was originally incorporated as Gateway Honeywell Flour Mills Limited on 21 June 1983. Following a change in the Company's ownership structure, its name was changed to Honeywell Flour Mills Limited in June 1995. The Company was subsequently converted to a public limited liability company in 2008, and its shares were listed on the Nigerian Exchange Limited (NGX) in 2009.

### 2 Principal Activities

The Group and the Company are primarily engaged in the manufacture and marketing of wheat-based products, including flour, semolina, whole wheat meal, noodles, and pasta. They are also involved in the management of Free Trade Zone enterprises.

### 3 Result for the Year

The following is the summary of the company's operating results for the year ended 31 March, 2026.

|                        | Group              |                    | Company            |                    |
|------------------------|--------------------|--------------------|--------------------|--------------------|
|                        | 2026               | 2025               | 2026               | 2025               |
|                        | N'000              | N'000              | N'000              | N'000              |
| Revenue                | <b>360,849,158</b> | <b>373,509,245</b> | <b>355,954,336</b> | <b>373,509,245</b> |
| Profit before taxation | 21,896,202         | 21,199,476         | 22,412,832         | 21,393,008         |
| Taxation               | (5,409,324)        | (6,610,826)        | (2,321,825)        | (6,610,826)        |
| Profit after taxation  | <b>16,486,878</b>  | <b>14,588,650</b>  | <b>20,091,007</b>  | <b>14,782,182</b>  |

There were no material changes to the nature of the Group and Company's business from the prior year.

### 4 Dividend

The Directors have recommended the payment of a dividend of N1.59 billion, representing a dividend of N0.20 per ordinary share of 50 kobo each during the reporting period ended 31 March 2026 (2025: Nil).

### 5 Products Distribution

The Company's products are distributed through many distributors across the Country.

### 6 Suppliers

The Company obtains its materials from overseas and local suppliers. Amongst its main overseas and local suppliers are Star Trading Company Limited, Buhler A.G, First Blend Limited, Vitachem Nigeria Limited, Montizen Limited and Wahum Packaging Limited.

**7 Directors' Shareholding**

The direct and indirect interest of Directors in the Issued Share Capital of the Company as recorded in the Register of Directors' Shareholdings and/or as notified by the Directors for the purposes of Sections 301 and 302 of the Companies and Allied Matters Act (CAMA) 2020 and the listing requirements of Nigerian Exchange Limited are as stated hereunder as at 31 March 2026.

|                             | 2026<br>Direct | 2026<br>Indirect | 2025<br>Direct | 2025<br>Indirect |
|-----------------------------|----------------|------------------|----------------|------------------|
| Mr. Omoboyede Olusanya      | -              | -                | -              | -                |
| Mrs Kate Osamede Iketubosin | -              | -                | -              | -                |
| Mr. Nassib Raffoul          | -              | -                | -              | -                |
| Mr. Olanrewaju Jaiyeola     | 370,000        | -                | 370,000        | -                |
| Mr. Anders Kristiansson     | -              | -                | -              | -                |
| Mr. Joseph Umolu            | -              | -                | -              | -                |
| Mr. Sadiq Usman             | -              | -                | -              | -                |
| Mrs. Uchenna Ajo            | -              | -                | -              | -                |
| Mrs. Chinonye Nzewi         | -              | -                | -              | -                |
|                             | <b>370,000</b> | -                | <b>370,000</b> | -                |

**8 Directors' Interest in Contracts**

None of the Directors have notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act (CAMA) 2020 of any disclosable interest in contracts with which the Company was involved during the year ended 31 March 2026.

**9 Employment and Employees****i). Employment Policy**

It is the Company's policy to ensure non-discrimination in the consideration of all employment applications, including those from persons with disabilities. Notwithstanding this policy, there were no persons with disabilities employed by the Company during the year under review.

**ii). Training and Development**

It is the Company's policy to ensure that all employees are adequately equipped with the skills and knowledge necessary for the effective performance of their roles. The Company regards investment in its workforce as a key component of its strategic development and has consistently maintained a policy of providing training for its staff, both locally and internationally, to enhance their skills and competencies.

**iii). Health and Welfare of Employees**

It is the policy of Honeywell Flour Mills Plc to provide all employees with a safe and healthy working environment, so far as is reasonably practicable, while giving due consideration to its moral, legal, and economic obligations. The Board of Directors acknowledges its responsibility to ensure that all reasonable measures are taken to maintain working conditions that are safe, healthy, and in compliance with applicable statutory requirements and recognized best practices.

The Company provides appropriate Personal Protective Equipment (PPE) to employees in accordance with the nature of their roles, and designated safety officers conduct regular monitoring to ensure compliance with safety standards. Fully equipped medical clinics are maintained across the Company's operational sites, staffed by full-time nurses with regular attendance by a physician. In addition, the Company provides access to free medical services for all employees through a designated healthcare management provider.

The Company is committed to the continuous improvement of its operations to enhance workplace safety. High standards of hygiene are maintained across all premises through established sanitation protocols, regular fumigation exercises, and the deployment of pest and rodent control measures.

Employee welfare is further supported through the provision of canteen facilities at the Apapa and Sagamu locations, which offer nutritionally balanced meals in a conducive environment. These meals are provided free of charge to junior staff and at highly subsidized rates for senior staff.

Employees and stakeholders are encouraged to contribute to the Company's safety culture by expressing their views through the Safety Committee. The Company also provides annual health and safety training to reinforce awareness and compliance.

In line with applicable laws, the Company is committed to equal opportunity in all aspects of employment, including recruitment, hiring, training, promotion, and disciplinary actions, without regard to race, colour, religion, gender, national origin, disability, or any other legally protected status.

## 10 Shareholding Analysis

The shareholding structure of the Company as at 31 March, 2026 is as stated below:

| Share Range |   |           | No. of Holders | % of Holders | No. of Holdings | Holdings |
|-------------|---|-----------|----------------|--------------|-----------------|----------|
| 1           | - | 1,000     | 31,340         | 51.2653      | 16,282,366      | 0.2053   |
| 1,001       | - | 5,000     | 19,035         | 31.1370      | 50,081,618      | 0.6315   |
| 5,001       | - | 10,000    | 4,251          | 6.9537       | 34,448,789      | 0.4344   |
| 10,001      | - | 50,000    | 4,545          | 7.4346       | 107,535,256     | 1.356    |
| 50,001      | - | 100,000   | 862            | 1.4100       | 66,520,693      | 0.8388   |
| 100,001     | - | 500,000   | 898            | 1.4689       | 189,443,701     | 2.3889   |
| 500,001     | - | 1,000,000 | 115            | 0.1881       | 84,941,962      | 1.0711   |
| 1,000,001   | - | Above     | 87             | 0.1423       | 7,380,943,273   | 93.0964  |
|             |   |           | 61,133         | 100          | 7,930,197,658   | 100      |

## 11 Substantial Interest in Shares

According to the register of members, the following shareholders of the Company held at least 5 percent of the Issued Share Capital of the Company as at 31 March 2026:

|                                        | 2026          |       | 2025          |       |
|----------------------------------------|---------------|-------|---------------|-------|
|                                        | Number        | %     | Number        | %     |
| Ecowise Horizons Investments Limited*  | 6,165,683,550 | 77.75 | 3,841,846,799 | 48.45 |
| Siloam Global Services Limited         | 618,000,000   | 7.79  | 618,000,000   | 7.79  |
| Greywise Investment Solutions Limited* | -             | -     | 2,323,836,751 | 29.30 |
|                                        | 6,783,683,550 | 85.54 | 6,783,683,550 | 85.54 |

- Golden Penny Foods Limited (formerly Flour Mills of Nigeria Plc) owns these shares indirectly through Ecowise Horizons Investment Limited (wholly owned companies).
- "Honeywell Flour Mills Plc has a free float percentage of 14.46% as at 31<sup>st</sup> March 2026 and is not fully compliant with the Exchange's free float requirement for companies listed on the main board".

## 12 Donations, Sponsorship and Corporate Social Responsibility

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

The value of gifts and donations made by the Company during the year amounted to Nil (2025: Nil)

## 13 Significant Event During the Year

On October 1, 2025, Honeywell's Management Company, Sagamu FZE commenced operations as an incorporated Free Trade Zone enterprise. In addition, Honeywell Flour Mills Sagamu FZE began operating as a subsidiary of Honeywell Flour Mills Plc, following its restructuring from a division under Honeywell Flour Mills Plc into a stand-alone Free Trade Zone entity. As part of this restructuring, certain assets were transferred from Honeywell Flour Mills Plc to Honeywell Flour Mills Sagamu FZE to support its operations as a subsidiary.

## 14 Property, Plant and Equipment

Information relating to the changes in the items of Property, Plant and Equipment is disclosed in Note 16. In the opinion of the Directors, the market value of the Company's properties is not lower than the value shown in the financial statements.

## 15 Independent Auditor

Messrs Ernst & Young, have indicated their willingness to continue as auditors in accordance with Section 401(2) of the Companies and Allied Matters Act 2020. A resolution will be proposed to authorize the directors to fix their remuneration.

### By Order of the Board



**Osomomen L. Olukoya**  
FRC/2022/PRO/NBA/004/451605  
Company Secretary  
Lagos, Nigeria  
29 May, 2026

## CORPORATE GOVERNANCE REPORT

Honeywell Flour Mills Plc ("HFMP" or "the Company") is committed to the highest standards of corporate governance and best practices. The Company is a member of the Society for Corporate Governance Nigeria and has completed the Corporate Governance Rating System (CGRS) assessment, a joint initiative of the Nigerian Exchange Limited and the Convention on Business Integrity. The Company conducts its business in a fair, ethical, and transparent manner, in compliance with the Code of Corporate Governance issued by the Securities and Exchange Commission and the Financial Reporting Council of Nigeria.

### (i) Board Composition

As at 31 March 2026, the Board comprises a Non-Executive Chairman, six (6) Non-Executive Directors, one (1) Independent Non-Executive Director, and one (1) Executive Director. The Directors bring a high level of competence, expertise, and experience to the Board, and include seasoned professionals and entrepreneurs with strong track records in business management. The Non-Executive Directors are independent of management and are free from any constraints that could materially affect their judgment in discharging their duties.

### (ii) Board Diversity

HFMP recognises the importance of diversity on its Board of Directors and seeks to maintain an appropriate balance of skills, experience, gender, age, culture, and expertise to support the Company's strategic objectives. The Board believes that diversity enhances decision-making and contributes to improved organisational performance. As at the reporting date, the Board has three (3) female Directors, and a female Company Secretary.

### (iii) Role of the Board

The Board is responsible for ensuring the effective governance and management of the Group and the Company. It provides strategic direction and oversight to achieve sustainable long-term value for stakeholders.

### (iv) Record of Directors' Attendance at Meetings

The Board holds regular meetings to consider and determine policy matters, direct the affairs of the Company, review its operations and financial performance, and formulate growth strategies. Board agendas and papers are circulated to Directors in advance of meetings to facilitate informed deliberations.

In accordance with Section 284(2) of the Companies and Allied Matters Act 2020 ("CAMA"), records of Directors' attendance at Board meetings during the year under review are available for inspection at the Group and Company's Corporate Head Office. Details of attendance at Board meetings for the year, in line with corporate governance reporting requirements, are provided below:

| Names of members             | 29-05-25 | 29-07-25 | 29-10-25 | 29-01-26 |
|------------------------------|----------|----------|----------|----------|
| Mr. Boye Olusanya            | Yes      | Yes      | Yes      | Yes      |
| Mr. Nassib Raffoul           | Yes      | Yes      | Yes      | Yes      |
| Mr. Anders Kristiansson      | Yes      | Yes      | Yes      | Yes      |
| Mr. Joseph Umolu             | Yes      | Yes      | Yes      | Yes      |
| Mr. Sadiq Usman              | Yes      | Yes      | Yes      | No       |
| Mr. Olanrewaju Jaiyeola      | Yes      | Yes      | Yes      | Yes      |
| Mrs. Kate Osamede Iketubosin | Yes      | Yes      | Yes      | Yes      |
| Mrs. Uchenna Ajo             | No       | Yes      | Yes      | Yes      |
| Mrs. Chinonye Nzewi          | Yes      | Yes      | Yes      | Yes      |

**(v) Board Changes**

No Directors were appointed to the Board in the year under review (2025:Nil). The details of the directors that held office during the year are as stated above.

**(vi) Committees****a) Statutory Audit Committee**

In compliance with Section 404(3) of the Companies and Allied Matters Act (CAMA) 2020, the shareholders' representatives on the Audit Committee were elected at the Annual General Meeting held on 11<sup>th</sup> December 2025, while the Board representatives were appointed accordingly. The members who served on the Committee during the year under review were as follows:

|                                                                      |             |
|----------------------------------------------------------------------|-------------|
| Mr. Adebayo Adeleke (w.e.f. 11 <sup>th</sup> December, 2025)         | Shareholder |
| Mr. Ademola David Adekanmbi (w.e.f. 11 <sup>th</sup> December, 2025) | Shareholder |
| Mr Mose Ijayekunle                                                   | Shareholder |
| Mrs. Kate Osamede Iketubosin                                         | Director    |
| Mr. Anders Kristiansson                                              | Director    |
| Mr Olalekan Oladepo Adesina                                          |             |
| Mr Musa Ajani                                                        |             |

In the discharge of its responsibilities, the Committee reviews the Company's overall risk management and internal control systems, financial reporting processes, and standards of business conduct. Members of the Audit Committee have direct access to both the Internal Audit function and the Independent Auditors.

The statutory functions of the Committee are as prescribed under Section 404(7) of the Companies and Allied Matters Act, 2020.

Details of attendance at the Committee's meetings during the year are set out below:

|                              | 27-05-25 | 24-07-25 | 24-10-25 | 26-01-26 |
|------------------------------|----------|----------|----------|----------|
| Mr. Adebayo Adeleke          | N/A      | N/A      | N/A      | Yes      |
| Mr. Ademola David Adekanmbi  | N/A      | N/A      | N/A      | Yes      |
| Mr. Moses Ijayekunle         | Yes      | Yes      | Yes      | Yes      |
| Mr. Anders Kristiansson      | Yes      | Yes      | Yes      | No       |
| Mrs. Kate Osamede Iketubosin | Yes      | Yes      | Yes      | Yes      |
| Mr. Olalekan Oladepo Adesina | Yes      | Yes      | Yes      | N/A      |
| Mr. Musa Ajani               | Yes      | Yes      | Yes      | N/A      |

**b) Audit and Risk Management Committee**

The purpose of the Audit and Risk Management Committee is to assist the Board in the effective discharge of its responsibilities by overseeing the Company's overall risk management framework and compliance processes. Details of the members of the Committee during the year are set out below:

Mr Anders Kristiansson  
Mr Olanrewaju Jaiyeola  
Mr Joseph Umolu  
Mr Sadiq Usman  
Mrs Chinonye Nzewi

**Attendance of meetings**

|                         | 26-05-25 | 18-07-25 | 17-10-25 | 30-01-26 |
|-------------------------|----------|----------|----------|----------|
| Mr. Anders Kristiansson | Yes      | Yes      | Yes      | No       |
| Mr. Olanrewaju Jaiyeola | Yes      | Yes      | Yes      | Yes      |
| Mr. Sadiq Usman         | Yes      | Yes      | Yes      | No       |
| Mr. Joseph Umolu        | Yes      | Yes      | Yes      | Yes      |
| Mrs. Chinonye Nzewi     | N/A      | N/A      | N/A      | Yes      |

**c) Remuneration & Governance Committee**

The Remuneration and Governance Committee is authorized to make recommendations to the Board concerning the appointment of both Executive and Non-Executive Directors. The Committee ensures that the evaluation and selection of Board candidates are conducted in a structured, disciplined, and objective manner.

The members of the Remuneration and Governance Committee are:

Mrs Kate Osamede Iketubosin  
Mr. Joseph Umolu  
Mr. Sadiq Usman  
Mrs. Uchenna Ajo

**Attendance of meetings**

|                              | 19-05-25 | 17-07-25 | 16-10-25 | 21- 01-26 |
|------------------------------|----------|----------|----------|-----------|
| Mrs. Kate Osamede Iketubosin | Yes      | Yes      | Yes      | Yes       |
| Mr. Joseph Umolu             | Yes      | Yes      | Yes      | Yes       |
| Mr. Sadiq Usman              | Yes      | Yes      | Yes      | No        |
| Mrs. Uchenna Ajo             | Yes      | Yes      | Yes      | Yes       |

**d) Executive Management Committee**

The Executive Management comprises the Executive Directors and the Heads of Departments of the Company's core business units. It meets on a weekly basis and is responsible for setting overall corporate objectives, reviewing the Company's performance and operational matters, and overseeing the day-to-day management of the Company's affairs.

As at 31 March 2026, the Executive Management comprised the following members:

|                          |                                       |
|--------------------------|---------------------------------------|
| Mr. Nassib Raffoul       | - Managing Director                   |
| Mr. Imran Moid           | - Finance Director                    |
| Mr. Andre Swart          | - General Manager Operations – Tincan |
| Mr. Panos Ramos          | - General Manager Operations – Sagamu |
| Mr. Ayo Akinwande        | - Quality Assurance Manager           |
| Mrs. Bisi Duduyemi       | - Head, Human Resources               |
| Mrs. Osomomen L. Olukoya | - Company Secretary                   |

**(vii) Performance Evaluation of the Board**

The Board has established a structured and rigorous process for the annual evaluation of its performance, as well as that of its Committees, the Chairman, and individual Directors. This evaluation framework incorporates defined criteria, key performance indicators, and measurable targets

applicable to the Board, its Committees, and each Committee member.

#### (viii) Policies

In line with its commitment to best-in-class corporate governance standards, Honeywell Flour Mills Plc has implemented several policies designed to safeguard the interests of its customers and stakeholders. These include:

##### a. Securities Trading Policy

In compliance with Section 14 of the amended Listing Rules of Nigerian Exchange Limited (NGX), the Company has adopted a Securities Trading Policy. During the financial year under review, the Directors and employees adhered to the NGX Rules governing securities transactions, as well as the provisions of the Company's Insider Trading Policy.

##### b. Shareholders' Enquiries and Complaints Management Policy

The Company operates a Complaints Management Policy in accordance with the Investments and Securities Act (ISA), 2025, and the Rules of the Securities and Exchange Commission (SEC) relating to the Complaints Management Framework of the Nigerian Capital Market. During the financial year, all enquiries and complaints received under the Policy were addressed and resolved promptly.

Enquiries and complaints may be directed through the following channels:

##### i. Company Registrar

Atlas Registrars Limited  
34, Eric Moore Road, Iganmu, Surulere, Lagos  
Tel: +234 817 542 5054, +234 810 872 4445  
Email: [registrars@atlasregistrars.com](mailto:registrars@atlasregistrars.com)

##### ii. Company Secretary

Shareholders with unresolved complaints may escalate such matters to:  
Office of the Company Secretary  
1 Golden Penny Place, Wharf Road, Apapa, Lagos  
Email: [oolukoya@fmnplc.com](mailto:oolukoya@fmnplc.com)  
Tel: +234 908 832 8458

##### c. Whistleblowing Policy

Under its whistleblowing framework, the Company encourages employees and external stakeholders, including third parties, to report any observed or suspected incidents of fraud, corruption, or other irregularities. Reports may be made anonymously through an independent helpline, without fear of retaliation.

The Company ensures that the identity of whistleblowers is strictly protected and that all reports are investigated promptly and appropriately. Reports may be submitted via:

Whistleblowing Hotline: 0201 889 2222  
Email: [codeofconduct@fmnplc.com](mailto:codeofconduct@fmnplc.com)

##### d. Quality Policy

The Group is committed to sustaining business excellence by maintaining its leadership in quality within the flour milling industry. This commitment is supported by a robust quality management system designed to ensure that products and services consistently meet international standards and comply with all applicable statutory and regulatory requirements.

Honeywell Flour Mills Plc was the first flour milling company in Nigeria to achieve ISO certification. The Company's processes and procedures align with global best practices to ensure the consistent production of high-quality products and to guarantee customer satisfaction.

The Company leverages state-of-the-art production facilities, supported by technical partnerships with Bühler AG of Switzerland for milling equipment installation and maintenance, and Muhlenchemie of Germany for the supply of additives.

#### **e. Anti-Bribery and Corruption Policy**

The Company is committed to upholding the highest standards of integrity and ethical conduct in all its operations, and maintains a zero-tolerance stance toward fraud, bribery, and corruption in any form.

Recognizing the importance of fairness and transparency in business, the Company actively discourages practices that could undermine operational integrity. This commitment is reflected in its core values, including *integrity*—representing adherence to the highest ethical standards—and *responsibility beyond ourselves*, which underscores its commitment to contributing positively to society.

The Anti-Bribery and Corruption Policy provides a comprehensive framework to reinforce these principles, promote transparency, and safeguard the Company's reputation and stakeholder interests.

#### **f. Others**

In line with the Code of Corporate Governance, Honeywell Flour Mills Plc also has in place other policies which further strengthen its Corporate Governance Structure. They include:

- Conflict of interest & related party transactions policy
- Code of Ethics for employees and the Board of Directors
- Communications policy
- Board appointment policy
- Board remuneration policy
- Internal Control policy
- Robust charters for the Board and Committees
- Orientation & induction program for new Directors

#### **(ix) Statement on Sustainability**

Honeywell Flour Mills Plc is committed to creating and sustaining long-term value for all its stakeholders. The Company continually evaluates the impact of its operations on both its immediate stakeholders and the wider environment, and implements initiatives aimed at promoting sustainable business practices.

The Company's sustainability agenda is guided by two overarching objectives: to generate a positive impact as a responsible corporate citizen and to minimize the environmental footprint of its operations. This agenda integrates both Sustainability and Corporate Social Responsibility (CSR) initiatives and is anchored on four strategic pillars collectively referred to as "HEED":

- Health & Safety
- Education
- Environment
- Driving Economic Growth

The Group's sustainability framework is aligned with the United Nations Sustainable Development Goals (SDGs), with particular focus on:

- **Goal 2:** Zero Hunger
- **Goal 3:** Good Health and Well-being
- **Goal 4:** Quality Education
- **Goal 8:** Decent Work and Economic Growth

Honeywell Flour Mills Plc recognizes that effective leadership and robust governance structures are essential to the successful implementation of its sustainability agenda, as well as the overall growth and resilience of the business. Accordingly, the Board of Directors, in collaboration with Management, is responsible for promoting adherence to sound corporate governance principles and global best practices. The Board also ensures that the Company's operations are conducted in a manner consistent with its sustainability commitments.

#### x. Statement of Compliance with the Nigerian Code of Corporate Governance

Honeywell Flour Mills Plc affirms that to the best of its knowledge, the Company complies with the Nigerian Code of Corporate Governance. Practical demonstration of its compliance is shown by the following steps which have been taken:

| S/N | PARTICULARS                                                                   | REMARKS                                                                                                                                                                                                                                                                                                                         |
|-----|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.  | General Information                                                           | The Company's general Information is as provided for in this Annual Report.                                                                                                                                                                                                                                                     |
| 2.  | Attendance at Board Meetings:<br>Audit Committee and Board Committee meetings | Satisfactory.                                                                                                                                                                                                                                                                                                                   |
| 3.  | Part A-Board of Directors and Officers of the Board:                          | The Board is the ultimate decision-making body of the Company and is responsible for exercising leadership, enterprise, integrity and judgment in its oversight and control of the Company to achieve the Company's continued survival and prosperity;                                                                          |
| 4.  | Principle 1 – Role of the Board                                               | The Company has a Board Charter and Code of Conduct approved by the Board which guides members on the operations of the Board, duties and obligations of members, expected conduct and how to avoid conflict of interest in any business relationship with the Company.                                                         |
| 5.  | Principle 2 – Board Structure and Composition                                 | The Board is comprised of and continues to balance its diverse mix of professionals with the right blend of skills and expertise, including the business, commercial and industry experience needed to govern the Company.                                                                                                      |
| 6.  | Principle 3–Chairman                                                          | The Chairman's roles and responsibilities are clearly defined in the Board Charter, including ensuring the effective operation of the Board such that the Board works as a group towards achieving the Company's strategic objectives. Provide leadership to the Board and ensure its effectiveness in all aspects of its role. |

|     |                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7.  | Principle 4 – Managing Director/Chief Executive Officer | <p>The Managing Director/ Executive Director's roles and responsibilities are clearly defined in the Board Charter, including ensuring that the policies spelt out by the Board in the Company's overall corporate strategy are implemented.</p> <p>The MD is the head of Management assigned with the responsibility of running the affairs of the company to achieve its strategic objectives for sustainable corporate performance.</p> <p>The MD/ Executive Director is equipped with a broad understanding of the Company's business and demonstrates entrepreneurial skills, credibility and integrity, earning the confidence of the Board.</p> |
| 8.  | Principle 5 – Executive Directors                       | <p>The Executive Director's roles and responsibilities are clearly defined in the Board Charter, including proper implementation and achievement of the Company's strategic imperatives, as well as prudent management of the Company's finances and other resources.</p>                                                                                                                                                                                                                                                                                                                                                                              |
| 9.  | Principle 6 – Non-Executive Directors (NED)             | <p>The Non-Executive Directors (NED)'s roles and responsibilities are clearly defined in the Board Charter, including constructive contribution to the development of the Company's strategy.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 10. | Principle 7 – Independent Non-Executive Directors (NED) | <p>The Independent Non-Executive Directors' (NED)'s roles and responsibilities are clearly defined in the Board Charter, including being independent in character and judgment and accordingly being free from such relationships or circumstances with the Company, its management, or substantial shareholders as may, or appear to, impair their ability to make independent judgment.</p> <p>The Independent Non-Executive Directors represent a strong independent voice on the Board and bring a high degree of objectivity to the Board for sustaining stakeholder trust and confidence.</p>                                                    |
| 11. | Principle 8 – Company Secretary                         | <p>The Company Secretary functionally reports to the Board through the Chairman and administratively reports to the MD.</p> <p>The Company Secretary is the Secretary of the Board and guides the Board on its duties and responsibilities and other matters of governance.</p>                                                                                                                                                                                                                                                                                                                                                                        |

|     |                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12. | Principle 9 - Access to Independent Advice        | The Board ensures members obtain external advice, as may be required, at the Company's expense and invites senior management to provide technical advice as needed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 13. | Principle 10 - Meetings of the Board              | <p>The meetings of the Board of Directors are organized optimally to ensure a seamless review of the business of the Board and in fulfilling the strategic objectives of the Company. To effectively perform its oversight function and monitor management's performance, the Board shall meet at least once every quarter.</p> <p>Every Director shall endeavour to attend all Board meetings. The attendance record of Directors shall be among the criteria for the re-election of a Director.</p> <p>Minutes of meetings of the Board and its committees, as a record of what transpired at those meetings, are prepared and sent timeously to Directors.</p> |
| 14. | Principle 11 – Board Committees                   | <p>The Board Committees are structured to ensure the efficiency and effectiveness of the Board.</p> <p>The Board discharges its responsibilities through Board Committees appointed from amongst its members subject to the applicable laws.</p> <p>The Board has constituted the following Committees:</p> <ul style="list-style-type: none"> <li>• Board Audit and Risk Management Committee</li> <li>• Board Remuneration and Governance Committee</li> </ul>                                                                                                                                                                                                  |
| 15. | Principle 12 – Appointment to the Board           | <p>Key parameters considered for effective appointment to the Board include:</p> <ul style="list-style-type: none"> <li>- Integrity, reputation and commitment</li> <li>- Familiarity with the commercial and economic environment.</li> <li>- Regional balancing.</li> <li>- Good network in FMN areas of business</li> </ul>                                                                                                                                                                                                                                                                                                                                    |
| 16. | Principle 13 – Induction and Continuing Education | <p>Effective formal induction and training plans are in place for the Board. Important corporate documents on the Company's profile, history, core values and general business direction are made available to new directors during the induction process.</p> <p>The Board of Directors have an approved annual training plan designed in line with the identified training needs and suggestions of its members.</p>                                                                                                                                                                                                                                            |

|     |                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 17. | Principle 14 and 15 – Board Evaluation and Corporate Governance Evaluation | <p>The Board has established a structured and rigorous process for the annual evaluation of its performance, as well as that of its Committees, the Chairman, and individual Directors.</p> <p>This evaluation framework incorporates defined criteria, key performance indicators, and measurable targets applicable to the Board, its Committees, and each Committee member.</p>                                                                                              |
| 18. | Principle 16 – Remuneration Governance                                     | <p>There is a Board-approved Director's remuneration policy which is regularly reviewed.</p> <p>The applicable allowances paid are listed as follows:</p> <p>Director's Fee- N3,000,000<br/>Board Meeting Sitting Allowance- N500,000<br/>Committee Sitting Allowance:<br/>Chairman: N250,000 (Where Applicable)<br/>Member: N200,000 (Where Applicable)</p>                                                                                                                    |
| 19. | Principle 17 – Risk Management                                             | <p>The Company has a robust Risk Assessment and Management framework and systems in place. The Company's Risk Management Policy is available through the link provided under the Risk Management item of this Corporate Governance Report.</p> <p>The Company has an effective Internal Audit function carried out by its Business Assurance Department and is regularly assessed by an Independent Business Advisory/Assurance firm on the effectiveness of its functions.</p> |
| 20. | Principle 18 – Internal Audit                                              | <p>The Company has an effective and anonymously maintained whistleblowing system that encourages staff and other stakeholders to effectively communicate information helpful in enforcing good corporate governance practices.</p>                                                                                                                                                                                                                                              |
| 21. | Principle 19 – Whistleblowing                                              | <p>The Company has an effective and anonymously maintained whistleblowing system that encourages staff and other stakeholders to effectively communicate information helpful in enforcing good corporate governance practices.</p>                                                                                                                                                                                                                                              |
| 22. | Principle 20 – External Audit                                              | <p>The Company's external professional audit partners are rotated regularly to ensure independence.</p>                                                                                                                                                                                                                                                                                                                                                                         |

|     |                                                 |                                                                                                                                                                                                                                                                                                                                      |
|-----|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 23. | Principle 21 – General Meetings                 | The Company's general meetings are held in line with regulatory requirements and every calendar year, an Annual General Meeting is held in compliance with corporate governance requirements on the issuance of notice of meeting and orderly conduct of all deliberations thereat.                                                  |
| 24. | Principle 22 – Shareholder engagement           | The Board has a stakeholder-inclusive approach and is responsible for giving due consideration to the legitimate interests and expectations of the Company's stakeholders in its deliberations, decisions and actions.                                                                                                               |
| 25. | Principle 23 – Protection of Shareholder rights | <p>The Board recognizes, respects and protects the rights of shareholders and ensures equitable treatment of all shareholders in the same class of issued shares whether minority, institutional or foreign.</p> <p>The Board ensures that adequate and timely information is provided to Shareholders on the Company's affairs.</p> |
| 26. | Principle 24 – Business Conduct and Ethics      | Management continues to monitor compliance with the Group's Code of Conduct and presents regular reports to the Board on same.                                                                                                                                                                                                       |
| 27. | Principle 25 – Ethical Culture                  | The Company has established policies and mechanisms for monitoring insider trading, conflict of interest and related party transactions.                                                                                                                                                                                             |
| 28. | Principle 26 – Sustainability                   | The Board has approved its Sustainability Policy.                                                                                                                                                                                                                                                                                    |
| 29. | Principle 27 – Stakeholder Communication        | The Company has an effective Investor Relations Management team and an Investor Relations page hosted on its website – <a href="http://www.honeywellflour.com">www.honeywellflour.com</a> for updated information about its operations.                                                                                              |
| 30. | Principle 28 - Disclosures                      | The Company has in place an effective system to ensure that due disclosures are made timeously about its operations.                                                                                                                                                                                                                 |



**Osomomen L. Olukoya**  
**Company Secretary**  
**FRC/2022/PRO/NBA/004/451605**

# Financial Statement



## FINANCIAL HIGHLIGHTS

|                                             | Group       |             | Company     |             | %<br>Increase/<br>(decrease) |
|---------------------------------------------|-------------|-------------|-------------|-------------|------------------------------|
|                                             | 2026        | 2025        | 2026        | 2025        |                              |
|                                             | N'000       | N'000       | N'000       | N'000       |                              |
| Major profit or loss items                  |             |             |             |             |                              |
| Revenue                                     | 360,849,158 | 373,509,245 | 355,954,336 | 373,509,245 | (3)                          |
| Profit before taxation                      | 21,896,202  | 21,199,476  | 22,412,832  | 21,393,008  | 3                            |
| Profit after taxation                       | 16,486,878  | 14,588,650  | 20,091,007  | 14,782,182  | 13                           |
| At year end                                 |             |             |             |             |                              |
| Major statement of financial position items |             |             |             |             |                              |
| Shareholders' fund                          | 53,932,039  | 37,445,161  | 57,729,700  | 37,638,694  | 44                           |
| Total assets                                | 216,709,176 | 167,446,236 | 175,663,566 | 167,932,244 | 29                           |
| Total liabilities                           | 162,777,137 | 130,001,074 | 117,933,866 | 130,293,549 | 25                           |
| Issued and fully paid share capital         | 3,965,099   | 3,965,099   | 3,965,099   | 3,965,099   | (0)                          |
| Per 50k share data                          |             |             |             |             |                              |
|                                             | Kobo        | Kobo        | Kobo        | Kobo        |                              |
| Earnings                                    | 207.90      | 183.96      | 253.35      | 186.40      |                              |
| Dividend paid                               | -           | -           | -           | -           |                              |
| Net Assets                                  | 680.08      | 472.18      | 727.97      | 474.62      |                              |
| Stock Exchange quotation as at 31 March (N) | 21.0        | 12.4        | 21.0        | 12.4        |                              |

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The Companies and Allied Matters Act, 2020, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Group and Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Group and Company:

keeps proper accounting records that disclose, with reasonable accuracy, the financial position of

- i the Group and Company and comply with the requirements of the Companies and Allied Matters Act, 2020, and the Financial Reporting Council of Nigeria (Amended) Act, 2023.

- ii. establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

- iii. prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates and are consistently applied.

The Directors accept responsibility for the annual consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria (Amended) Act, 2023.

The Directors are of the opinion that the consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the Group and Company and of its financial performance for the year ended 31 March 2026. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the consolidated and separate financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Group and Company will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Board of Directors By:



**Omoboyede Oyebolanle Olusanya**  
**Chairman**

FRC/2017/IODN/00000017634

29 May, 2026



**Nassib Raffoul**  
**Director**

FRC/2024/PRO/DIR/003/551851

29 May, 2026

## STATEMENT OF CORPORATE RESPONSIBILITY FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Certification Pursuant to Section 405(1) of the Companies and Allied Matters Act, 2020.

We the undersigned hereby certify the following with regards to our Audited Consolidated and Separate Financial Statements for the year ended 31 March 2026 that:

a. We have reviewed the report;

To the best of our knowledge, the report does not contain:

- Any untrue statement of material fact, or
- Omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made;

b. To the best of our knowledge, the financial statement and other financial information included in this report fairly present in all material respects the financial condition and results of operation of the Group and Company as of, and for the periods presented in this report

c. We:

Are responsible for establishing and maintaining internal controls have designed such internal controls to ensure that material information relating to the Group and Company and is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;

have evaluated the effectiveness of the Group and internal controls as of date within 90 days prior to the report;

have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

d. We have disclosed to the auditors of the Company and Audit Committee:

All significant deficiencies in the design or operation of internal controls which would adversely affect the Group and Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls and Any fraud, whether or not material, that involves management or other employees who have significant role in the Group and Company's internal controls;

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



**Nassib Raffoul**

Director

FRC/2024/PRO/DIR/003/551851

29 May, 2026



**Imran Moid**

Chief Financial Officer

FRC/2026/PRO/ANAN/001/437595

29 May, 2026

## AUDIT COMMITTEE REPORT

In compliance with the provisions of Section 404 (7) of the Companies and Allied Matters Act (CAMA), 2020, Report from the external auditors and management, we the members of the Audit Committee of Honeywell Flour Mills Plc received the Audited Financial Statements for the year ended 31 March 2026 together with Management report from the external auditors and management responses thereto at a duly convened meeting of the committee and hereby report as follows:

We confirm that:

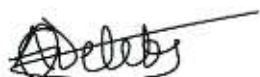
- (a). We reviewed the scope and planning of the audit requirements;
- (b). We reviewed the external auditors' Management Control Report together with Management Responses; and
- (c). We have ascertained that the accounting and reporting policies of the company for the year ended 31 March 2026 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the scope and planning of the audit for the year ended 31 March 2026 was adequate and Management Responses to the auditors' findings were satisfactory.

We confirm that the internal control system was being consistently and effectively monitored through effective Internal Audit.

The External Auditors confirmed that they received full co-operation from the management during the course of the statutory audit.

The Committee therefore recommends that the Audited Financial Statements for the year ended 31 March 2026 and the External Auditors' Report thereon be presented for adoption at the Annual General Meeting.



---

**Mr. Adebayo Adeleke**  
Chairman, Audit Committee  
FRC/2013/NIM/00000002317  
29 May, 2026

### Members of the Audit Committee

|                              |          |
|------------------------------|----------|
| Mr. Adebayo Adeleke          | Chairman |
| Mr. Moses Ijayekunle         | Member   |
| Mr. Ademola David Adekanmbi  | Member   |
| Mr. Anders Kristiansson      | Member   |
| Mrs. Kate Osamede Iketubosin | Member   |

## CERTIFICATION OF MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To comply with the provisions of Section 11 of SEC Guidance on implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of The Honeywell Flour Mills Plc for the year ended 31 March 2026

We, Nassib Raffoul (Managing Director) and Imran Moid (Chief Financial Officer) certify that:

- a) We have reviewed this management assessment on Internal control over financial reporting of The Honeywell Flour Mills Plc.
- b) Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the Statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) We:
  - 1) are responsible for establishing and maintaining internal controls;
  - 2) have designed such Internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - 4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures as of the end of the period covered by this report based on such evaluation.
- e) We have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's Board of Directors;
  - 1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
  - 2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

We have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



**Nassib Raffoul**  
Managing Director  
FRC/2024/PRO/DIR/003/551851  
29 May, 2026



**Imran Moid**  
Chief Financial Officer  
FRC/2026/PRO/ANAN/001/437595  
29 May, 2026

## MANAGEMENT ANNUAL ASSESSMENT OF, AND REPORT ON, THE ENTITY'S INTERNAL CONTROL OVER FINANCIAL REPORTING

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of Honeywell Flour Mills Plc for the year ended 31 March 2026;

- i The Honeywell Flour Mills Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- ii Honeywell Flour Mills Plc's management used the Internal Control-Integrated Framework (2013) of Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR.
- iii Honeywell Flour Mills Plc's management has assessed that the entity's ICFR as of the end of 31 March 2026 is effective.
- iv Honeywell Flour Mills Plc's external auditor Messrs. Ernst and Young that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Messrs. Ernst and Young that audited its financial statements will be filed as part of its annual report.



**Nassib Raffoul**

Director

FRC/2024/PRO/DIR/003/551851

29 May, 2026



**Imran Moid**

Chief Financial Officer

FRC/2026/PRO/ANAN/001/437595

29 May, 2026



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## Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting

To the Members of Honeywell Flour Mills Plc

### Scope

We have been engaged by Honeywell Flour Mills Plc ("the Company") to perform a 'limited assurance engagement', based on International Standards on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)") and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, herein referred to as the engagement, to report on Honeywell Flour Mills Plc Internal Control over Financial Reporting (ICFR) (the "Subject Matter") contained in the Honeywell Flour Mills Plc Management's Assessment on Internal Control over Financial Reporting as of 31 March 2026 (the "Report").

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Criteria applied by Honeywell Flour Mills Plc

In designing, establishing and operating the Internal Control over Financial Reporting (ICFR) and preparing the Management's assessment of the Internal Control over Financial Reporting (ICFR), Honeywell Flour Mills Plc applied the requirements of Internal Control-Integrated Framework (2013) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting (Criteria). Such Criteria were specifically designed to enable organizations effectively and efficiently develop systems of internal control that adapt to changing business and operating environments; mitigate risks to acceptable levels, and support sound decision making and governance of the organization; As a result, the subject matter information may not be suitable for another purpose.

### Honeywell Flour Mills Plc's responsibilities

Honeywell Flour Mills Plc's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Honeywell Flour Mills Plc's management's assessment of the Internal Control over Financial reporting as of 31 March 2026 in accordance with the criteria.



Shape the future  
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Our responsibility is to express a conclusion on the design and operating effectiveness of the Internal Control over Financial Reporting based on our Assurance engagement.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, those standards require that we plan and perform our engagement to obtain limited assurance on the entity's internal control over financial reporting based on our assurance engagement.

**Our independence and quality management**

We have maintained our independence and confirm that we have met the requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and have the required competencies and experience to conduct this assurance engagement.

We also apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Description of procedures performed**

The procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provides a basis for our report on the internal control put in place by management over financial reporting.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have obtained had a reasonable assurance engagement been performed.

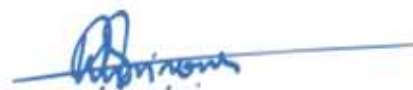
**Conclusion**

In conclusion, nothing has come to our attention to indicate that the internal control over financial reporting put in place by management is not adequate as of 31 March 2026, based on the requirements of Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting.

**Other Matter**

We also have audited, in accordance with the International Standards on Auditing, the financial statements for the year ended 31 March 2026 of Honeywell Flour Mills Plc and we expressed an unmodified opinion in our Auditor's report dated 30 May, 2026. Our conclusion is not modified in respect of this matter.

Signed:



**Williams I. Erimona, FCA**  
FRC/2013/PRO/ICAN/004:00000002190  
For: Ernst&Young Lagos, Nigeria.  
30 May, 2026



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**Independent Auditor's Report***To the Members of Honeywell Flour Mills Plc***Report on the Audit of the Consolidated and Separate Financial Statements****Opinion**

We have audited the consolidated and separate financial statements of Honeywell Flour Mills Plc ('the Company') and its subsidiaries (together 'the Group'), which comprise the consolidated and separate statements of financial position as at 31 March 2026, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 31 March 2026, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

**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 and the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

**Independent Auditor's Report****To the Members of Honeywell Flour Mills Plc***Report on the Audit of the Consolidated and Separate Financial Statements – Continued**The Key Audit Matter applies equally to the audit of the consolidated and separate financial statements.*

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | How the matter was addressed in the audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Expected Credit Loss Assessment on Intercompany and Third-Party Trade Receivables</b></p> <p>The Group has significant intercompany and third-party receivables which are subject to expected credit loss assessment in accordance with the requirements of IFRS 9 Financial Instruments.</p> <p>Given the subjective nature of the calculation of Expected Credit Loss (ECL), there is a heightened risk that the impairment allowance could be misstated. The ECL model involves the application of considerable level of judgement and estimation in determining inputs for ECL calculation, including:</p> <ul style="list-style-type: none"> <li>• assessing the relationship between default and macro-economic variables.</li> <li>• incorporating forward looking information in the expected credit loss and establishing multiple scenarios with related probability weights.</li> <li>• validating the completeness and accuracy of historical data used to recalibrate the models.</li> <li>• validating the completeness and accuracy of data used to run the models.</li> </ul> <p>The determination of ECL on intercompany and third party trade receivables is considered a key audit matter given the significant balances of the accounts, related ECL allowances and the level of complexity and judgement involved in estimating the ECL allowances.</p> <p>See Note 2.3.4 and Note 22.4 - Trade and other receivables and Note 22.5 – Trade receivables – related parties to the financial statements for the details of the balances.</p> | <p>We obtained management's model for the computation of expected credit loss on trade receivables and performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> <li>• Tested the ageing analysis of trade receivables used in the computation of ECL for completeness and accuracy.</li> <li>• Assessed the appropriateness of the categorization of the customer segments based on credit risk characteristics.</li> <li>• Tested the policies, processes and model compliance with IFRS 9</li> <li>• Evaluated the loss rates to ensure that the calculation reflects the probability weighted outcome.</li> <li>• Evaluated the scalar adjustment multiplier to determine if they were appropriate.</li> <li>• Analysed forward looking information and confirmed completeness, correctness, and applicability for the Company.</li> <li>• Recalculated the allowance for expected credit loss on trade receivables and compared with management's estimate.</li> <li>• Assessed the disclosures made in the financial statements based on the requirements of IFRS 9.</li> </ul> |

Shape the future  
with confidence**Independent Auditor's Report***To the Members of Honeywell Flour Mills Plc***Report on the Audit of the Consolidated and Separate Financial Statements - Continued****Other Information**

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Honeywell Flour Mills Plc Annual Report and Consolidated and Separate Financial Statements for the year ended 31 March 2026", which includes the Corporate information, Financial Highlights, Corporate Governance Report, Report of the Directors, Audit Committee Report, Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements, Statement of Directors' Responsibilities in Relation to the Preparation of the Consolidated and Separate Financial Statements, Management's Report on the Effectiveness of Internal Control over Financial Reporting, Certification of Management's Assessment of Internal Control over Financial Reporting, and Other National Disclosures. Other information does not include the consolidated or the 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 an audit opinion or any form of assurance conclusion thereon as part of this opinion.

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

If, based on the work we have performed, 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 and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.





## Independent Auditor's Report

### To the Members of Honeywell Flour Mills Plc

#### Report on the Audit of the Consolidated and Separate Financial Statements - Continued

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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's 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 related to events or conditions that may cast significant doubt on the Group's and the 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/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with 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.



Shape the future  
with confidence**Independent Auditor's Report****To the Members of Honeywell Flour Mills Plc****Report on the Audit of the Consolidated and Separate Financial Statements – Continued**

We also provide the 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, actions taken to eliminate threats or safeguards applied.

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

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Group and Company, in so far as it appears from our examination of those books;
- The consolidated and separate statements of financial position, and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account and;
- In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.

In accordance with the requirements of the Financial Reporting Council of Nigeria (FRC) Guidance on Assurance Engagement Report on Internal Control over Financial Reporting:

We performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of 31 March, 2026. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified conclusion in our report dated 30 May, 2026.

Signed

**Williams I. Erimona, FCA**

FRC/2013/PRO/ICAN/004/00000002190

For: Ernst&amp;Young Lagos, Nigeria.

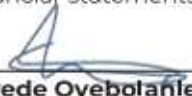
30 May, 2026



## CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

| Assets                        | Note(s) | Group       |             | Company     |             |
|-------------------------------|---------|-------------|-------------|-------------|-------------|
|                               |         | 2026        | 2025        | 2026        | 2025        |
|                               |         | N' 000      | N' 000      | N' 000      | N' 000      |
| Non-current assets            |         |             |             |             |             |
| Property, plant and equipment | 16      | 99,267,498  | 70,803,963  | 23,929,619  | 70,803,963  |
| Intangible assets             | 17      | 422,914     | 38,457      | 16,544      | 38,457      |
| Right of use asset            | 18      | 666,987     | 692,644     | 666,987     | 692,644     |
| Deferred tax assets           | 28      | -           | -           | 157,615     | -           |
| Long term loans receivables   | 19      | -           | 3,151,345   | -           | 3,151,345   |
| Investment in subsidiary      | 20      | -           | -           | 300,000     | 300,000     |
| Total non-current assets      |         | 100,357,399 | 74,686,409  | 25,070,765  | 74,986,409  |
| Current assets                |         |             |             |             |             |
| Inventories                   | 21      | 31,456,988  | 48,124,593  | 22,484,823  | 48,124,593  |
| Trade and other receivables   | 22      | 28,791,747  | 27,561,580  | 77,579,773  | 27,747,588  |
| Short term loans receivables  | 19      | 40,555,827  | -           | 40,659,757  | -           |
| Prepayments                   | 23      | 5,737,137   | 11,809,104  | 1,538,696   | 11,809,104  |
| Cash and cash equivalents     | 24      | 9,810,078   | 5,264,550   | 8,329,752   | 5,264,550   |
| Total current assets          |         | 116,351,777 | 92,759,827  | 150,592,801 | 92,945,834  |
| Total assets                  |         | 216,709,176 | 167,446,236 | 175,663,566 | 167,932,244 |
| Equity and Liabilities        |         |             |             |             |             |
| Liabilities                   |         |             |             |             |             |
| Non-current liabilities       |         |             |             |             |             |
| Borrowings                    | 25      | 27,022,821  | 20,284,280  | 27,022,821  | 20,284,280  |
| Deferred income               | 26      | 716,913     | 1,318,933   | 716,913     | 1,318,933   |
| Lease liability               | 27      | 223,023     | 769,151     | 223,023     | 769,151     |
| Employee's long service award | 31      | 232,634     | 149,048     | 187,209     | 149,048     |
| Deferred tax liabilities      | 28      | 2,870,736   | 7,595,379   | -           | 7,595,379   |
| Total non-current liability   |         | 31,066,127  | 30,116,792  | 28,149,966  | 30,116,792  |
| Current liabilities           |         |             |             |             |             |
| Borrowings                    | 25      | 5,459,198   | 6,681,123   | 5,459,198   | 6,681,123   |
| Deferred income               | 26      | 673,632     | 887,739     | 673,632     | 887,739     |
| Lease liability               | 27      | 763,134     | 101,724     | 763,134     | 101,724     |
| Trade and other payables      | 29      | 97,985,177  | 79,006,446  | 56,117,215  | 79,298,921  |
| Contract liability            | 30      | 18,168,143  | 8,791,751   | 18,168,143  | 8,791,751   |
| Current tax payable           | 32.3    | 8,661,726   | 4,415,499   | 8,602,578   | 4,415,499   |
| Total current liability       |         | 131,711,010 | 99,884,282  | 89,783,900  | 100,176,757 |
| Total liabilities             |         | 162,777,137 | 130,001,074 | 117,933,866 | 130,293,549 |
| Equity                        |         |             |             |             |             |
| Share capital                 | 33      | 3,965,099   | 3,965,099   | 3,965,099   | 3,965,099   |
| Share premium                 | 33.1    | 6,462,041   | 6,462,041   | 6,462,041   | 6,462,041   |
| Revaluation reserves          |         | 19,388,109  | 19,388,109  | 19,388,109  | 19,388,109  |
| Retained earnings             | 33.2    | 24,116,790  | 7,629,912   | 27,914,451  | 7,823,444   |
| Total equity                  |         | 53,932,039  | 37,445,161  | 57,729,700  | 37,638,694  |
| Total equity and liabilities  |         | 216,709,176 | 167,446,236 | 175,663,566 | 167,932,243 |

The financial statements were approved by the Board of Directors on 29 May, 2026 and signed on its behalf by:

  
**Omoboyede Oyebolanle Olusanya**  
 Chairman  
 FRC 2017/IODN/00000017634

  
**Nassib Raffoul**  
 Managing Director  
 FRC/2024/PRO/DIR/003/551851

  
**Imran Moid**  
 Chief Financial Officer  
 FRC/2026/PRO/ANAN/001 437595

The accompanying policies and notes to the financial statements form an integral part of these financial statements

## CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

|                                                              | Note | Group         |               | Company       |               |
|--------------------------------------------------------------|------|---------------|---------------|---------------|---------------|
|                                                              |      | 2026<br>N'000 | 2025<br>N'000 | 2026<br>N'000 | 2025<br>N'000 |
| Revenue from contracts with customers                        | 6    | 360,849,158   | 373,509,245   | 355,954,336   | 373,509,245   |
| Cost of sales                                                | 7    | (324,418,819) | (341,263,860) | (319,696,829) | (341,263,860) |
| Gross profit                                                 |      | 36,430,339    | 32,245,385    | 36,257,507    | 32,245,385    |
| Other income                                                 | 8    | 3,402,513     | 4,920,629     | 2,546,599     | 4,920,629     |
| Selling and distribution expenses                            | 9.1  | (11,383,414)  | (4,580,304)   | (11,331,953)  | (4,580,304)   |
| Administrative expenses                                      | 9.2  | (9,971,318)   | (12,280,304)  | (9,490,870)   | (12,086,772)  |
| Impairment loss on trade receivables                         | 9.4  | (1,901,268)   | (2,220,648)   | (1,901,268)   | (2,220,648)   |
| Operating profit                                             |      | 16,576,852    | 18,084,758    | 16,080,015    | 18,278,290    |
| Finance income                                               | 11   | 9,224,056     | 8,543,454     | 10,237,523    | 8,543,454     |
| Finance costs                                                | 12   | (3,904,706)   | (5,428,736)   | (3,904,706)   | (5,428,736)   |
| Profit before minimum tax                                    |      | 21,896,202    | 21,199,476    | 22,412,832    | 21,393,008    |
| Minimum tax                                                  | 32.2 | -             | -             | -             | -             |
| Profit before taxation                                       |      | 21,896,202    | 21,199,476    | 22,412,832    | 21,393,008    |
| Income tax expense                                           | 32.1 | (5,409,324)   | (6,610,826)   | (2,321,825)   | (6,610,826)   |
| Profit for the year                                          |      | 16,486,878    | 14,588,650    | 20,091,007    | 14,782,182    |
| Other comprehensive income for the year<br>(net of taxation) |      | -             | -             | -             | -             |
| Total comprehensive income for the year                      |      | 16,486,878    | 14,588,650    | 20,091,007    | 14,782,182    |
| Earnings per share (kobo)                                    |      |               |               |               |               |
| Basic earnings per share (kobo)                              | 13   | 207.90        | 183.96        | 253.35        | 186.40        |
| Diluted earnings per share (kobo)                            | 13   | 207.90        | 183.96        | 253.35        | 186.40        |

The accompanying policies and notes to the financial statements form an integral part of these financial statements

## CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2026

| Group                    | Share capital | Share premium | Revaluation reserve | (Accumulated loss)/retained earnings | Total equity |
|--------------------------|---------------|---------------|---------------------|--------------------------------------|--------------|
| Balance at 1 April 2024  | N'000         | N'000         | N'000               | N'000                                | N'000        |
| Profit for the year      | 3,965,099     | 6,462,041     | 19,388,109          | (6,958,738)                          | 22,856,511   |
| Balance at 31 March 2025 | 3,965,099     | 6,462,041     | 19,388,109          | 14,588,650                           | 37,445,161   |
| Balance at 1 April 2025  | 3,965,099     | 6,462,041     | 19,388,109          | 7,629,912                            | 37,445,161   |
| Profit for the year      | -             | -             | -                   | 16,486,878                           | 16,486,878   |
| Balance at 31 March 2026 | 3,965,099     | 6,462,041     | 19,388,109          | 24,116,790                           | 53,932,039   |
| Company                  | Share capital | Share premium | Revaluation reserve | (Accumulated loss)/retained earnings | Total equity |
| Balance at 1 April 2024  | N'000         | N'000         | N'000               | N'000                                | N'000        |
| Profit for the year      | 3,965,099     | 6,462,041     | 19,388,109          | (6,958,738)                          | 22,856,511   |
| Balance at 31 March 2025 | 3,965,099     | 6,462,041     | 19,388,109          | 14,782,182                           | 37,638,693   |
| Balance at 1 April 2025  | 3,965,099     | 6,462,041     | 19,388,109          | 7,823,444                            | 37,638,693   |
| Profit for the year      | -             | -             | -                   | 20,091,007                           | 20,091,007   |
| Balance at 31 March 2026 | 3,965,099     | 6,462,041     | 19,388,109          | 27,914,451                           | 57,729,700   |

The accompanying policies and notes to the financial statements form an integral part of these financial statements

## CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

| Cash flows from operating activities                       | Note(s) | Group                |                      | Company             |                      |
|------------------------------------------------------------|---------|----------------------|----------------------|---------------------|----------------------|
|                                                            |         | 2026<br>N000         | 2025<br>N000         | 2026<br>N000        | 2025<br>N000         |
| Profit before taxation                                     |         | 21,896,202           | 21,199,476           | 22,412,832          | 21,393,008           |
| <b>Adjustments for:</b>                                    |         |                      |                      |                     |                      |
| Depreciation, amortisation and impairment                  | 15      | 5,158,081            | 9,450,343            | 3,781,744           | 9,450,343            |
| Net unrealised (gain)/ losses on foreign exchange          | 9.3     | (581,206)            | 787,870              | (753,800)           | 787,870              |
| Impairment (write back)/ charge on trade receivables       | 9.4     | (21,100)             | 538,328              | (21,100)            | 538,328              |
| Impairment charge on related parties receivables           | 9.4     | 373,458              | 1,573,454            | 373,458             | 1,573,454            |
| Impairment charge on loan receivables                      | 19.2    | 1,548,910            | 108,866              | 1,548,910           | 108,866              |
| Profit on disposal of property, plant and equipment        | 8       | -                    | (184,903)            | -                   | (184,903)            |
| Loss on intangible assets written-off                      | 9.2     | -                    | 6                    | -                   | 6                    |
| Interest income                                            | 11      | (4,905,258)          | (2,697,681)          | (4,905,258)         | (2,697,681)          |
| Interest expense on lease liability                        | 12      | 115,282              | 116,018              | 115,282             | 116,018              |
| Interest expense on borrowing                              | 12      | 3,789,424            | 4,524,848            | 3,789,424           | 4,524,848            |
| Government grant income                                    | 26      | (886,015)            | (1,136,453)          | (886,015)           | (1,136,453)          |
| Gain on derivative liability                               |         | -                    | -                    | -                   | -                    |
| Provision for long service award                           | 31      | 223,303              | 53,816               | 59,435              | 53,816               |
| <b>Changes in working capital:</b>                         |         |                      |                      |                     |                      |
| Decrease in inventories                                    | 21.1    | 16,667,605           | 4,372,417            | 18,821,170          | 4,372,417            |
| Increase in trade and other receivables                    | 22.1    | (2,120,968)          | (27,281,572)         | 7,034,751           | (27,467,579)         |
| (Decrease)/ increase in prepayments                        | 23.1    | 5,770,957            | (4,901,865)          | 9,969,398           | (4,901,865)          |
| Increase/(decrease) in contract liability                  | 30      | 9,376,392            | (1,717,306)          | 9,376,392           | (1,717,306)          |
| Increase in trade and other payables                       | 29      | 75,902,448           | 292,152,368          | 33,128,978          | 292,444,843          |
| <b>Cash generated from operations</b>                      |         | <b>132,307,515</b>   | <b>296,958,028</b>   | <b>103,845,601</b>  | <b>297,258,029</b>   |
| Tax paid                                                   | 32.3    | (5,586,731)          | (479,091)            | (5,586,731)         | (479,091)            |
| Long service award paid                                    | 31      | (158,993)            | (41,196)             | (9,698)             | (41,196)             |
| <b>Net cash flow from operating activities</b>             |         | <b>126,561,791</b>   | <b>296,437,742</b>   | <b>98,249,172</b>   | <b>296,737,742</b>   |
| <b>Cash flows from investing activities</b>                |         |                      |                      |                     |                      |
| Purchase of property, plant and equipment                  | 16      | (33,574,046)         | (2,515,648)          | (6,812,082)         | (2,515,648)          |
| Proceed from sale of property, plant and equipment         | 16.1    | -                    | 3,546,252            | -                   | 3,546,252            |
| Purchase of intangible assets                              | 17      | (406,371)            | -                    | -                   | -                    |
| Loan granted to related parties                            | 19.1    | (152,972,006)        | (297,439,684)        | (153,075,937)       | (297,439,684)        |
| Interest income from bank deposits                         | 11      | 102,521              | -                    | 102,521             | -                    |
| Repayment of loans by related parties                      | 19.1    | 64,035,022           | 11,618,000           | 64,035,022          | 11,618,000           |
| Investment in subsidiaries                                 | 20      | -                    | -                    | -                   | (300,000)            |
| <b>Net cash flow used in investing activities</b>          |         | <b>(122,814,880)</b> | <b>(284,791,080)</b> | <b>(95,750,476)</b> | <b>(285,091,080)</b> |
| <b>Cash flow from financing activities</b>                 |         |                      |                      |                     |                      |
| Lease principal payment                                    | 27      | -                    | (71,207)             | -                   | (71,207)             |
| Lease interest payment                                     | 27      | -                    | (30,517)             | -                   | (30,517)             |
| Proceeds from borrowings                                   | 25.1    | 10,129,167           | -                    | 10,129,167          | -                    |
| Repayment of principal                                     | 25.1    | (6,840,184)          | (8,487,164)          | (6,840,184)         | (8,487,164)          |
| Repayment of interest                                      | 25.1    | (1,561,791)          | (2,867,313)          | (1,561,791)         | (2,867,313)          |
| <b>Net cash flow from / (used in) financing activities</b> |         | <b>1,727,192</b>     | <b>(11,456,202)</b>  | <b>1,727,192</b>    | <b>(11,456,202)</b>  |
| <b>Total cash movement for the year</b>                    |         | <b>5,474,103</b>     | <b>190,460</b>       | <b>4,225,888</b>    | <b>190,460</b>       |
| Cash at the beginning of the year                          |         | 5,264,550            | 5,070,052            | 5,264,550           | 5,070,052            |
| Net exchange gain on cash and cash equivalent              | 9.3     | (928,575)            | 4,038                | (1,160,686)         | 4,038                |
| <b>Total cash at end of the year</b>                       | 24      | <b>9,810,078</b>     | <b>5,264,550</b>     | <b>8,329,752</b>    | <b>5,264,550</b>     |

The accompanying policies and notes to the financial statements form an integral part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

### 1 Corporate Information

Honeywell Flour Mills Plc was initially registered as Gateway Honeywell Flour Mills Limited on 21 June, 1983. A change in the company's ownership structure led to a change of the name to Honeywell Flour Mills Limited in June, 1995. The Company was converted to a Public Liability Company in 2008. Its shares were listed on the Nigerian Stock Exchange (NSE) in 2009.

Honeywell Flour Mills Plc is a company domiciled in Nigeria. The Group and Company is principally engaged in the manufacturing and marketing of wheat-based products including Flour, Semolina, Whole Wheat Meal, Noodles and Pasta and management of Free Trade Zone Operations.

### 2 Accounting Policies

#### 2.1 Statement of Compliance

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and effective at the time of preparing these financial statements, and in the manner required by the Companies and Allied Matters Act 2020 and Financial Reporting Council of Nigeria (Amendment Act), 2023.

#### 2.2 Functional and Presentation Currency

The financial statements are presented in Naira, which is the Group and Company's functional currency.

#### 2.3 Material Accounting Policy Information.

The material accounting policies applied in the preparation of these financial statements are set out below.

##### 2.3.1 Foreign Currency Transactions

Foreign currency transactions are translated into Naira using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'other gains (losses) - net'.

##### 2.3.2 Property, Plant and Equipment

Property, plant and equipment are tangible assets which the Group and Company holds for its own use or for rental to others and which are expected to be used for more than one year.

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 Group and Company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and Company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Major spare parts and stand by equipment which are expected to be used for more than one year are included in property, plant and equipment.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated Property, plant and equipment is subsequently stated at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made within 3 to 5 years such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting year.

The fair value represents the price which an interested party in a property or an item of plant and machinery might reasonably be expected to realize in a sale by private treaty assuming the following:

- a willing buyer;
- a reasonable period within which to negotiate the sale taking into consideration the nature of the assets and the state of the market;
- values will remain static throughout the period; - the assets will be freely exposed to the market;
- no account is to be taken of an additional bid by a special purchaser; and
- no account is to be taken of expenses of realization which may arise in the event of a disposal.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current year. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation reserve in equity.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group and Company. Upon revaluation of assets, depreciation is calculated on the estimated useful life of the revalued assets.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged on an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or de-recognised.

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

| Item                           | Depreciation Method | Depreciation Rate |
|--------------------------------|---------------------|-------------------|
| Buildings                      | Straight line       | 2 - 5%            |
| Office Furniture and Equipment | Straight line       | 10 - 25%          |
| Plant and Machinery            | Straight line       | 6.67 - 20%        |
| Motor vehicles                 | Straight line       | 10 - 33.33%       |
| Land                           | Not Depreciated     | Not depreciated   |

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the de-recognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is de-recognised.

### 2.3.3 Intangible Assets

#### (i) Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives. Costs associated with maintaining computer software programmes are recognized as expenses incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group and Company are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product and use or sell it;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development, employee costs and an appropriate portion of relevant overheads. Other development expenditure that do not meet these criteria are recognized as expenses as incurred. Development costs previously recognized as expense are not recognized as asset in subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful lives.

**(ii) Amortization of Intangible Assets**

Intangible assets are amortized on a straight-line basis in the income statement over their estimated useful lives, from the date that they are available for use. The estimated useful life of computer software is between 2 to 10 years. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted for where appropriate.

Impairment tests are performed on intangible assets when there is an indicator that they may be impaired. When the carrying amount of an item of intangible assets is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of intangible assets is de-recognised upon disposal or when no future economic benefits are expected from its continued use.

**2.3.4 Financial instruments****(i) Recognition and initial measurement:**

All financial instruments are measured initially at fair value plus directly attributable transaction costs and fees, except for those financial instruments that are subsequently measured at fair value where such transaction costs and fees are immediately recognized in profit or loss. Financial instruments are recognized (derecognized) on the date the Group and Company commits to purchase (sell) the instruments (trade date accounting).

The Group and Company classify 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**(ii) Classification and subsequent measurement****Financial assets**

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- fair value through OCI (FVOCI)
- Fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group and Company change their business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group and Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Financial assets - Business model assessment**

The Group and Company make an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The following are considered in the assessment:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group and Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group and Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group and Company consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group and Company consider:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group and Company's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial instruments held by the Group and Company are classified in accordance with the provisions of IFRS 9 Financial Instruments. On initial recognition, a financial asset is classified as measured at amortised cost; fair value through other comprehensive income; or fair value through profit or loss.

Broadly, the classification possibilities, which are adopted by the Group and Company, as applicable, are as follows: Financial assets which are equity instruments:

- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

**Financial assets which are debt instruments:**

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Derivatives which are not part of a hedging relationship: Mandatorily at fair value through profit or loss.

**Financial liabilities:**

- Amortised cost; or designated at fair value

On initial recognition, the Group and Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Financial assets - Subsequent measurement and gains and losses**

|                                    |                                                                                                                                                                                                                                                                                                                          |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial assets at FVTPL          | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.                                                                                                                                                                 |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. |
| Debt investments at FVOCI          | These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in OCI and are reclassified to profit or loss.                                                                                     |
| Equity investment at FVOCI         | These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.                       |

Note on Financial instruments and risk management presents the financial instruments held by the Group and Company based on their specific classifications.

**(i) Derecognition**

The Group and Company derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Group and Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group and Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised. The Group

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

and Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group and Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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

The Group and Company derecognises a financial liability only when its obligation is settled, cancelled or expired.

**Trade and other receivables****Classification**

Trade and other receivables (excluding, when applicable, VAT and prepayments) are classified as financial assets subsequently measured at amortised cost. Trade receivables are recognised initially at the transaction price, unless they contain significant financing component then they are recognised at fair value.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group and Company's business model is to collect the contractual cash flows on trade and other receivables.

**Impairment****Financial instruments and contract assets**

The Group and Company recognises loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortised cost;

The Group and Company measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

using a simplified impairment methodology adjusted for current conditions and forward-looking information.

When determining or estimating whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group and Company's historical experience and informed credit assessment and including forward-looking information. Forward-looking information considered includes the future prospects of the industries in which the Group and Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group and Company's core operations. The macro-economic variables used in determining the Group and Company's FLI are GDP growth rate and prime lending rate.

The Group and Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and Company consider a financial asset to be in default when:- the borrower is unlikely to pay its credit obligation to the Group and Company in full, without recourse by the Group and Company to actions such as realizing security (if any is held); or

- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company are exposed to credit risk.

**Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group and Company expect to receive).

ECLs are discounted at the effective interest rate of the financial asset.

**Credit impaired financial assets**

At each reporting date, the Group and Company assesses financial assets carried at amortised cost as credit-impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

- significant financial difficulty of the borrower or issuer;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- a breach of contract such as a default or being more than 90 days past due.

Loss allowance for the financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**Presentation of allowance for ECL in the Statement of Financial Position**

Loss allowance for financial assets measured at amortised costs are deducted from the gross carrying amount of the assets.

**Write-off**

The gross carrying amount of a financial asset is written off when the Group and Company have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group and Company has a policy of writing off the gross carrying amount when the financial asset is more than 1 year past due based on historical experience of recoveries of similar assets. For corporate customers, the Group and Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group and Company expect no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group and Company's procedure for recovery of amounts due. Any recovery made is recognized in profit or loss.

**Cash and cash equivalents**

Cash and cash equivalents comprise current balances with banks and similar institutions, and highly liquid investments generally with maturities of three months or less. Term deposit with tenor of one year or less are also included in cash and cash equivalents if they are held for short term cash commitments rather than for investment or other purposes. Cash equivalents are readily convertible into known amounts of cash and have an insignificant risk of changes in value. Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

**Borrowings and loans****Recognition and measurement**

Borrowings and loans are recognised when the Group and Company becomes a party to the contractual provisions of the loan. The loans are measured at initial recognition, at fair value plus transaction costs if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

finance costs.

Borrowings expose the Group and Company to liquidity risk and interest rate risk. Refer to Note 46 for details of risk exposure and management thereof.

**Trade and other payables****Recognition and measurement**

They are recognised when the Group and Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method if the impact of discounting is material.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the Group and Company to liquidity risk and possibly to interest rate risk. Refer to Note 39 for details of risk exposure and management thereof.

**Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and Company currently have a legally enforceable right to set off the amounts and they intend either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**Derecognition Financial assets**

The Group and Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party to which the Group or Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. If the Group or Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group or Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group or Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**Financial liabilities**

The Group and Company derecognise financial liabilities when, and only when, the Group and Company obligations are discharged, cancelled or they expire. The Group and Company also

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cashflows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any cost and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

**Government grants**

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

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

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group and Company recognises as expenses the related costs for which the grants are intended to compensate. While the balance at year-end that is yet to be recognised in profit or loss is recognised in the Statement of Financial Position as deferred income splitted between Current and Non-current liabilities.

**2.3.5 Research and Development**

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

**2.3.6 (i) Taxation**

Income tax expense represents the sum of current tax expense and deferred tax expense.

Current tax and deferred tax are recognized in income statement except to the extent that it

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

relates to a business combination, or items recognized directly in equity or in other comprehensive income.

**Current Tax Expense**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Group and Company is subject to the following types of current income tax:

**Company income tax is computed on taxable profits****Tertiary education tax is computed on assessable profits**

Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).

Total amount of tax payable under Company Income Tax Act is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year) and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS12.

The Group and Company offset the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

Minimum tax, which is based on a gross amount is outside the scope of IAS 12 and therefore not presented as part of income tax expense in the profit or loss. Minimum tax was computed when the Group and Company has no assessable or total profits, or tax payable which was less than minimum tax. The prevailing rate for minimum tax is 0.5% of gross turnover. The Finance Act (2020) defines 'gross turnover' as the gross inflow of economic benefits arising from operating activities of a company including sales of goods, supply of services, receipt of interest, rents, royalties, or dividends. The Group and the Company recognise minimum tax payable to the tax authority as part of their company income tax payable in the statement of financial position.

Nigeria Police Trust Fund levy-Nigeria Police Trust Fund levy is based on the Net profit of the **Group** and **Company** and is governed by the **Nigeria Police Trust Fund (Establishment) Act, 2019**.

**Impact of the Nigerian Tax Act (NTA) 2025****Development levy**

In accordance with the Nigerian Tax Act 2025, the Company is subject to a Development Levy, effective from 1 January 2026. The Development Levy replaces and consolidates previous levies including the Tertiary Education Tax (TET), Information Technology Levy (IT), the National Agency for Science and Engineering Infrastructure (NASENI) levy, and the Police Trust Fund (PTF) levy. It is calculated at a rate of 4% on the Company's assessable profits.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**Minimum effective tax rate**

In accordance with the Nigerian Tax Act 2025, the Company is subject to a minimum effective tax rate of 15% on its "profits" where its annual revenue exceeds NGN 20 billion. For the purpose of this calculation, "profits" are defined as the net profit before tax as reported in the audited financial statements, less 5% of the depreciation and personnel costs incurred during the year. This adjustment serves to exclude components relating to substantive business activities such as capital investment and employment costs, aligning with the Organisation for Economic Cooperation and Development (OECD) international tax guidelines.

The Nigerian Tax Act 2025 applies to the Company's tax assessments from the financial year ending 31 March 2026 onwards. Consequently, the comparative amounts for prior periods are calculated based on the provisions of the Companies Income Tax Act (as amended).

**(ii) Deferred tax assets and liabilities**

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

Taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group and Company expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

**(iii) Tax Exposure**

In determining the amount of current and deferred tax, the Group and Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Group and Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expenses in the period that such determination is made.

**2.3.7 Leases**

The Group and Company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group and Company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

**(i) As a lessee**

At commencement or on modification of a contract that contains a lease component, the Group and Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group and Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group and Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group and Company by the end of the lease term or the cost of the right-of-use asset reflects that the Group and Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group and Company's incremental borrowing rate. Generally, the Group and Company uses its incremental borrowing rate as the discount rate.

The Group and Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group and Company is reasonably certain to exercise, lease payments in an optional renewal period if the Group and Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group and Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group and Company's estimate of the amount expected to be payable under a residual value guarantee, if the Group and Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group and Company presents right-of-use assets that do not meet the definition of investment property and lease liabilities as separate items in the statement of financial position.

A lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of its original terms and conditions.

- for a modification that is not a separate lease, at the effective date of the modification, the Group and Company account for it by remeasuring the lease liability using a discount rate determined at that date and;
- for modifications that decrease the scope of the lease, the Group and Company account for it by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognising a gain or loss that reflects the proportionate decrease in scope; and
- for all other modifications, the Group and Company account for it by making a corresponding adjustment to the right-of-use asset.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**(ii) As a lessor**

At inception or on modification of a contract that contains a lease component, the Group and Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the- Group and Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group and Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group and Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group and Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group and Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group and Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group and Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group and Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Group and Company as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

The Group and Company has elected not to recognise right-of-use assets and lease liabilities for leases of short term and low value assets. The Group and Company recognises the lease payments associated with these leases as expenses on a straight line over the lease term.

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

**2.3.8 Inventories**

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

be incurred in marketing, selling and distribution.

The basis of costing of different Inventory types are as follows:

- **Raw materials components:** Purchase cost including transportation and other incidental cost on a First In First Out (FIFO) basis.
- **Goods in transit:** Purchase cost incurred to date and other incidental costs and recognised as part of raw materials, consumable stores and maintenance spares as applicable
- **Work in progress:** Weighted average cost
- **Finished goods:** Purchase cost of direct materials, labour and a reasonable allocation of overheads based on normal operating capacity on a weighted average basis.
- **Consumable stores and maintenance spares:** Weighted average cost.

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

Inventories include a "right to returned goods" which represents the Group and Company's right to recover products from customers where customers exercise their right of return under the Group and Company returns policy. The Group and Company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

Spare parts and servicing equipment are usually carried as inventory and recognized in profit or loss using the weighted average cost method as consumed. However, major spare parts and stand-by equipment qualify as property, plant and equipment when the Group and Company expects to use them during more than that one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment. Such classified spares are depreciated as property, plant and equipment over the useful life on a straight line basis.

### 2.3.8 Impairment of Assets

The Group and Company 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 and Company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Group and Company 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.

- Tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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.

**2.3.9 Share Capital and Equity**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amount received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability to the company in which they are declared.

**2.3.10 Employee Benefits****(i) Defined Contribution Plans**

The Group and Company operates a defined contribution plan which is funded by contributions from the Group and Company and the employees. The Group and Company's contribution is recognized as employee benefit expenses and charged to the income statement. The contributions of both the company and the employees are paid on a monthly basis to a Pension Fund Administrator. The Group and Company has no legal or constructive obligation to pay further contributions if the Pension Fund Administrator does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expenses when they are due.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**(ii) Short-term Benefit**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plan if the Group and Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the obligation can be estimated reliably.

**(iii) Long service award**

In addition, the Group and Company operates long service award for its qualified staff. The benefits are graduated depending on the employees' number of years in service to the Group and Company. The Group and Company's obligation in respect of the scheme is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximate to the term of the Group and Company's defined benefits obligation. The obligation is determined by an independent actuary at each reporting period. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group and Company recognises gains and losses on the settlement of a long service award when the settlement occurs. Gains or losses due to remeasurement of long service awards are recognised in profit or loss.

**(iv) Termination benefits**

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

**2.3.11 Provisions and Contingencies**

Provisions are recognized when the Group and Company has a present legal or constructive obligation as a result of a past event, and it is probable that the Group and Company will be required to settle that obligation and the amount has been reliably estimated. Provisions for restructuring costs are recognized when the Group and Company has a detailed formal plan for the restructuring that has been communicated to affected parties. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be acquired to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

**2.3.12 Revenue from Contracts with Customers**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group and Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Nature and timing of satisfaction of performance obligation, including significant payment terms.

Customers gain control of goods when the goods have been delivered and accepted at their premises or when the goods are picked up by the customer. Invoices are generated at that point in time. Invoices are usually payable within 30 days. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

**Revenue recognition****(i) Sale of goods**

Revenue is recognised when the goods are delivered and have been accepted by customers at their premises or when the goods are picked up by the customer.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The Group and Company reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

**(ii) Rendering of services**

Revenue represents the net value of services in respect of various services which includes sales of flour, sales of pasta and haulage service. The above services can be obtained from other providers and do not significantly customise or modify the sale of the Group's products. The Group recognises revenue from port and haulage services over time.

**(iii) Contract liabilities**

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

**(iv) Interest Income**

Interest income is recognized using the effective interest rate method. When a loan and receivable is impaired, the Group and Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the investment, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognized using the original effective interest rate.

**2.3.13 Dividend Distribution**

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Dividend liabilities are de-recognized once paid.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**2.3.14 Earnings per Share**

The Group and Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group and Company by the weighted averaged number of ordinary shares outstanding during the year,

**2.3.15 Cost of Sales**

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

**2.4 Consolidation****Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Group.

**Subsidiary**

The Group 'controls' an entity if it is exposed to, or has right to, variable returns from involvement with the entity and has the ability to affect those returns through its power over the entity. This is generally accompanied by a share of more than 50% of the voting rights. The financial information of the subsidiaries are prepared as of the same reporting date and consolidated using consistent accounting policies. Subsidiaries are consolidated from the date on which control is transferred to the Group and are included until the date on which the Group ceases to control them.

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

Interests in subsidiaries in 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.

Investments in subsidiaries are eliminated on consolidation in the Group financial statements.

**Loss of control**

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**3 Significant accounting judgements, estimates and assumptions**

The preparation of the financial statements in conformity with the IFRS requires management to make judgments, estimates and assumption that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed in an on-going basis. Revision to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:-

- measurement of defined benefit obligations;
- provisions and contingencies; and
- measurement of Expected Credit Loss (ECL) allowances for the trade and other receivables and key assumptions in determining the weighted-average loss rate.

Refer to note 37 for details of use of estimates and judgments.

**4 Change in accounting Policy****4.1 New standards, amendments and Interpretations that became effective during the year**

Amendments to the following standard(s) became effective in the annual period starting from 1 April 2025. The new reporting requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

Amendments to IAS 21 - Lack of Exchangeability (effective for reporting periods beginning on or after 1 January 2025)

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

These amendments will require companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

The amendment did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**4.2 New Standards, amendments and Interpretations issued but not yet effective**

The following standards have been issued or amended by the IASB but are yet to be effective as at the reporting date:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for reporting periods beginning on or after 1 January 2026)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

- Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity
- IFRS 18 - Presentation and Disclosure in Financial Statements (effective for reporting periods beginning on or after 1 January 2027)
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures (effective for reporting periods beginning on or after 1 January 2027)
- Annual Improvements to IFRS Accounting Standards - Volume II
- Amendments to IAS 21 - Translation to a hyperinflationary presentation currency

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for reporting periods beginning on or after 1 January 2026)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group and Company does not expect these amendments to have a material impact on its operations or financial statements.

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

In December 2024, the IASB Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments clarify the 'own use', but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application. The amendment include:

- Clarifying the application of the 'own-use' requirements
- Permitting hedge accounting if these contracts are used as hedging instruments
- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The Company does not expect these amendments to have a material impact on its operations or financial statements.

IFRS 18 - Presentation and Disclosure in Financial Statements (effective for reporting periods beginning on or after 1 January 2027)

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

- Management is currently assessing the detailed implications of applying the new standard on the Group and Company's financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

i. Although the adoption of IFRS 18 will have no impact on the Group and Company's net profit, the Group and Company expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group and Company has performed, the following items might potentially impact operating profit:

- Foreign exchange differences might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
- IFRS 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage.

ii. The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

iii. The Group and Company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures;
- a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
- for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS1

iv. From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group and Company will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18. The Standard is expected to have a material impact on the entity as it might require system and process changes.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

IFRS 19 - Subsidiaries without Public Accountability: Disclosures (effective for reporting periods beginning on or after 1 January 2027)

This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available

The standard is not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Annual Improvements to IFRS Accounting Standards - Volume II (effective for annual periods beginning on or after 1 January 2026)

The IASB has made the following improvements in September 2024:

IFRS 1, 'First-time Adoption of International Financial Reporting' to improve consistency between IFRS 1 and IFRS 9, 'Financial Instruments', in relation to the requirements for hedge accounting, and to improve the understandability of IFRS 1;

IFRS 7, 'Financial Instruments: Disclosures' to improve consistency in the language used in IFRS 7 with the language used in IFRS 13, 'Fair Value Measurement';

IFRS 9 to clarify how a lessee accounts for the derecognition of a lease liability when it is extinguished, and to address an inconsistency between IFRS 9 and IFRS 15, 'Revenue from Contracts with Customers', in relation to the term 'transaction price';

IFRS 10, 'Consolidated Financial Statements' to clarify the requirements in relation to determining de facto agents of an entity; and

IAS 7, 'Statement of Cash Flows' to replace the term 'cost method' with 'at cost', since the term is no longer defined in IFRS Accounting Standards.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**1 Segment Reporting**

The Company's business reportable segments are identified by the factories located at Tincan, and Sagamu. The Tincan segment manufactures Flour, Semo and Wheat meal while Sagamu segments manufacture Noodles and Pasta.

The chief operating decision maker, who is responsible for allocating resources and accessing performance of the operating segments, is the Board of Directors.

The Board reviews the company's quarterly financial and operational information in order to assess its performance and allocate resources,

The chief operating decision maker assesses the performance based on the operating profits for each operating segments. Below is the summary of the operations from the two (2025: two) segments of the company:

**31 March, 2026****Group**

|                                      |  |
|--------------------------------------|--|
| Revenue                              |  |
| Cost of sales                        |  |
| <b>Gross profit</b>                  |  |
| Other income/ (loss)                 |  |
| Selling and distribution expenses    |  |
| Administrative expenses              |  |
| Impairment loss on trade receivables |  |
| <b>Operating profit/(loss)</b>       |  |
| Finance income                       |  |
| Finance cost                         |  |
| <b>Profit before taxation</b>        |  |
| Income tax expense                   |  |
| <b>Profit/(Loss) for the year</b>    |  |

**Segment assets and liabilities**

|                   |  |
|-------------------|--|
| Total assets      |  |
| Total liabilities |  |

**31 March, 2025**

|                                       |  |
|---------------------------------------|--|
| Revenue                               |  |
| Cost of sales                         |  |
| <b>Gross profit</b>                   |  |
| Other income                          |  |
| Selling and distribution expenses     |  |
| Administrative expenses               |  |
| Impairment loss on trade receivables  |  |
| <b>Operating profit/(loss)</b>        |  |
| Finance income                        |  |
| Finance cost                          |  |
| <b>Profit/(Loss) before taxation</b>  |  |
| Income tax expense                    |  |
| <b>Profit/(Loss) for the year</b>     |  |
| <b>Segment assets and liabilities</b> |  |
| Total assets                          |  |
| Total liabilities                     |  |

| <b>Tincan<br/>N'000</b> | <b>Sagamu<br/>N'000</b> | <b>Total<br/>N'000</b> |
|-------------------------|-------------------------|------------------------|
| 325,202,759             | 35,646,399              | 360,849,158            |
| (302,986,414)           | (21,432,405)            | (324,418,819)          |
| <b>22,216,345</b>       | <b>14,213,994</b>       | <b>36,430,339</b>      |
| 15,977,414              | (12,574,901)            | 3,402,513              |
| (10,139,663)            | (1,243,751)             | (11,383,414)           |
| (7,968,977)             | (2,002,341)             | (9,971,318)            |
| (270,192)               | (1,631,076)             | (1,901,268)            |
| <b>19,814,927</b>       | <b>(3,238,075)</b>      | <b>16,576,852</b>      |
| 5,413,526               | 3,810,530               | 9,224,056              |
| (3,346,891)             | (557,815)               | (3,904,706)            |
| <b>21,881,562</b>       | <b>14,640</b>           | <b>21,896,202</b>      |
| (964,863)               | (4,444,461)             | (5,409,324)            |
| <b>20,916,699</b>       | <b>(4,429,821)</b>      | <b>16,486,878</b>      |
|                         |                         |                        |
| 136,526,781             | 80,182,395              | 216,709,176            |
| 116,906,540             | 45,870,597              | 162,777,137            |
| <b>Apapa<br/>N'000</b>  | <b>Sagamu<br/>N'000</b> | <b>Total<br/>N'000</b> |
| 284,200,334             | 89,308,911              | 373,509,245            |
| (254,808,614)           | (86,455,246)            | (341,263,860)          |
| <b>29,391,720</b>       | <b>2,853,665</b>        | <b>32,245,385</b>      |
| 4,645,295               | 275,334                 | 4,920,629              |
| (3,400,342)             | (1,179,962)             | (4,580,304)            |
| (9,371,955)             | (2,908,349)             | (12,280,304)           |
| (1,687,692)             | (532,955)               | (2,220,648)            |
| <b>19,577,026</b>       | <b>(1,492,267)</b>      | <b>18,084,758</b>      |
| 6,494,418               | 2,049,036               | 8,543,454              |
| (4,128,378)             | (1,300,358)             | (5,428,736)            |
| <b>21,943,066</b>       | <b>(743,589)</b>        | <b>21,199,476</b>      |
| (5,024,228)             | (1,586,598)             | (6,610,826)            |
| <b>16,918,838</b>       | <b>(2,330,187)</b>      | <b>14,588,650</b>      |
|                         |                         |                        |
| 105,491,128             | 61,955,108              | 167,446,236            |
| 93,366,772              | 36,634,303              | 130,001,074            |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**6 Revenue**

|                                              | <b>Group</b>       |                    | <b>Company</b>     |                    |
|----------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                              | <b>2026</b>        | <b>2025</b>        | <b>2026</b>        | <b>2025</b>        |
|                                              | <b>N'000</b>       | <b>N'000</b>       | <b>N'000</b>       | <b>N'000</b>       |
| <b>Revenue from contracts with customers</b> |                    |                    |                    |                    |
| Sale of goods                                | 353,884,603        | 368,273,487        | 348,989,781        | 368,273,487        |
| Rendering of services                        | 6,964,555          | 5,235,758          | 6,964,555          | 5,235,758          |
|                                              | <b>360,849,158</b> | <b>373,509,245</b> | <b>355,954,336</b> | <b>373,509,245</b> |

**6.1 Disaggregated revenue information**

|                                              | <b>Group</b>       |                    | <b>Company</b>     |                    |
|----------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                              | <b>2026</b>        | <b>2025</b>        | <b>2026</b>        | <b>2025</b>        |
|                                              | <b>N'000</b>       | <b>N'000</b>       | <b>N'000</b>       | <b>N'000</b>       |
| <b>Sales of goods - point in time</b>        |                    |                    |                    |                    |
| Flour products                               | 318,238,204        | 278,964,576        | 318,238,204        | 278,964,576        |
| Pasta products                               | 35,646,399         | 89,308,911         | 30,751,577         | 89,308,911         |
| <b>Provision of services - point in time</b> |                    |                    |                    |                    |
| Haulage services                             | 6,964,555          | 5,235,758          | 6,964,555          | 5,235,758          |
| <b>Total revenue</b>                         | <b>360,849,158</b> | <b>373,509,245</b> | <b>355,954,336</b> | <b>373,509,245</b> |

**6.2 Contract balances**

|                      |         | <b>Group</b> |              | <b>Company</b> |              |
|----------------------|---------|--------------|--------------|----------------|--------------|
|                      |         | <b>2026</b>  | <b>2025</b>  | <b>2026</b>    | <b>2025</b>  |
|                      |         | <b>N'000</b> | <b>N'000</b> | <b>N'000</b>   | <b>N'000</b> |
| Trade receivables    | Note 22 | 4,195,979    | 3,912,159    | 4,195,979      | 3,912,159    |
| Contract liabilities | Note 30 | 18,168,143   | 8,791,751    | 18,168,143     | 8,791,751    |

Contract liabilities represent the advance payments made by customers for goods yet to be supplied.

**7 Cost of Sales**

|                                                        |           | <b>Group</b>       |                    | <b>Company</b>     |                    |
|--------------------------------------------------------|-----------|--------------------|--------------------|--------------------|--------------------|
|                                                        |           | <b>2026</b>        | <b>2025</b>        | <b>2026</b>        | <b>2025</b>        |
|                                                        |           | <b>N'000</b>       | <b>N'000</b>       | <b>N'000</b>       | <b>N'000</b>       |
| <b>Cost of sales is analysed by nature as follows:</b> |           |                    |                    |                    |                    |
| Raw and packaging materials consumed                   | Note 21   | 291,219,552        | 306,936,408        | 291,808,268        | 306,936,407        |
| Employee costs                                         | Note 14.2 | 5,720,640          | 3,601,403          | 4,619,272          | 3,601,403          |
| Depreciation                                           | Note 15   | 4,912,253          | 5,866,158          | 3,549,127          | 5,866,159          |
| Plant maintenance and power cost                       |           | 13,644,073         | 13,258,125         | 11,240,849         | 13,258,125         |
| Freight expenses                                       |           | 7,289,940          | 10,456,432         | 7,289,941          | 10,456,432         |
| Other manufacturing expenses**                         |           | 1,632,361          | 1,145,333          | 1,189,372          | 1,145,333          |
|                                                        |           | <b>324,418,819</b> | <b>341,263,860</b> | <b>319,696,829</b> | <b>341,263,860</b> |

\* \* Other manufacturing expenses consist of insurance, regulation related expenses, security expenses, cleaning and fumigation expenses, stationery and other factory consumables.

**8 Other income**

|                              |           | <b>Group</b>     |                  | <b>Company</b>   |                  |
|------------------------------|-----------|------------------|------------------|------------------|------------------|
|                              |           | <b>2026</b>      | <b>2025</b>      | <b>2026</b>      | <b>2025</b>      |
|                              |           | <b>N'000</b>     | <b>N'000</b>     | <b>N'000</b>     | <b>N'000</b>     |
| Government Grant Income      | Note 26   | 886,015          | 1,136,453        | 886,015          | 1,136,453        |
| Net gain on sale of property | Note 16.1 | -                | 184,903          | -                | 184,903          |
| Sundry income*               |           | 2,516,498        | 3,599,273        | 1,660,584        | 3,599,273        |
|                              |           | <b>3,402,513</b> | <b>4,920,629</b> | <b>2,546,599</b> | <b>4,920,629</b> |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**9 Operating Expenses**

The total of selling and distribution expenses, and administrative expenses, are analysed by nature as follows:

**9.1 Selling and distribution expenses  
(analysed by nature)**

|                                                |           | Group         |               | Company       |               |
|------------------------------------------------|-----------|---------------|---------------|---------------|---------------|
|                                                |           | 2026<br>N'000 | 2025<br>N'000 | 2026<br>N'000 | 2025<br>N'000 |
| Employees cost                                 | Note 14.2 | 143,151       | 156,137       | 130,394       | 156,137       |
| Delivery expenses                              |           | 129,708       | 148,908       | 129,708       | 148,908       |
| Insurance                                      |           | -             | 89,084        | -             | 89,084        |
| Consulting and other professionals fee         |           | 365           | 2,482         | 365           | 2,482         |
| Subscriptions                                  |           | 9,893         | 4,511         | 9,893         | 4,511         |
| Travelling and accommodation expenses          |           | 43,861        | 31,767        | 38,227        | 31,767        |
| Motor vehicle maintenance and running expenses |           | 5,092         | 22,109        | 5,092         | 22,109        |
| Marketing expenses                             |           | 6,312,797     | 1,247,372     | 6,312,797     | 1,247,372     |
| Depreciation and amortization                  | Note 15   | 13,987        | 46,014        | 13,987        | 46,014        |
| Product development expenses                   |           | 4,688,212     | 1,420,150     | 4,688,212     | 1,420,150     |
| Sales Incentive                                |           | -             | 1,390,103     | -             | 1,390,103     |
| Other expenses **                              |           | 36,348        | 21,668        | 3,278         | 21,668        |
|                                                |           | 11,383,414    | 4,580,304     | 11,331,953    | 4,580,304     |

\*\* Other expenses comprise Security expenses, Generators running expenses and Communication expenses

**9.2 Administrative expenses  
(analysed by nature)**

|                                                |           | Group         |               | Company       |               |
|------------------------------------------------|-----------|---------------|---------------|---------------|---------------|
|                                                |           | 2026<br>N'000 | 2025<br>N'000 | 2026<br>N'000 | 2025<br>N'000 |
| Directors' fees and other emolument            | Note 14.2 | 237,532       | 72,389        | 135,249       | 72,389        |
| Employees cost                                 | Note 14.2 | 791,355       | 434,227       | 820,264       | 434,227       |
| Delivery expenses                              |           | -             | 398           | -             | 398           |
| Loss on intangible assets written off          |           | -             | 6             | -             | 6             |
| Insurance                                      |           | -             | 128,907       | -             | 128,907       |
| Audit fees*                                    |           | 68,695        | 40,227        | 34,983        | 32,702        |
| Consulting and other professionals fee**       |           | 83,975        | 241,122       | 71,459        | 241,122       |
| Subscriptions                                  |           | 13,631        | 12,322        | 6,461         | 12,322        |
| Travelling and accommodation expenses          |           | 237,955       | 123,790       | 174,491       | 123,790       |
| Computer hardware maintenance expenses         |           | 187,446       | 28,373        | 160,973       | 28,373        |
| Bank charges                                   |           | 184,538       | 398,562       | 179,897       | 398,562       |
| Motor vehicle maintenance and running expenses |           | 1,294,752     | 259,298       | 1,272,944     | 259,298       |
| Depreciation and amortization                  | Note 15   | 231,842       | 274,580       | 218,630       | 274,580       |
| Impairment loss: property, plant & equipment   | Note 15   | -             | 3,263,590     | -             | 3,263,590     |
| Impairment of prepayment                       |           | -             | 5,850,000     | -             | 5,850,000     |
| Fees & Licence                                 |           | 367,162       | 186,007       | 277,535       | -             |
| Repairs and maintenance                        |           | 1,647,762     | -             | 1,592,587     | -             |
| Security services                              |           | 44,107        | 52,004        | 19,671        | 52,004        |
| Group Service Charge                           |           | 3,767,001     | 588,168       | 3,767,001     | 588,168       |
| Non income taxes, fines and penalties          |           | 617,239       | -             | 617,240       | -             |
| Other expenses ***                             |           | 196,326       | 326,335       | 141,485       | 326,335       |
|                                                |           | 9,971,318     | 12,280,304    | 9,490,870     | 12,086,772    |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

## 9 Operating Expenses - Continued

## \* Non-audit Services

The Company engages Messrs Ernst and Young for ICFR assurance service. The service was carried out at 31 March 2026 by Williams I. Erimona FRC 2013 PRO/ICAN/004/00000002190 of Messrs Ernst and Young FRC/2023/COY/209403. These service, in the Company's opinion, did not impair the independence and objectivity of the external auditor. The fees paid for this non-audit services is N7 million (2025: N6.6 million)

\*\* Detail of professionals providing other forms of professional services on the financial statements are as follows:

| Firm              | Nature of services         | FRC number of firm  | Name of professional    | FRC number of professional   |
|-------------------|----------------------------|---------------------|-------------------------|------------------------------|
| Deloitte & Touche | Actuarial valuation of LSA | FRC/2022/COY/091021 | Takalani Sikhavhakhavha | FRC/2023/PRO/N AS/004/802144 |

\*\*\* Other expenses comprises of Communication expenses and Office consumables

## 9.3

Net foreign exchange gain

## Analysis of foreign exchange difference

Net exchange loss/(gain) on cash and cash equivalent

Net exchange (gain)/loss on trade and other payable

Net exchange loss/(gain) on trade and other receivables

Net exchange loss on short-term finance (Usance)

Unrealised exchange (gain)/loss

Realised exchange gain

Note 12

Note 11

| Group              |                    | Company            |                    |
|--------------------|--------------------|--------------------|--------------------|
| 2026<br>N'000      | 2025               | 2026<br>N'000      | 2025               |
| (4,318,798)        | (5,057,903)        | (5,332,266)        | (5,057,903)        |
| 928,574            | (4,038)            | 1,160,679          | (4,038)            |
| (2,067,500)        | 567,086            | (1,454,467)        | 567,086            |
| 557,720            | -                  | (460,013)          | -                  |
| -                  | 224,822            | -                  | 224,822            |
| (581,206)          | 787,870            | (753,800)          | 787,870            |
| (3,737,592)        | (5,845,773)        | (4,578,465)        | (5,845,773)        |
| <b>(4,318,798)</b> | <b>(5,057,903)</b> | <b>(5,332,266)</b> | <b>(5,057,903)</b> |
| (21,100)           | 538,328            | (21,100)           | 538,328            |
| 373,458            | 1,573,454          | 373,458            | 1,573,454          |
| 352,358            | 2,111,782          | 352,358            | 2,111,782          |
| 1,548,910          | 108,866            | 1,548,910          | 108,866            |
| <b>1,901,268</b>   | <b>2,220,648</b>   | <b>1,901,268</b>   | <b>2,220,648</b>   |

9.4 Impairment loss on trade receivables

Note 22.4

Impairment loss on related parties receivables

Note 22.4

Impairment loss on long term loan

Note 19.2

## 10 Operating profit before tax

Operating profit for the year is stated after charging

Audit fees

Consulting and professional services

Directors' emolument

Employee costs

Depreciation and amortization

Note 14.2

Note 14.2

Note 15

| Group             |                   | Company          |                   |
|-------------------|-------------------|------------------|-------------------|
| 2026<br>N'000     | 2025              | 2026<br>N'000    | 2025              |
| 68,695            | 40,227            | 34,983           | 32,702            |
| 84,340            | 243,604           | 71,825           | 243,604           |
| 237,532           | 72,389            | 135,249          | 72,389            |
| 6,655,146         | 4,191,768         | 5,569,929        | 4,191,768         |
| 5,158,082         | 6,186,752         | 3,781,744        | 6,186,753         |
| <b>12,203,795</b> | <b>10,734,739</b> | <b>9,593,730</b> | <b>10,727,215</b> |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**11 Finance income**

|                                               |           | Group            |                  | Company           |                  |
|-----------------------------------------------|-----------|------------------|------------------|-------------------|------------------|
|                                               |           | 2026<br>N'000    | 2025<br>N'000    | 2026<br>N'000     | 2025<br>N'000    |
| Interest income from loans to related parties | Note 19.1 | 4,802,737        | 2,697,681        | 4,802,737         | 2,697,681        |
| Interest income from bank deposits            |           | 102,521          | -                | 102,521           | -                |
| Total interest income                         |           | 4,905,258        | 2,697,681        | 4,905,258         | 2,697,681        |
| Exchange gain                                 | Note 9.3  | 4,318,798        | 5,845,773        | 5,332,265         | 5,845,773        |
|                                               |           | <b>9,224,056</b> | <b>8,543,454</b> | <b>10,237,523</b> | <b>8,543,454</b> |

Interest income of N4.8 billion (2025: N2.7 billion) was earned on intercompany loan receivable during the year

**12 Finance cost**

|                                             |           | Group            |                  | Company          |                  |
|---------------------------------------------|-----------|------------------|------------------|------------------|------------------|
|                                             |           | 2026<br>N'000    | 2025             | 2026             | 2025             |
| Interest expense on bank loan               |           | 1,033,487        | 659,645          | 1,033,487        | 659,645          |
| Interest expense on subsidized loan         |           | 2,221,970        | 3,865,203        | 2,221,970        | 3,865,203        |
| Interest expense on loan from related party |           | 533,967          | -                | 533,967          | -                |
|                                             | Note 25.1 | 3,789,424        | 4,524,848        | 3,789,424        | 4,524,848        |
| Loss on exchange difference                 | Note 9.3  | -                | 787,870          | -                | 787,870          |
| Interest expense on lease liabilities       | Note 27   | 115,282          | 116,018          | 115,282          | 116,018          |
| Total finance cost                          |           | <b>3,904,706</b> | <b>5,428,736</b> | <b>3,904,706</b> | <b>5,428,736</b> |

**13 Earnings per share****Basic earnings per share**

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

|                                                 | Group            |                  | Company          |                  |
|-------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                 | 2026             | 2025             | 2026             | 2025             |
| Profit for the year attributed to shareholders  | 16,486,878       | 14,588,650       | 20,091,007       | 14,782,182       |
| <b>Weighted average number of shares ('000)</b> | <b>7,930,198</b> | <b>7,930,198</b> | <b>7,930,198</b> | <b>7,930,198</b> |
| Basic earnings per share (kobo per share)       | 207.90           | 183.96           | 253.35           | 186.40           |

As at the reporting date, the Company has no dilutive ordinary share (2025: Nil). Consequently, diluted and basic earnings per shares are the same

**14 Emoluments of Chairman, Directors and Employees****14.1 Chairman and Directors emoluments Fees:**

|                          | Group          |               | Company        |               |
|--------------------------|----------------|---------------|----------------|---------------|
|                          | 2026           | 2025          | 2026           | 2025          |
| Chairman                 | -              | -             | -              | -             |
| Other directors          | 17,800         | 12,000        | 17,800         | 12,000        |
|                          | <b>17,800</b>  | <b>12,000</b> | <b>17,800</b>  | <b>12,000</b> |
| <b>Other Emoluments:</b> |                |               |                |               |
| Chairman                 | -              | -             | -              | -             |
| Other directors          | 219,732        | 60,389        | 117,449        | 60,389        |
| Total emoluments         | <b>237,532</b> | <b>72,389</b> | <b>135,249</b> | <b>72,389</b> |

The Chairman did not receive any remuneration during the year (2025: Nil)

**Number of directors (excluding the Chairman) whose emoluments were within certain ranges were:**

|                                | Group     |          | Company   |          |
|--------------------------------|-----------|----------|-----------|----------|
|                                | Number    | Number   | Number    | Number   |
| below N10,000,000              | 9         | 7        | 9         | 7        |
| N10,000,001 and above          | 1         | 1        | 1         | 1        |
|                                | <b>10</b> | <b>8</b> | <b>10</b> | <b>8</b> |
| <b>In thousands of Naira</b>   |           |          |           |          |
| Highest paid Director received | 10,000    | 10,000   | 10,000    | 10,000   |

No pension was paid to the existing and past directors  
No compensation for loss of office was paid to any of the directors.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**Employees**

As at 31 March, 2026 the Group had 457 permanent employees (2025: 417).

Employee benefits expense is made up of the following for all employees, excluding executive directors:

**14.2****Group and Company**

|                                     |
|-------------------------------------|
| Basic and other payroll cost        |
| Directors' fees and other emolument |
| Pension contribution- employer      |
| Long service awards                 |
| Bonus                               |
| Medical aid - company contributions |
| Staff uniform                       |
| Furniture allowance                 |
| Leave allowance                     |
| Other short term benefit *          |

| Group     |           | Company   |           |
|-----------|-----------|-----------|-----------|
| 2026      | 2025      | 2026      | 2025      |
| 5,320,495 | 2,674,827 | 4,479,342 | 2,674,827 |
| 237,532   | 72,389    | 135,249   | 72,389    |
| 370,615   | 193,615   | 316,786   | 193,615   |
| 223,304   | 53,816    | 59,436    | 53,816    |
| 24,236    | 47,980    | 24,236    | 47,980    |
| 39,073    | 159,158   | 32,205    | 159,158   |
| 22,343    | 87,349    | 22,343    | 87,349    |
| -         | 135,775   | -         | 135,775   |
| 66,770    | 86,344    | 47,522    | 86,344    |
| 717,950   | 752,905   | 576,764   | 752,905   |
| 7,022,318 | 4,264,156 | 5,693,883 | 4,264,156 |

\*Other short term benefit includes training and development expenses, overseas travelling expenses, end of year party expenses

**Total employees costs charged as follows:**

|                                     |          |           |           |           |           |
|-------------------------------------|----------|-----------|-----------|-----------|-----------|
| Cost of sales                       | Note 7   | 5,720,640 | 3,601,403 | 4,619,272 | 3,601,403 |
| Selling and distribution expenses   | Note 9.1 | 143,151   | 156,137   | 130,394   | 156,137   |
| Administrative expenses             | Note 9.2 | 791,355   | 434,227   | 820,264   | 434,227   |
| Directors' fees and other emolument | Note 9.2 | 237,532   | 72,389    | 135,249   | 72,389    |
|                                     |          | 6,892,678 | 4,264,156 | 5,705,179 | 4,264,156 |

Average number of persons employed during the year:

**Group and Company**

|                |
|----------------|
| Administration |
| Factory        |
| Management     |

| Group  |        | Company |        |
|--------|--------|---------|--------|
| 2026   | 2025   | 2026    | 2025   |
| Number | Number | Number  | Number |
| 100    | 83     | 66      | 83     |
| 352    | 329    | 254     | 329    |
| 5      | 5      | 2       | 5      |
| 457    | 417    | 322     | 417    |

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

**Group and Company**

|                       |
|-----------------------|
| Below 1,000,000       |
| 1,000,001 - 2,000,000 |
| 2,000,001 - 3,000,000 |
| 3,000,001 - 4,000,000 |
| 4,000,001 - 5,000,000 |
| 5,000,001 - 6,000,000 |
| 6,000,001 and above   |

| Number | Number | Number | Number |
|--------|--------|--------|--------|
| 1      | -      | 1      | -      |
| 1      | 9      | 1      | 9      |
| 93     | 28     | 42     | 28     |
| 197    | 231    | 167    | 231    |
| 58     | 56     | 41     | 56     |
| 29     | 15     | 15     | 15     |
| 78     | 78     | 55     | 78     |
| 457    | 417    | 322    | 417    |

**15 Depreciation, amortisation and impairment loss**

|                                                  |
|--------------------------------------------------|
| Depreciation on property, plant and equipment    |
| Impairment loss on property, plant and equipment |
| Depreciation on rights of use assets             |
| Amortisation of intangible assets                |

| Group     |           | Company   |           |
|-----------|-----------|-----------|-----------|
| 2026      | 2025      | 2026      | 2025      |
| 5,110,510 | 6,103,262 | 3,734,173 | 6,103,262 |
| -         | 3,263,590 | -         | 3,263,590 |
| 25,657    | 29,792    | 25,657    | 29,792    |
| 21,914    | 53,699    | 21,914    | 53,699    |
| 5,158,081 | 9,450,343 | 3,781,744 | 9,450,343 |
| 2026      | 2025      | 2026      | 2025      |
| 4,912,253 | 5,866,159 | 3,549,127 | 5,866,159 |
| 13,987    | 46,014    | 13,987    | 46,014    |
| 231,842   | 3,538,170 | 218,630   | 3,538,170 |
| 5,158,082 | 9,450,343 | 3,781,744 | 9,450,343 |

|                                   |          |
|-----------------------------------|----------|
| Cost of Sales                     | Note 7   |
| Selling and distribution expenses | Note 9.1 |
| Administrative expenses           | Note 9.2 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

## 16 Property, Plant and Equipment

| Group                        | Land             | Buildings         | Plant & Machinery | Office Furniture & Equipment | Motor Vehicles   | Capital WIP       | Total              |
|------------------------------|------------------|-------------------|-------------------|------------------------------|------------------|-------------------|--------------------|
| Cost/revaluation             | N'000            | N'000             | N'000             | N'000                        | N'000            | N'000             | N'000              |
| At April1,2024               | 9,857,600        | 30,096,121        | 77,495,509        | 1,009,710                    | 2,399,140        | -                 | 120,858,080        |
| Additions                    | -                | 633,495           | 1,726,732         | 100,022                      | -                | 55,399            | 2,515,648          |
| Disposals and scrapings      | (1,357,600)      | (3,327,945)       | (1,188,674)       | (21,823)                     | -                | -                 | (5,896,042)        |
| <b>At March31,2025</b>       | <b>8,500,000</b> | <b>27,401,671</b> | <b>78,033,567</b> | <b>1,087,909</b>             | <b>2,399,140</b> | <b>55,399</b>     | <b>117,477,686</b> |
| At April1,2025               | 8,500,000        | 27,401,671        | 78,033,567        | 1,087,909                    | 2,399,140        | 55,399            | 117,477,686        |
| Additions                    | -                | 274,277           | -                 | 31,654                       | -                | 33,268,115        | 33,574,046         |
| Disposals and scrapings      | -                | -                 | -                 | -                            | -                | -                 | -                  |
| Reclassification**           | -                | -                 | 15,675            | (15,675)                     | -                | -                 | -                  |
| <b>At March 31,2026</b>      | <b>8,500,000</b> | <b>27,675,948</b> | <b>78,049,242</b> | <b>1,103,888</b>             | <b>2,399,140</b> | <b>33,323,514</b> | <b>151,051,731</b> |
| Depreciation and impairment: |                  |                   |                   |                              |                  |                   |                    |
| At April 1, 2024             | -                | 7,099,322         | 30,140,711        | 756,127                      | 1,845,404        | -                 | 39,841,564         |
| Charged for the year         | -                | 681,273           | 5,099,540         | 123,331                      | 199,119          | -                 | 6,103,262          |
| Impairment loss*             | -                | -                 | 3,178,360         | 85,230                       | -                | -                 | 3,263,590          |
| Disposals and scrapings      | -                | (1,703,922)       | (811,910)         | (18,862)                     | -                | -                 | (2,534,693)        |
| At March 31, 2025            | -                | <b>6,076,673</b>  | <b>37,606,701</b> | <b>945,826</b>               | <b>2,044,523</b> | -                 | <b>46,673,723</b>  |
| At April 1, 2025             | -                | 6,076,673         | 37,606,701        | 945,826                      | 2,044,523        | -                 | 46,673,723         |
| Charged for the year         | -                | 562,778           | 4,422,368         | 44,173                       | 81,190           | -                 | 5,110,510          |
| Reclassification**           | -                | -                 | 15,338            | (15,338)                     | -                | -                 | -                  |
| <b>At March 31, 2026</b>     | -                | <b>6,639,451</b>  | <b>42,044,407</b> | <b>974,661</b>               | <b>2,125,713</b> | -                 | <b>51,784,233</b>  |
| Carrying Amount              |                  |                   |                   |                              |                  |                   |                    |
| At March 31, 2025            | 8,500,000        | 21,324,998        | 40,426,866        | 142,083                      | 354,617          | 55,399            | 70,803,963         |
| <b>At March 31, 2026</b>     | <b>8,500,000</b> | <b>21,036,496</b> | <b>36,004,834</b> | <b>129,227</b>               | <b>273,427</b>   | <b>33,323,514</b> | <b>99,267,498</b>  |

Property, Plant and equipment was revalued on the 12 May 2022 by Umoru Yakub (FRC/2014/NIESV/00000008842) of Jide Taiwo & Co (FRC/2012/00000000254) to determine the fair value of the assets. The valuation basis used was Market basis. Market basis refers to the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and sellers in arm's length transactions.

\*\* Reclassification relates to an asset that was incorrectly mapped under office equipment instead of being classified as plant and machinery. Below would have been the Carrying amount if the cost model had been adopted:

| 31-Mar-26                               | Land        | Buildings   | Plant & Machinery | Office Furniture & Equipment | Motor Vehicles | Total        |
|-----------------------------------------|-------------|-------------|-------------------|------------------------------|----------------|--------------|
| <b>Cost</b>                             |             |             |                   |                              |                |              |
| Accumulated depreciation and impairment | 6,953,132   | 19,010,084  | 71,151,578        | 921,364                      | 2,308,484      | 100,344,642  |
| Disposal                                | -           | (9,597,899) | (40,974,183)      | (872,596)                    | (2,261,772)    | (53,706,450) |
| At March 31,2026                        | 6,953,132   | 9,412,185   | 30,177,395        | 48,768                       | 46,712         | 46,638,192   |
| <b>31-Mar-25</b>                        |             |             |                   |                              |                |              |
| <b>Cost</b>                             |             |             |                   |                              |                |              |
| Accumulated depreciation and impairment | 8,310,732   | 18,735,807  | 71,151,578        | 889,710                      | 2,308,484      | 101,396,311  |
| Disposal                                | -           | (8,916,626) | (35,874,644)      | (872,596)                    | (2,062,654)    | (47,726,520) |
| At March 31,2025                        | (1,357,600) | (1,624,023) | (376,764)         | (2,962)                      | -              | (3,361,348)  |
| At March 31,2026                        | 6,953,132   | 8,195,157   | 34,900,170        | 14,152                       | 245,830        | 50,308,442   |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**Property, Plant and Equipment - Continued Pledged as security**

As at 31 March 2026, no specific property was pledged as security for loan (2025: Nil). There are negative pledges over the Company's Property, plant and equipment and floating assets which have been given in relation to the Company's borrowings.

**Capital commitments**

At 31 March 2026, the Company had no contractual commitments for the acquisition of property, plant and equipment (2025: Nil).

**Capital work in progress**

Capital work in progress comprises buildings, plant and machinery, and furniture under construction as at the year end.

During the year, borrowing cost amounting to N713 million was capitalised to capital work in progress. The capitalisation rate of 19% used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to Honeywell Flour Mills Plc general borrowings during the year (2025: Nil).

Capital work in progress comprises:

|                     | 2026<br>N'000     | 2025<br>N'000 |
|---------------------|-------------------|---------------|
| Buildings           | 11,612,689        | 55,399        |
| Plant and machinery | 3,247,516         | -             |
| Furniture           | 18,463,309        | -             |
|                     | <b>33,323,514</b> | <b>55,399</b> |

|                                                     | Land             | Buildings         | Plant & Machinery | Company Furniture & Equipment | Motor Vehicles   | Capital WIP      | Total              |
|-----------------------------------------------------|------------------|-------------------|-------------------|-------------------------------|------------------|------------------|--------------------|
| <b>Cost/revaluation</b>                             |                  |                   |                   |                               |                  |                  |                    |
| At April 1, 2024                                    | 9,857,600        | 30,096,121        | 77,495,509        | 1,009,710                     | 2,399,140        | -                | 120,858,080        |
| Additions                                           | -                | 633,495           | 1,726,732         | 100,022                       | -                | 55,399           | 2,515,648          |
| Disposals and scrapings                             | (1,357,600)      | (3,327,945)       | (1,188,674)       | (21,823)                      | -                | -                | (5,896,042)        |
| Transfer                                            | -                | -                 | -                 | -                             | -                | -                | -                  |
| <b>At March 31, 2025</b>                            | <b>8,500,000</b> | <b>27,401,671</b> | <b>78,033,567</b> | <b>1,087,909</b>              | <b>2,399,140</b> | <b>55,399</b>    | <b>117,477,686</b> |
| At April 1, 2025                                    | 8,500,000        | 27,401,671        | 78,033,567        | 1,087,909                     | 2,399,140        | 55,399           | 117,477,686        |
| Additions                                           | -                | 107,500           | -                 | 10,412                        | -                | 6,694,170        | 6,812,082          |
| Transfer to Honeywell Flour Mills Shagamu (Note 37) | (8,500,000)      | (11,233,056)      | (40,021,098)      | (189,391)                     | (216,664)        | (5,587,564)      | (65,747,772)       |
| Reclassification*                                   | -                | -                 | 15,675            | (15,675)                      | -                | -                | -                  |
| <b>At March 31, 2026</b>                            | <b>-</b>         | <b>16,276,116</b> | <b>38,028,144</b> | <b>893,256</b>                | <b>2,182,476</b> | <b>1,162,006</b> | <b>58,541,998</b>  |
| <b>Depreciation and impairment:</b>                 |                  |                   |                   |                               |                  |                  |                    |
| At April 1, 2024                                    | -                | 7,099,322         | 30,140,711        | 756,127                       | 1,845,404        | -                | 39,841,564         |
| Charged for the year                                | -                | 681,273           | 5,099,540         | 123,331                       | 199,119          | -                | 6,103,262          |
| Impairment loss*                                    | -                | -                 | 3,178,360         | 85,230                        | -                | -                | 3,263,590          |
| Disposals and scrapings                             | -                | (1,703,922)       | (811,910)         | (18,862)                      | -                | -                | (2,534,693)        |
| <b>At March 31, 2025</b>                            | <b>-</b>         | <b>6,076,673</b>  | <b>37,606,701</b> | <b>945,826</b>                | <b>2,044,523</b> | <b>-</b>         | <b>46,673,723</b>  |
| At April 1, 2025                                    | -                | 6,076,673         | 37,606,701        | 945,826                       | 2,044,523        | -                | 46,673,723         |
| Charged for the year                                | -                | 438,815           | 3,176,779         | 37,388                        | 81,190           | -                | 3,734,173          |
| Reclassification*                                   | -                | -                 | 15,338            | (15,338)                      | -                | -                | -                  |
| Transfer to Honeywell Flour Mills Shagamu (Note 37) | -                | (1,835,329)       | (13,596,879)      | (146,752)                     | (216,555)        | -                | (15,795,515)       |
| <b>At March 31, 2026</b>                            | <b>-</b>         | <b>4,680,159</b>  | <b>27,201,939</b> | <b>821,124</b>                | <b>1,909,158</b> | <b>-</b>         | <b>34,612,379</b>  |
| <b>Carrying Amount</b>                              |                  |                   |                   |                               |                  |                  |                    |
| At March 31, 2025                                   | 8,500,000        | 21,324,998        | 40,426,866        | 142,083                       | 354,617          | 55,399           | 70,803,963         |
| At March 31, 2026                                   | -                | 11,595,958        | 10,826,205        | 72,132                        | 273,318          | 1,162,006        | 23,929,619         |

Property, Plant and equipment was revalued on the 12 May 2022 by Umoru Yakub (FRC/2014/NIESV/00000008842) of Jide Taiwo & Co (FRC/2012/00000000254) to determine the fair value of the assets. The valuation basis used was Market basis. Market basis refers to the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and sellers in arm's length transactions.

\* Reclassification relates to an asset that was incorrectly mapped under office equipment instead of being classified as plant and machinery.

\* The company transfer some assets to its subsidiary to Honeywell Flour Mills Shagamu. See note 37.

Below would have been the Carrying amount if the cost model had been adopted:

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**16 Property, Plant and Equipment - Continued****31-Mar-26**

|                                         | Land        | Buildings   | Plant and Machinery | Office Equipment | Furniture & Vehicles | Motor WIP | Capital Total |
|-----------------------------------------|-------------|-------------|---------------------|------------------|----------------------|-----------|---------------|
| <b>Cost</b>                             | 6,953,132   | 9,445,580   | 31,130,480          | 857,484          | 2,091,820            | 1,106,606 | 51,585,102    |
| Accumulated depreciation and impairment | -           | (7,762,570) | (27,377,304)        | (814,975)        | (2,045,218)          | -         | (38,000,067)  |
| Disposal                                | (6,953,132) | -           | -                   | -                | -                    | -         | (6,953,132)   |
| <b>At March 31, 2026</b>                | -           | 1,683,010   | 3,753,176           | 42,509           | 46,602               | 1,106,606 | 6,631,903     |

**31-Mar-25**

|                                         | Land        | Buildings   | Plant & Machinery | Office Equipment | Furniture & Vehicles | Motor WIP | Capital Total |
|-----------------------------------------|-------------|-------------|-------------------|------------------|----------------------|-----------|---------------|
| <b>Cost</b>                             | 8,310,732   | 18,735,807  | 71,151,578        | 889,710          | 2,308,484            | -         | 101,396,311   |
| Accumulated depreciation and impairment | -           | (8,916,626) | (35,874,644)      | (872,596)        | (2,062,654)          | -         | (47,726,520)  |
| Disposal                                | (1,357,600) | (1,624,023) | (376,764)         | (2,962)          | -                    | -         | (3,361,348)   |
| <b>At March 31, 2025</b>                | 6,953,132   | 8,195,157   | 34,900,170        | 14,152           | 245,830              | -         | 50,308,442    |

**Pledged as security**

As at 31 March 2026, no specific property was pledged as security for loan (2025: Nil). There are negative pledges over the Company's Property, plant and equipment and floating assets which have been given in relation to the Company's borrowings.

**Capital commitments**

At 31 March 2026, the Company had no contractual commitments for the acquisition of property, plant and equipment (2025: Nil).

**Capital work in progress**

Capital work in progress comprises buildings and plant and machinery under construction as at the year end.

During the year, borrowing cost amounting to N713 million was capitalised to capital work in progress. The capitalisation rate of 19% used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to Honeywell Flour Mills Plc general borrowings during the year (2025: Nil).

Capital work in progress comprises:

|                     | 2026<br>N'000    | 2025<br>N'000 |
|---------------------|------------------|---------------|
| Buildings           | 905,751          | 55,399        |
| Plant and machinery | 256,255          | -             |
|                     | <b>1,162,006</b> | <b>55,399</b> |

**16 Disposal of Property, plant and equipment**

In 2026 the Company did not dispose of any of its properties, plants and equipment (2025: N3.4 million) for a cash consideration of Nil (2025: N3.55 billion). The net gain on the disposal is recognised as part of other income in the statement of profit or loss.

**17 Intangible assets**

Intangible assets relates to computer software and declaration license.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

## Group

|                               | Computer Software | Declaration License | Total          | Computer Software |
|-------------------------------|-------------------|---------------------|----------------|-------------------|
|                               | 2026              |                     |                | 2025              |
| Cost                          | N'000             | N'000               | N'000          | N'000             |
| Balance as at 1 April         | 296,319           | -                   | 296,319        | 376,141           |
| Additions**                   | -                 | 406,371             | 406,371        | -                 |
| Write-off*                    | -                 | -                   | -              | (79,822)          |
| <b>Balance as at 31 March</b> | <b>296,319</b>    | <b>406,371</b>      | <b>702,690</b> | <b>296,319</b>    |
| <b>Amortization</b>           |                   |                     |                |                   |
| Balance as at 1 April         | 257,862           | -                   | 257,862        | 283,979           |
| Charge for the year           | 21,914            | -                   | 21,914         | 53,699            |
| Write-off*                    | -                 | -                   | -              | (79,816)          |
| <b>Balance as at 31 March</b> | <b>279,776</b>    | <b>-</b>            | <b>279,776</b> | <b>257,862</b>    |
| <b>Carrying Amount</b>        |                   |                     |                |                   |
| <b>At March 31</b>            | <b>16,544</b>     | <b>406,371</b>      | <b>422,914</b> | <b>38,457</b>     |

\* The write-off relates to expired software licences that were not renewed by the Company as they are no longer needed for its operations.

\*\* The addition to intangible assets relates to declaration license, which is a one-time payment made to the Nigeria Export Processing Zones Authority upon commencement of operations within the Free Trade Zone. This payment grants Honeywell Flour Mills Sagamu FZE indefinite rights to operate and access the regulatory and economic benefits associated with Free Trade Zone status.

## Company

|                               | Computer Software |                |
|-------------------------------|-------------------|----------------|
|                               | 2026              | 2025           |
| Cost                          | N'000             |                |
| Balance as at 1 April         | 296,319           | 376,141        |
| Write-off*                    | -                 | (79,822)       |
| <b>Balance as at 31 March</b> | <b>296,319</b>    | <b>296,319</b> |
| <b>Amortization</b>           |                   |                |
| Balance as at 1 April         | 257,862           | 283,979        |
| Charge for the year           | 21,914            | 53,699         |
| Write-off*                    | -                 | (79,816)       |
| <b>Balance as at 31 March</b> | <b>279,776</b>    | <b>257,862</b> |
| <b>Carrying Amount</b>        |                   |                |
| <b>At March 31</b>            | <b>16,544</b>     | <b>38,457</b>  |

\* The write-off relates to expired software licences that were not renewed by the Company as they are no longer needed for its operations.

## Pledged as security

As at 31 March 2026, no specific intangible asset was pledged as security for loan (2025: Nil).

## Capital commitments

At 31 March 2026, the Company had no contractual commitments for the acquisition of intangible assets (2025: Nil).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

## 18 Rights of use -asset

## Group

|                            |
|----------------------------|
| As at 1 April 2024         |
| <b>As at 31 March 2025</b> |
| As at 1 April 2025         |
| <b>As at 31 March 2026</b> |
| <b>Depreciation</b>        |
| As at 1 April 2024         |
| Charge for the year        |
| <b>As at 31 March 2025</b> |
| As at 1 April 2025         |
| Charge for the year        |
| <b>As at 31 March 2026</b> |
| <b>Carrying Amount</b>     |
| 31 March 2026              |
| 31 March 2025              |

## Company

|                            |
|----------------------------|
| <b>Cost :</b>              |
| As at 1 April 2024         |
| <b>As at 31 March 2025</b> |
| As at 1 April 2025         |
| <b>As at 31 March 2026</b> |
| <b>Depreciation</b>        |
| As at 1 April 2024         |
| Charge for the year        |
| <b>As at 31 March 2025</b> |
| As at 1 April 2025         |
| Charge for the year        |
| <b>As at 31 March 2026</b> |
| <b>Carrying Amount</b>     |
| 31 March 2026              |
| 31 March 2025              |

| NPA<br>Facilities | Onitsha<br>Warehouse | Total          |
|-------------------|----------------------|----------------|
| 845,347           | 27,852               | 873,199        |
| <b>845,347</b>    | <b>27,852</b>        | <b>873,199</b> |
| 845,347           | 27,852               | 873,199        |
| <b>845,347</b>    | <b>27,852</b>        | <b>873,199</b> |
| 127,046           | 23,717               | 150,763        |
| 25,657            | 4,135                | 29,792         |
| <b>152,703</b>    | <b>27,852</b>        | <b>180,555</b> |
| 152,703           | 27,852               | 180,555        |
| 25,657            | -                    | 25,657         |
| <b>178,360</b>    | <b>27,852</b>        | <b>206,212</b> |
| 666,987           | -                    | 666,987        |
| 692,644           | -                    | 692,644        |

| NPA<br>Facilities | Onitsha<br>Warehouse | Total          |
|-------------------|----------------------|----------------|
| N'000             | N'000                | N'000          |
| 845,347           | 27,852               | 873,199        |
| <b>845,347</b>    | <b>27,852</b>        | <b>873,199</b> |
| 845,347           | 27,852               | 873,199        |
| <b>845,347</b>    | <b>27,852</b>        | <b>873,199</b> |
| 127,046           | 23,717               | 150,763        |
| 25,657            | 4,135                | 29,792         |
| <b>152,703</b>    | <b>27,852</b>        | <b>180,555</b> |
| 152,703           | 27,852               | 180,555        |
| 25,657            | -                    | 25,657         |
| <b>178,360</b>    | <b>27,852</b>        | <b>206,212</b> |
| 666,987           | -                    | 666,987        |
| 692,644           | -                    | 692,644        |

## 19 Long term loans receivables

|                                         |
|-----------------------------------------|
| Golden Penny Foods Limited              |
| Premier Feed Mills Co.Ltd               |
| Premium Edible Oil Products Ltd         |
| Honeywell Management Company Sagamu FZE |
| Northern Nigeria Flour Mills Plc        |
| Impairment of long term receivables     |

|                                                        |
|--------------------------------------------------------|
| <b>Split between non-current and current portions:</b> |
| Non-current                                            |
| Current                                                |

| Group             |                  | Company           |                  |
|-------------------|------------------|-------------------|------------------|
| 2026<br>N'000     | 2025<br>N'000    | 2026<br>N'000     | 2025<br>N'000    |
| 37,788,336        | 3,260,211        | 37,788,336        | 3,260,211        |
| 1,806,950         | -                | 1,806,950         | -                |
| 2,186,860         | -                | 2,186,860         | -                |
| -                 | -                | 103,930           | -                |
| 431,457           | -                | 431,457           | -                |
| (1,657,776)       | (108,866)        | (1,657,776)       | (108,866)        |
| <b>40,555,827</b> | <b>3,151,345</b> | <b>40,659,757</b> | <b>3,151,345</b> |
| -                 | 3,151,345        | -                 | 3,151,345        |
| 40,555,827        | -                | 40,659,757        | -                |
| <b>40,555,827</b> | <b>3,151,345</b> | <b>40,659,757</b> | <b>3,151,345</b> |

## Credit quality on long term receivables

The Company granted intercompany loans with carrying amounts of N41 billion as at 31 March 2026 (2025: N3.2 billion). While there is a risk of shortfall in repayment of these receivables, adequate agreements are in place. The Company also monitors the business activities of the entities closely on a monthly basis, and interest is charged at the weighted average cost of group borrowing facilities.

## 19.1 Movement in long/short term

## receivables

|                                                    |
|----------------------------------------------------|
| Opening balance                                    |
| Loan granted                                       |
| Accrued interest income during the year            |
| <b>Repayment during the year</b>                   |
| Principal received                                 |
| Conversion of intercompany payables to offset loan |
| Loss allowance                                     |

| 2026<br>N'000     | 2025<br>N'000    | 2026<br>N'000     | 2025<br>N'000    |
|-------------------|------------------|-------------------|------------------|
| 3,260,211         | -                | 3,260,211         | -                |
| 152,972,006       | 297,439,684      | 152,972,006       | 297,439,684      |
| 4,802,737         | 2,697,681        | 4,802,737         | 2,697,681        |
| (64,035,022)      | (11,618,000)     | (64,035,022)      | (11,618,000)     |
| (54,786,329)      | (285,259,154)    | (54,786,329)      | (285,259,154)    |
| 42,213,603        | 3,260,211        | 42,213,603        | 3,260,211        |
| (1,657,776)       | (108,866)        | (1,657,776)       | (108,866)        |
| <b>40,555,827</b> | <b>3,151,345</b> | <b>40,659,757</b> | <b>3,151,345</b> |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**19.2 Reconciliation of changes in long/short term receivables impairment loss included in statement of cashflow:**

|                                            | 2026<br>N'000    | 2025<br>N'000  | 2026<br>N'000    | 2025<br>N'000  |
|--------------------------------------------|------------------|----------------|------------------|----------------|
| Balance as at 1 April                      | 108,866          | -              | 108,866          | -              |
| Impairment charge on long term receivables | 1,548,910        | 108,866        | 1,548,910        | 108,866        |
| Balance as at 31 March                     | <b>1,657,776</b> | <b>108,866</b> | <b>1,657,776</b> | <b>108,866</b> |

**20 Investment in subsidiaries**

- (a) Investment in subsidiaries are stated at cost and analysed as follows

|                                          | Group         |               | Company        |                |
|------------------------------------------|---------------|---------------|----------------|----------------|
|                                          | 2026<br>N'000 | 2025<br>N'000 | 2026<br>N'000  | 2025<br>N'000  |
| <b>Unquoted</b>                          |               |               |                |                |
| Honeywell Flour Mills Tin Can FZE        | -             | -             | 75,000         | 75,000         |
| Honeywell Flour Mills Sagamu FZE         | -             | -             | 75,000         | 75,000         |
| Honeywell Management Company Tin Can FZE | -             | -             | 75,000         | 75,000         |
| Honeywell Management Company Sagamu FZE  | -             | -             | 75,000         | 75,000         |
|                                          | -             | -             | <b>300,000</b> | <b>300,000</b> |

**(b) Shareholding in subsidiaries**

|                                          | Ordinary shares                             | 2026 (%) | Principal activities |
|------------------------------------------|---------------------------------------------|----------|----------------------|
| Honeywell Flour Mills Tin Can FZE        | 75,000,000 ordinary shares of N1 per shares | 100      | Flour milling        |
| Honeywell Flour Mills Sagamu FZE         | 75,000,000 ordinary shares of N1 per shares | 100      | Pasta production     |
| Honeywell Management Company Tin Can FZE | 75,000,000 ordinary shares of N1 per shares | 100      | FZE Management       |
| Honeywell Management Company Sagamu FZE  | 75,000,000 ordinary shares of N1 per shares | 100      | FZE Management       |

**21 Inventories**

|                                    | Group             |                   | Company           |                   |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                    | 2026<br>N'000     | 2025<br>N'000     | 2026<br>N'000     | 2025<br>N'000     |
| Raw and packaging materials        | 14,193,058        | 19,549,658        | 13,587,845        | 19,549,658        |
| Working in progress                | 334,910           | 1,653,737         | 334,910           | 1,653,737         |
| Finished goods                     | 7,505,597         | 2,859,752         | 4,538,268         | 2,859,752         |
| Consumables and Maintenance spares | 10,991,517        | 6,392,946         | 5,630,766         | 6,392,946         |
| Goods in transit                   | 79,129            | 19,275,467        | -                 | 19,275,467        |
|                                    | 33,104,211        | 49,731,559        | 24,091,789        | 49,731,559        |
| Inventory write-downs *            | (1,647,223)       | (1,606,966)       | (1,606,966)       | (1,606,966)       |
|                                    | <b>31,456,988</b> | <b>48,124,593</b> | <b>22,484,823</b> | <b>48,124,593</b> |

|                       | Group              |                    | Company            |                    |
|-----------------------|--------------------|--------------------|--------------------|--------------------|
|                       | 2026<br>N'000      | 2025<br>N'000      | 2026<br>N'000      | 2025<br>N'000      |
| Opening balance       | (1,606,966)        | (546,594)          | (1,606,966)        | (546,594)          |
| Inventories provision | (40,257)           | (1,060,372)        | -                  | (1,060,372)        |
| Closing balance       | <b>(1,647,223)</b> | <b>(1,606,966)</b> | <b>(1,606,966)</b> | <b>(1,606,966)</b> |

\* The amount of write down of inventories recognised as an expense in cost of sale in the Group amounted to N40.26 million (2025: N1.06 billion), while in the company it was nil (2025: N1.06 billion)

\* Inventories of N291 billion (2025: N307 billion) is recognised as expense and included in cost of sales in the Group, while the company was 292 billion (2025: 307 billion)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

## 21.1 Reconciliation of changes in inventories included in statement of cashflow:

|                                                              | Group             |                  | Company           |                  |
|--------------------------------------------------------------|-------------------|------------------|-------------------|------------------|
|                                                              | 2026<br>N'000     | 2025<br>N'000    | 2026<br>N'000     | 2025<br>N'000    |
| Opening balance                                              | 48,124,593        | 52,497,009       | 48,124,593        | 52,497,009       |
| Closing balance                                              | (31,456,988)      | (48,124,593)     | (22,484,823)      | (48,124,593)     |
|                                                              | 16,667,605        | 4,372,417        | 25,639,770        | 4,372,417        |
| Transfer of inventory to Honeywell Flour Mills<br>Sagamu FZE | -                 | -                | (6,818,601)       | -                |
|                                                              | <b>16,667,605</b> | <b>4,372,417</b> | <b>18,821,170</b> | <b>4,372,417</b> |

## 22 Trade and other receivables

**Financial instrument:**

Trade receivables

Loss allowance on trade receivables

**Trade receivables at amortised cost**

Trade receivables k related parties

Loss allowance on related parties receivables

Other receivables

**Total trade and other receivables**

|                                               | Group             |                   | Company           |                   |
|-----------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                               | 2026<br>N'000     | 2025<br>N'000     | 2026<br>N'000     | 2025<br>N'000     |
| Trade receivables                             | 5,137,100         | 4,874,380         | 5,137,100         | 4,874,380         |
| Loss allowance on trade receivables           | (941,121)         | (962,221)         | (941,121)         | (962,221)         |
| <b>Trade receivables at amortised cost</b>    | <b>4,195,979</b>  | <b>3,912,159</b>  | <b>4,195,979</b>  | <b>3,912,159</b>  |
| Trade receivables k related parties           | 25,236,543        | 25,168,471        | 73,995,860        | 25,354,477        |
| Loss allowance on related parties receivables | (1,946,913)       | (1,573,454)       | (1,946,913)       | (1,573,454)       |
| Other receivables                             | 1,306,137         | 54,405            | 1,334,847         | 54,405            |
| <b>Total trade and other receivables</b>      | <b>28,791,747</b> | <b>27,561,580</b> | <b>77,579,773</b> | <b>27,747,588</b> |

**Split between non-current and current  
portions**

|                | Group             |                   | Company           |                   |
|----------------|-------------------|-------------------|-------------------|-------------------|
|                | 2026              | 2025              | 2026              | 2025              |
| Current assets | 28,791,747        | 27,561,580        | 77,579,773        | 27,747,588        |
|                | <b>28,791,747</b> | <b>27,561,580</b> | <b>77,579,773</b> | <b>27,747,588</b> |

## 22.1 Reconciliation of changes in trade and other receivables included in statement of cashflow:

|                                                                          | 2026<br>N'000      | 2025<br>N'000       | 2026<br>N'000    | 2025<br>N'000       |
|--------------------------------------------------------------------------|--------------------|---------------------|------------------|---------------------|
| Balance as at 31 March                                                   | (28,791,747)       | (27,561,580)        | (77,579,773)     | (27,747,588)        |
| Balance as at 1 April                                                    | 27,561,580         | 2,400,685           | 27,747,588       | 2,400,685           |
| Change in trade and other receivables                                    | (1,230,167)        | (25,160,896)        | (49,832,185)     | (25,346,903)        |
| Less impairment charge on trade and other<br>receivables during the year | (352,358)          | (2,111,782)         | (352,358)        | (2,111,782)         |
| Foreign exchange loss recognised during the<br>year                      | (557,720)          | -                   | 460,013          | -                   |
| Transfer of long service award                                           | 19,276             | (8,894)             | (11,576)         | -                   |
| Transfer of inventory to Honeywell Flour Mills<br>Sagamu FZE             | -                  | -                   | 6,818,601        | -                   |
| Transfer of PPE to Honeywell Flour Mills<br>Sagamu FZE                   | -                  | -                   | 49,952,257       | -                   |
|                                                                          | <b>(2,120,969)</b> | <b>(27,281,572)</b> | <b>7,034,752</b> | <b>(27,467,579)</b> |

## 22.2 Financial instruments and non-financial instruments components of trade and other receivables

|                   | 2026       | 2025       | 2026       | 2025       |
|-------------------|------------|------------|------------|------------|
| At amortised cost | 28,791,747 | 27,561,580 | 77,579,773 | 27,747,588 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**22.3 Exposure to Credit Risk**

Trade receivables inherently exposes the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for credit worthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data where available). Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers is continuously monitored.

Trade receivables arise from both wholesale and retail sales. The customer base for retail trade is large and widespread, with a result that there is no specific significant concentration of credit risk from these trade receivables. Wholesale trade, while also large and widespread is geographically spread within the country. Management therefore assesses and monitors credit risk internally along these risk concentrations (Retail, wholesale country wide).

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance and trade receivables determined as the lifetime expected credit losses on trade receivables. These life times expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date. The Company applies the following macroeconomics variable: inflation and foreign exchange forecast in deriving a scalar factor as a basis of computing the Company's expected credit loss in view of the economic conditions over the expected lives of the receivables.

The estimation techniques explained have been applied for the first time in the current financial period, as a result of the adoption of IFRS 9. Trade receivables were previously impaired only when there was objective evidence that the asset was impaired. The impairment was calculated as the difference between the carrying amount and the present value of the expected future cash flows.

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

**22.4 Trade receivables - third parties****Group**

|                                       | Weighted<br>average expected<br>credit loss rate | 2026<br>Gross<br>carrying<br>Amount at<br>default<br>N'000 | Loss<br>allowance<br>(lifetime<br>ECL)<br>N'000 | Weighted<br>average<br>expected<br>credit<br>loss rate | 2025<br>Gross<br>carrying<br>Amount<br>at default<br>N'000 | Loss<br>allowance<br>(lifetime<br>ECL)<br>N'000 |
|---------------------------------------|--------------------------------------------------|------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------|
|                                       |                                                  |                                                            |                                                 |                                                        |                                                            |                                                 |
| <b>Expected Credit<br/>Loss Rate:</b> |                                                  |                                                            |                                                 |                                                        |                                                            |                                                 |
| Less than 30 days                     | 3%                                               | 3,384,172                                                  | (111,203)                                       | 5%                                                     | 3,020,985                                                  | (143,596)                                       |
| 31-90 days past due                   | 29%                                              | 1,182,758                                                  | (342,633)                                       | 30%                                                    | 1,305,029                                                  | (394,026)                                       |
| 91-180 days past due                  | 67%                                              | 165,328                                                    | (110,539)                                       | 69%                                                    | 393,809                                                    | (273,012)                                       |
| 181-365 days past due                 | 91%                                              | 310,500                                                    | (282,404)                                       | 92%                                                    | 37,954                                                     | (34,985)                                        |
| More than 365 days<br>past due        | 100%                                             | 94,342                                                     | (94,342)                                        | 100%                                                   | 116,602                                                    | (116,602)                                       |
|                                       |                                                  | 5,137,100                                                  | (941,121)                                       |                                                        | 4,874,380                                                  | (962,221)                                       |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**22.4 Trade receivables - third parties**

| Company                           | Weighted<br>average<br>expected<br>credit loss rate | 2026<br>Gross<br>carrying<br>Amount<br>at<br>default | Loss<br>allowance<br>(lifetime<br>ECL) | Weighted<br>average<br>expected<br>credit<br>loss rate | 2025<br>Gross<br>carrying<br>Amount<br>at<br>default | Loss<br>allowance<br>(lifetime<br>ECL) |
|-----------------------------------|-----------------------------------------------------|------------------------------------------------------|----------------------------------------|--------------------------------------------------------|------------------------------------------------------|----------------------------------------|
|                                   |                                                     | N'000                                                | N'000                                  |                                                        | N'000                                                | N'000                                  |
| <b>Expected Credit Loss Rate:</b> |                                                     |                                                      |                                        |                                                        |                                                      |                                        |
| Less than 30 days                 | 3%                                                  | 3,384,172                                            | (111,203)                              | 5%                                                     | 3,020,985                                            | (143,596)                              |
| 31-90 days past due               | 29%                                                 | 1,182,758                                            | (342,633)                              | 30%                                                    | 1,305,029                                            | (394,026)                              |
| 91-180 days past due              | 67%                                                 | 165,328                                              | (110,539)                              | 69%                                                    | 393,809                                              | (273,012)                              |
| 181-365 days past due             | 91%                                                 | 310,500                                              | (282,404)                              | 92%                                                    | 37,954                                               | (34,985)                               |
| More than 365 days past due       | 100%                                                | 94,342                                               | (94,342)                               | 100%                                                   | 116,602                                              | (116,602)                              |
|                                   |                                                     | <u>5,137,100</u>                                     | <u>(941,121)</u>                       |                                                        | <u>4,874,380</u>                                     | <u>(962,221)</u>                       |

**22.4 Reconciliation of loss allowances**

The following table shows the movement in the loss allowance (lifetime expected credit losses) for Trade receivables:

| <b>Trade receivables - third parties</b>        |           | <b>2026<br/>N'000</b> | <b>2025<br/>N'000</b> | <b>2026<br/>N'000</b> | <b>2025<br/>N'000</b> |
|-------------------------------------------------|-----------|-----------------------|-----------------------|-----------------------|-----------------------|
| Opening balance                                 |           | (962,221)             | (675,105)             | (962,221)             | (675,105)             |
| Allowance on trade receivables                  |           | 21,100                | (538,328)             | 21,100                | (538,328)             |
| Bad debt written-off                            |           | -                     | 251,211               | -                     | 251,211               |
|                                                 |           | <u>(941,121)</u>      | <u>(962,221)</u>      | <u>(941,121)</u>      | <u>(962,221)</u>      |
| <b>Trade receivables - related parties</b>      |           | <b>2026<br/>N'000</b> | <b>2025<br/>N'000</b> | <b>2026<br/>N'000</b> | <b>2025<br/>N'000</b> |
| Opening balance                                 |           | (1,573,454)           | -                     | (1,573,454)           | -                     |
| Allowance on related parties receivables        |           | (373,459)             | (1,573,454)           | (373,459)             | (1,573,454)           |
|                                                 |           | <u>(1,946,913)</u>    | <u>(1,573,454)</u>    | <u>(1,946,913)</u>    | <u>(1,573,454)</u>    |
| <b>Loss allowances are analysed as follows:</b> |           | <b>2026<br/>N'000</b> | <b>2025<br/>N'000</b> | <b>2026<br/>N'000</b> | <b>2025<br/>N'000</b> |
| Trade receivables - third parties               | Note 22.4 | 941,121               | 962,221               | 941,121               | 962,221               |
| Trade receivables - related parties             | Note 22.5 | 1,946,913             | 1,573,454             | 1,946,913             | 1,573,454             |
|                                                 |           | <u>2,888,034</u>      | <u>2,535,675</u>      | <u>2,888,034</u>      | <u>2,535,675</u>      |

The increase in the loss allowance during the year was largely as a result of the increase in receivables and by implication the gross amount of trade receivables increased.

The expected credit risk for the trade receivables by type of counter party is as follows:

|                                           | <b>Group</b>          |                       | <b>Company</b>        |                       |
|-------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                           | <b>2026<br/>N'000</b> | <b>2025<br/>N'000</b> | <b>2026<br/>N'000</b> | <b>2025<br/>N'000</b> |
| <b>Trade receivables by counter-party</b> |                       |                       |                       |                       |
| Wholesale customer                        | 5,006,492             | 3,800,947             | 5,006,492             | 3,800,947             |
| Retail customers                          | 130,608               | 1,073,433             | 130,608               | 1,073,433             |
|                                           | <u>5,137,100</u>      | <u>4,874,380</u>      | <u>5,137,100</u>      | <u>4,874,380</u>      |

During the year, the total amount of trade and other receivables written off is N0 billion (2025: N251 million).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

| 22.5 Trade receivables - related parties<br>Group | Weighted<br>average<br>expected<br>credit loss rate | 2026                                                  | Loss<br>allowance<br>(lifetime<br>ECL)<br>N'000 | 2025                                                  | Loss<br>allowance<br>(lifetime<br>ECL)<br>N'000 |
|---------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------|-------------------------------------------------|
|                                                   |                                                     | Gross<br>carrying<br>Amount<br>at<br>default<br>N'000 |                                                 | Gross<br>carrying<br>Amount<br>at<br>default<br>N'000 |                                                 |
| <b>Expected Credit Loss Rate:</b>                 |                                                     |                                                       |                                                 |                                                       |                                                 |
| Less than 30 days                                 | 0%                                                  | 23,289,630                                            | -                                               | 18,785,844                                            | -                                               |
| 31-90 days past due                               | 0%                                                  | -                                                     | -                                               | 4,700,905                                             | -                                               |
| 91-180 days past due                              | 0%                                                  | -                                                     | -                                               | 108,268                                               | -                                               |
| 181-365 days past due                             | 100%                                                | 1,946,913                                             | (1,946,913)                                     | 1,573,454                                             | (1,573,454)                                     |
| More than 365 days past due                       | 100%                                                | -                                                     | -                                               | -                                                     | -                                               |
|                                                   |                                                     | <b>25,236,543</b>                                     | <b>(1,946,913)</b>                              | <b>25,168,471</b>                                     | <b>(1,573,454)</b>                              |

## Company

|                                   | Weighted<br>average<br>expected<br>credit loss rate | 2026                                                  | Loss<br>allowance<br>(lifetime<br>ECL)<br>N'000 | 2025                                                  | Loss<br>allowance<br>(lifetime<br>ECL)<br>N'000 |
|-----------------------------------|-----------------------------------------------------|-------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------|-------------------------------------------------|
|                                   |                                                     | Gross<br>carrying<br>Amount<br>at<br>default<br>N'000 |                                                 | Gross<br>carrying<br>Amount<br>at<br>default<br>N'000 |                                                 |
| <b>Expected Credit Loss Rate:</b> |                                                     |                                                       |                                                 |                                                       |                                                 |
| Less than 30 days                 | 0%                                                  | 72,048,947                                            | -                                               | 18,971,850                                            | -                                               |
| 31-90 days past due               | 0%                                                  | -                                                     | -                                               | 4,700,905                                             | -                                               |
| 91-180 days past due              | 0%                                                  | -                                                     | -                                               | 108,268                                               | -                                               |
| 181-365 days past due             | 100%                                                | 1,946,913                                             | (1,946,913)                                     | 1,573,454                                             | (1,573,454)                                     |
| More than 365 days past due       | 100%                                                | -                                                     | -                                               | -                                                     | -                                               |
|                                   |                                                     | <b>73,995,860</b>                                     | <b>(1,946,913)</b>                              | <b>25,354,477</b>                                     | <b>(1,573,454)</b>                              |

## 23 Prepayments

|                                | Group            |                   | Company          |                   |
|--------------------------------|------------------|-------------------|------------------|-------------------|
|                                | 2026             | 2025<br>N'000     | 2026             | 2025<br>N'000     |
| Deposit for Letter of Credit * | 4,149,147        | 4,169,332         | 86,306           | 4,169,332         |
| Prepaid Import Duty            | -                | 5,045,991         | -                | 5,045,991         |
| Prepaid expenses**             | 1,328,793        | 258,333           | 1,193,193        | 258,333           |
| Advance Payment to Vendors     | -                | 2,256,502         | -                | 2,256,502         |
| Withholding tax receivables    | 259,197          | 78,946            | 259,197          | 78,946            |
|                                | <b>5,737,137</b> | <b>11,809,104</b> | <b>1,538,696</b> | <b>11,809,104</b> |

\* Deposits for Letter of Credit are naira deposits with bank for foreign currencies required to settle the invoices of foreign vendors.

\*\* Prepaid expenses includes prepaid insurance premium, prepaid advert expenses, prepaid employees benefits and advance payment for short term leases.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**23.1 Reconciliation of changes in prepayments included in statement of cashflow:**

|                                                                   | Group            |                    | Company          |                    |
|-------------------------------------------------------------------|------------------|--------------------|------------------|--------------------|
|                                                                   | 2026             | 2025               | 2026             | 2025               |
|                                                                   | N'000            | N'000              | N'000            | N'000              |
| Balance as at 31 March                                            | (5,737,137)      | (11,809,104)       | (1,538,696)      | (11,809,104)       |
| Balance as at 1 April                                             | 11,809,104       | 7,167,088          | 11,809,104       | 7,167,088          |
| Change in prepayments                                             | 6,071,967        | (4,642,015)        | 10,270,408       | (4,642,015)        |
| Withholding tax credit notes utilized during the year (Note 32.3) | (301,010)        | (259,850)          | (301,010)        | (259,850)          |
|                                                                   | <b>5,770,957</b> | <b>(4,901,865)</b> | <b>9,969,398</b> | <b>(4,901,865)</b> |

**24 Cash and Cash Equivalents**

|                                      | Group            |                  | Company          |                  |
|--------------------------------------|------------------|------------------|------------------|------------------|
|                                      | 2026             | 2025             | 2026             | 2025             |
|                                      | N'000            | N'000            | N'000            | N'000            |
| Cash and cash equivalent consist of: |                  |                  |                  |                  |
| Bank balances                        | 9,810,078        | 4,898,661        | 8,329,752        | 4,898,661        |
| Short-term deposit *                 | -                | 365,889          | -                | 365,889          |
|                                      | <b>9,810,078</b> | <b>5,264,550</b> | <b>8,329,752</b> | <b>5,264,550</b> |

The expected credit loss for cash and cash equivalent items were computed but the results were immaterial and therefore not recognized

Short term deposits represent temporary excess of liquidity invested in low-risk short-term bank deposits with a maturity of 1 - 3 months depending on the immediate cash requirements of the Company. Included in the short-term deposits is unclaimed dividend returned by the Company's Registrar in line with the Securities and Exchange Commission directive, which is subject to restrictions until certain conditions are met.

There are no material difference between the fair value and the carrying amount of cash and cash equivalent.

**25 Borrowings****Held at amortised cost:****Unsecured**

Intercompany loan\*

Term loan\*

|                    | Group             |                   | Company           |                   |
|--------------------|-------------------|-------------------|-------------------|-------------------|
|                    | 2026              | 2025              | 2026              | 2025              |
|                    | N'000             | N'000             | N'000             | N'000             |
| Intercompany loan* | 12,545,115        | -                 | 12,545,115        | -                 |
| Term loan*         | 19,936,904        | 26,965,403        | 19,936,904        | 26,965,403        |
|                    | <b>32,482,019</b> | <b>26,965,403</b> | <b>32,482,019</b> | <b>26,965,403</b> |

**Split between non-current and current portions:**

Non-current liabilities

Current liabilities

|                         | 2026              | 2025              | 2026              | 2025              |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
|                         | N'000             | N'000             | N'000             | N'000             |
| Non-current liabilities | 27,022,821        | 20,284,280        | 27,022,821        | 20,284,280        |
| Current liabilities     | 5,459,198         | 6,681,123         | 5,459,198         | 6,681,123         |
|                         | <b>32,482,019</b> | <b>26,965,403</b> | <b>32,482,019</b> | <b>26,965,403</b> |

\* Intercompany loan relates to the borrowings provided by Bagco Packaging Solutions Limited, Apapa Bulk Terminal Limited, Golden Penny Foods Limited, Golden Sugar Company Limited and FMN Holding Limited (related parties).

\*\* The carrying amounts of borrowings are analysed as follows:

|                                     | Group                |                      | Company              |                      |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                     | Carrying amount 2026 | Carrying amount 2025 | Carrying amount 2026 | Carrying amount 2025 |
| CBN Intervention Fund (i)           | 19,932,253           | 25,236,109           | 19,932,253           | 25,236,109           |
| Fidelity Bank Plc RSSF (ii)         | -                    | 338,868              | -                    | 338,868              |
| Fidelity Bank Plc RSSF (iv)         | 4,650                | -                    | 4,650                | -                    |
| Intercompany loan                   | 12,545,115           | -                    | 12,545,115           | -                    |
| Usance - Imort finance facility (v) | -                    | 1,390,426            | -                    | 1,390,426            |
|                                     | <b>32,482,019</b>    | <b>26,965,403</b>    | <b>32,482,019</b>    | <b>26,965,403</b>    |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**25 Borrowings - Continued****25.1 Movement**

|                           |          | 2026<br>N'000     | 2025<br>N'000     | 2026<br>N'000     | 2025<br>N'000     |
|---------------------------|----------|-------------------|-------------------|-------------------|-------------------|
| Balance at at 1 April     |          | 26,965,403        | 33,570,210        | 26,965,403        | 33,570,210        |
| Addition during the year  |          | 10,129,167        | -                 | 10,129,167        | -                 |
| Accrued interest          | Note 12  | 3,789,424         | 4,524,848         | 3,789,424         | 4,524,848         |
| Net foreign exchange loss | Note 9.3 | -                 | 224,822           | -                 | 224,822           |
| Interest payment          |          | (1,561,791)       | (2,867,313)       | (1,561,791)       | (2,867,313)       |
| Principal payment         |          | (6,840,184)       | (8,487,164)       | (6,840,184)       | (8,487,164)       |
| Balance as at 31 March    |          | <b>32,482,019</b> | <b>26,965,403</b> | <b>32,482,019</b> | <b>26,965,403</b> |

- This represents First Bank of Nigeria Limited/Bank of Industry intervention Fund (term loan) of N30 billion. This loan was obtained to ease the post-acquisition expansion project and trade transactions. The loan has tenor of seven years with two years moratorium period and interest rate of 5% per annum with effect from August 2022. The facility is inclusive of government grant of N4,319,335,379.90
- The Company obtained a loan of N10 billion from Fidelity Bank Plc, under the Central Bank of Nigeria (CBN) Real Sector Support Fund (RSSF) Programme to finance the Sagamu expansion project. The loan was released in two tranches. The first tranche was granted in April, 2017 with original expected payment date of 11th January, 2024 while the second tranche was granted in August, 2017 with expected repayment date of 24th May, 2024. The loans have a tenor of seven (7) years each inclusive of two (2) years moratorium on principal repayment beginning from the date of first disbursement. Interest rate on the loan is priced at 9%. This loan has been fully repaid during the year.
- A loan of N5 billion was obtained from Fidelity bank Plc, under the Central Bank of Nigeria (CBN) Real Sector Support Fund (RSSF) Programme to finance the Sagamu expansion project. This is currently being covered in the same offer letter with (ii) above.
- There were no unsecured facility which represents short term import finance facility during the year (2025: N1.4 billion), priced at 13% per annum with a tenor of less than 12 months.

**26 Deferred income**

This relates to government grant from below-market loans which has been deferred.

Government grants- current portion  
Government grants- non-current portion

| Group            |                  | Company          |                  |
|------------------|------------------|------------------|------------------|
| 2026<br>N'000    | 2025<br>N'000    | 2026<br>N'000    | 2025<br>N'000    |
| 673,632          | 887,739          | 673,632          | 887,739          |
| 716,913          | 1,318,933        | 716,913          | 1,318,933        |
| <b>1,390,545</b> | <b>2,206,672</b> | <b>1,390,545</b> | <b>2,206,672</b> |

**26.1 Movement**

|                              | Group            |                  | Company          |                  |
|------------------------------|------------------|------------------|------------------|------------------|
|                              | 2026<br>N'000    | 2025<br>N'000    | 2026<br>N'000    | 2025<br>N'000    |
| Balance as at 1 April        | 2,206,672        | 3,343,125        | 2,206,672        | 3,343,125        |
| Additions                    | 69,888           | -                | 69,888           | -                |
| Recognized in profit or loss | (886,015)        | (1,136,453)      | (886,015)        | (1,136,453)      |
| Balance as at 31 March       | <b>1,390,545</b> | <b>2,206,672</b> | <b>1,390,545</b> | <b>2,206,672</b> |

The deferred income relates to government grants arising from the benefit received from below-market-interest rate government assisted loans (BOI, CACS, PAIF and RSSF loans) granted to date. The income is recognised in profit or loss on a systematic basis over the tenure of the loan.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**27 Lease Liability**

As at 1 April  
Interest Expense  
Payment of principal  
Payment of interest  
As at 31 March  
Analyzed into:  
Non-current liabilities  
Current liabilities

| Group          |                | Company        |                |
|----------------|----------------|----------------|----------------|
| 2026           | 2025           | 2026           | 2025           |
| N'000          | N'000          | N'000          | N'000          |
| 870,875        | 856,582        | 870,875        | 856,582        |
| 115,282        | 116,018        | 115,282        | 116,018        |
| -              | (71,207)       | -              | (71,207)       |
| -              | (30,517)       | -              | (30,517)       |
| <b>986,157</b> | <b>870,875</b> | <b>986,157</b> | <b>870,875</b> |
| N'000          | N'000          | N'000          | N'000          |
| 223,023        | 769,151        | 223,023        | 769,151        |
| 763,134        | 101,724        | 763,134        | 101,724        |
| <b>986,157</b> | <b>870,875</b> | <b>986,157</b> | <b>870,875</b> |

**28 Deferred tax liabilities / assets**

Deferred tax liabilities

**Analysis of deferred tax  
(assets)/liabilities 31 March, 2026  
Group**

**Deferred tax liabilities in  
relation to:**

Property, plant and equipment  
Revaluation loss on PPE  
Unutilised tax credits  
Allowance for bad debt  
Exchange difference  
Lease liability  
Right of use assets

| Group     |           | Company   |           |
|-----------|-----------|-----------|-----------|
| 2026      | 2025      | 2026      | 2025      |
| N'000     | N'000     | N'000     | N'000     |
| 2,870,736 | 7,595,379 | (157,615) | 7,595,379 |

| Opening<br>Balance<br>At Apr-25 | Recognised<br>in profit<br>or loss | Recognised in<br>other<br>comprehensive<br>income | Closing<br>Balance<br>At Mar-26 |
|---------------------------------|------------------------------------|---------------------------------------------------|---------------------------------|
| N'000                           | N'000                              | N'000                                             | N'000                           |
| 10,465,892                      | (743,554)                          | -                                                 | 9,722,338                       |
| (1,414,165)                     | -                                  | -                                                 | (1,414,165)                     |
| -                               | (1,054,468)                        | -                                                 | (1,054,468)                     |
| (1,397,530)                     | (2,806,669)                        | -                                                 | (4,204,199)                     |
| -                               | (70,266)                           | -                                                 | (70,266)                        |
| (297,221)                       | (49,687)                           | -                                                 | (346,908)                       |
| 238,404                         | -                                  | -                                                 | 238,404                         |
| <b>7,595,380</b>                | <b>(4,724,644)</b>                 | <b>-</b>                                          | <b>2,870,736</b>                |

**Company**

**Deferred tax liabilities in  
relation to:**

Property, plant and equipment  
Revaluation loss on PPE  
Allowance for bad debt  
Exchange difference  
Lease liability  
Right of use assets

| Opening<br>Balance<br>At Apr-25 | Recognised<br>in profit<br>or loss | Recognised in<br>other<br>comprehensive<br>income | Closing<br>Balance<br>At Mar-26 |
|---------------------------------|------------------------------------|---------------------------------------------------|---------------------------------|
| N'000                           | N'000                              | N'000                                             | N'000                           |
| 10,465,892                      | (4,960,777)                        | -                                                 | 5,505,115                       |
| (1,414,165)                     | -                                  | -                                                 | (1,414,165)                     |
| (1,397,530)                     | (2,730,947)                        | -                                                 | (4,128,477)                     |
| -                               | (11,584)                           | -                                                 | (11,584)                        |
| (297,221)                       | (49,687)                           | -                                                 | (346,908)                       |
| 238,404                         | -                                  | -                                                 | 238,404                         |
| <b>7,595,380</b>                | <b>(7,752,995)</b>                 | <b>-</b>                                          | <b>(157,615)</b>                |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

31 March, 2025

Group and  
CompanyDeferred tax liabilities in  
relation to:

Property, plant and equipment  
Revaluation loss on PPE  
Unutilised tax credits  
Tax losses  
Allowance for bad debt  
Lease liability  
Right of use assets

| Opening<br>Balance<br>At Apr-24 | Recognised<br>in profit<br>or loss | Recognised in<br>other<br>comprehensive<br>income | Closing<br>Balance<br>At Mar-25 |
|---------------------------------|------------------------------------|---------------------------------------------------|---------------------------------|
| N'000                           | N'000                              | N'000                                             | N'000                           |
| 13,046,641                      | (2,580,749)                        | -                                                 | 10,465,892                      |
| (1,414,165)                     | -                                  | -                                                 | (1,414,165)                     |
| (4,365,738)                     | 4,365,738                          | -                                                 | -                               |
| (1,565,953)                     | 1,565,953                          | -                                                 | -                               |
| (313,564)                       | (1,083,966)                        | -                                                 | (1,397,530)                     |
| (282,672)                       | (14,549)                           | -                                                 | (297,221)                       |
| 238,404                         | -                                  | -                                                 | 238,404                         |
| <b>5,342,953</b>                | <b>2,252,427</b>                   | <b>-</b>                                          | <b>7,595,380</b>                |

## Movement in Deferred tax liabilities

Balance as at 1 April 2024  
Charge for the year recognised in profit or loss  
**Balance as at 31 March 2025**  
Balance as at 1 April 2025  
Credit for the year recognised in profit or loss  
**Balance as at 31 March 2026**

| Group<br>N'000   | Company<br>N'000 |
|------------------|------------------|
| 5,342,953        | 5,342,953        |
| 2,252,427        | 2,252,427        |
| <b>7,595,380</b> | <b>7,595,380</b> |
| 7,595,380        | 7,595,380        |
| (4,724,644)      | (7,752,995)      |
| <b>2,870,736</b> | <b>(157,615)</b> |

## 29 Trade and other payables

Financial  
instruments:

Trade payables  
Related parties  
payables  
Unclaimed dividend (Note 29.1)  
Accrued expenses

Non-financial  
instruments:

Output Vat payables  
Payee payables  
Withholding Tax  
Payable -State  
Pension and sundry  
taxes

| Group             |                   | Company           |                   |
|-------------------|-------------------|-------------------|-------------------|
| 2026              | 2025              | 2026              | 2025              |
| 6,441,135         | 23,789,119        | 2,960,373         | 23,789,119        |
| 69,694,920        | 46,396,776        | 34,049,407        | 46,696,776        |
| 172,775           | 213,009           | 172,775           | 213,009           |
| 18,460,128        | 8,279,117         | 17,419,976        | 8,271,592         |
| 94,768,958        | 78,678,020        | 54,602,531        | 78,970,495        |
| 3,044,524         | 78,602            | 1,350,113         | 78,602            |
| -                 | 72,282            | -                 | 72,282            |
| 171,695           | 177,455           | 164,571           | 177,455           |
| -                 | 87                | -                 | 87                |
| <b>97,985,177</b> | <b>79,006,446</b> | <b>56,117,215</b> | <b>79,298,921</b> |

## Reconciliation of changes in trade and other payables included in statement of cashflow:

| Group                                                 |                    | Company           |                    |
|-------------------------------------------------------|--------------------|-------------------|--------------------|
| 2026                                                  | 2025               | 2026              | 2025               |
| Balance as at 31 March                                | 97,985,177         | 56,117,215        | 79,298,921         |
| Balance as at 1 April                                 | (79,006,446)       | (71,546,145)      | (71,546,145)       |
| Change in trade and other payables                    | 18,978,731         | (23,181,706)      | 7,752,775          |
| Reclassification to government grant                  | 69,888             | 69,888            | -                  |
| Intercompany payable converted to loan                | 54,786,329         | 54,786,329        | 285,259,154        |
| Less foreign exchange loss recognised during the year | 2,067,500          | 1,454,467         | (567,086)          |
| <b>75,902,448</b>                                     | <b>292,152,368</b> | <b>33,128,978</b> | <b>292,444,843</b> |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

- 29.1** The unclaimed dividend represents amount returned by the Company's Registrar in line with the Securities and Exchange Commission directive that all unclaimed dividend in the custody of the Registrars should be returned to the paying Company 12 months after the date of approval of dividend at a general meeting.
- 29.2** Included in Trade payable - related parties for Company is N300 million which represents the payable for the share capital of the subsidiary entities.

**30 Contract Liability**

|                                              | Group         |              | Company       |              |
|----------------------------------------------|---------------|--------------|---------------|--------------|
|                                              | 2026          | 2025         | 2026          | 2025         |
|                                              | 18,168,143    | 8,791,751    | 18,168,143    | 8,791,751    |
| <b>Movement</b>                              |               |              |               |              |
| Balance as at 1 April 2025                   | 8,791,751     | 10,509,057   | 8,791,751     | 10,509,057   |
| Advance payment made during the year         | 234,378,477   | 32,117,198   | 234,378,477   | 32,117,198   |
| Amount recognised as revenue during the year | (225,002,085) | (33,834,504) | (225,002,085) | (33,834,504) |
| Balance as at 31 March 2026                  | 18,168,143    | 8,791,751    | 18,168,143    | 8,791,751    |

Contract liability represents the advance payments made by customers for goods to be supplied. Revenue is recognised at the point the control of the products are transferred to the customers.

**31 Employee's long service award**

The Company operates a long service award scheme where employees are rewarded after a specific number of years in service. Employees are entitled to the benefits after being in service for a minimum of 5 years and for every multiple of 5 years employee remains in service.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out by Takalani Sikhavhakhavha, FRC registration number: FRC/2023/PRO/NAS/004/802144 of Deloitte and Touche FRC/2022/coy/091021. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

**Carrying value**

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

|                     | Group         |               | Company       |               |
|---------------------|---------------|---------------|---------------|---------------|
|                     | 2026<br>N'000 | 2025<br>N'000 | 2026<br>N'000 | 2025<br>N'000 |
| Long service awards | 232,634       | 149,048       | 187,209       | 149,048       |

**Movements in the account during the year was as follows:**

|                                          |                |                |                |                |
|------------------------------------------|----------------|----------------|----------------|----------------|
| At beginning of the year                 | 149,048        | 145,322        | 149,048        | 145,322        |
| Net transfer                             | 19,276         | (8,894)        | (11,576)       | (8,894)        |
| Net expense recognised in profit or loss | 223,303        | 53,816         | 59,435         | 53,816         |
| Benefits paid during the year            | (158,993)      | (41,196)       | (9,698)        | (41,196)       |
| <b>At the end of the year</b>            | <b>232,634</b> | <b>149,048</b> | <b>187,209</b> | <b>149,048</b> |

**Net expense recognised in profit or loss**

|                      | Group          |               | Company       |               |
|----------------------|----------------|---------------|---------------|---------------|
|                      | 2026<br>N'000  | 2025<br>N'000 | 2026<br>N'000 | 2025<br>N'000 |
| Current service cost | 4,874          | 6,315         | 2,948         | 6,315         |
| Interest cost        | 32,729         | 24,252        | 26,923        | 24,252        |
| Actuarial losses     | 185,701        | 23,248        | 29,565        | 23,248        |
|                      | <b>223,304</b> | <b>53,816</b> | <b>59,436</b> | <b>53,816</b> |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**31 Long service award - Continued**  
**Reconciliation of changes in long service**  
**awards included in**  
**statement of cashflow:**

|                 |           |           |           |           |
|-----------------|-----------|-----------|-----------|-----------|
| Closing balance | 232,634   | 149,048   | 187,209   | 149,048   |
| Opening balance | (149,048) | (145,322) | (149,048) | (145,322) |
|                 | 83,586    | 3,726     | 38,161    | 3,726     |

**Key financial assumptions used**

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

|                                                  | Group        |        | Company      |        |
|--------------------------------------------------|--------------|--------|--------------|--------|
|                                                  | Valuation at |        | Valuation at |        |
|                                                  | 2026         | 2025   | 2026         | 2025   |
| Discount rate (per annum)                        | 15.71%       | 18.36% | 15.71%       | 18.36% |
| Expected rate(s) of salary increases (per annum) | 16.00%       | 16.00% | 16.00%       | 16.00% |
| Average rate of inflation (per annum)            | 18.65%       | 17.24% | 18.65%       | 17.24% |
| Benefit inflation rate (per annum)               | 6.50%        | 6.50%  | 6.50%        | 6.50%  |
| Average duration of the plan (years)             | 5.27         | 5.27   | 5.27         | 5.27   |

**Demographic assumptions****Mortality and withdrawal from service**

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

| Sample age | Number of deaths in year<br>out of 10,000 lives | Withdrawal<br>from Service<br>(Age band) | Withdrawal from<br>Service (Rate) |
|------------|-------------------------------------------------|------------------------------------------|-----------------------------------|
| 25         | 7                                               | <=30                                     | 5.0%                              |
| 30         | 7                                               | 31 - 39                                  | 3.0%                              |
| 35         | 9                                               | 40 - 44                                  | 2.0%                              |
| 40         | 14                                              | 45 - 50                                  | 1.5%                              |
| 45         | 26                                              | 51 - 55                                  | 1.1%                              |
|            |                                                 | 56 - 59                                  | 2.5%                              |

**Sensitivity analysis**

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

| Group                   |                          | 2026<br>N'000 |
|-------------------------|--------------------------|---------------|
| Base                    |                          | 232,634       |
| Discount rate           | +0.5%                    | 226,692       |
|                         | -0.5%                    | 238,857       |
| Salary increase rate    | +0.5%                    | 237,860       |
|                         | -0.5%                    | 227,616       |
| Benefit escalation rate | +0.5%                    | 239,376       |
|                         | -0.5%                    | 226,162       |
| Mortality experience    | Age rated up by 1 year   | 232,576       |
|                         | Age rated down by 1 year | 232,483       |
|                         |                          | 2025<br>N'000 |
| Base                    |                          | 149,048       |
| Discount rate           | +0.5%                    | 145,580       |
|                         | -0.5%                    | 152,672       |
| Salary increase rate    | +0.5%                    | 151,305       |
|                         | -0.5%                    | 146,909       |
| Benefit escalation rate | +0.5%                    | 153,066       |
|                         | -0.5%                    | 145,185       |
| Mortality experience    | Age rated up by 1 year   | 148,889       |
|                         | Age rated down by 1 year | 149,119       |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

## 31 Long service award - Continued

| Company                 |                         | 2026<br>N'000 |
|-------------------------|-------------------------|---------------|
| Base                    |                         | 187,209       |
| Discount rate           | +0.5%                   | 182,428       |
|                         | -0.5%                   | 192,217       |
| Salary increase rate    | +0.5%                   | 191,415       |
|                         | -0.5%                   | 183,171       |
| Benefit escalation rate | +0.5%                   | 192,635       |
|                         | -0.5%                   | 182,001       |
| Mortality experience    | Age rated up by 1year   | 187,163       |
|                         | Age rated down by 1year | 187,088       |
|                         |                         | 2025<br>N'000 |
| Base                    |                         | 149,048       |
| Discount rate           | +0.5%                   | 145,580       |
|                         | -0.5%                   | 152,672       |
| Salary increase rate    | +0.5%                   | 151,305       |
|                         | -0.5%                   | 146,909       |
| Benefit escalation rate | +0.5%                   | 153,066       |
|                         | -0.5%                   | 145,185       |
| Mortality experience    | Age rated up by 1year   | 148,889       |
|                         | Age rated down by 1year | 149,119       |

## 32 Income taxes

## 32.1 Income tax expense

## Current

|                                   |            |           |            |           |
|-----------------------------------|------------|-----------|------------|-----------|
| Corporate Tax                     | 7,972,931  | 3,384,727 | 7,972,931  | 3,384,727 |
| Development levy                  | 1,196,173  | -         | 1,137,026  | -         |
| Tertiary Education Tax            | -          | 954,112   | -          | 954,112   |
| Capital Gain Tax                  | -          | 18,490    | -          | 18,490    |
| Police Trust Fund                 | -          | 1,070     | -          | 1,070     |
| Tax under provision in prior year | 964,863    | -         | 964,863    | -         |
|                                   | 10,133,967 | 4,358,399 | 10,074,820 | 4,358,399 |

## Deferred

Originating and reversing temporary  
differences

| Group         |               | Company       |               |
|---------------|---------------|---------------|---------------|
| 2026<br>N'000 | 2025<br>N'000 | 2026<br>N'000 | 2025<br>N'000 |
| 7,972,931     | 3,384,727     | 7,972,931     | 3,384,727     |
| 1,196,173     | -             | 1,137,026     | -             |
| -             | 954,112       | -             | 954,112       |
| -             | 18,490        | -             | 18,490        |
| -             | 1,070         | -             | 1,070         |
| 964,863       | -             | 964,863       | -             |
| 10,133,967    | 4,358,399     | 10,074,820    | 4,358,399     |
| (4,724,643)   | 2,252,427     | (7,752,995)   | 2,252,427     |
| 5,409,324     | 6,610,826     | 2,321,825     | 6,610,826     |

## 32.3 Current Tax Payable

|                                   |           |           |           |
|-----------------------------------|-----------|-----------|-----------|
| At 1 April                        |           |           |           |
| Charges for the year              | 4,415,499 | 796,041   | 4,415,499 |
| Tax under provision in prior year | 9,169,104 | 4,358,399 | 9,109,957 |
|                                   | 964,864   | -         | 964,863   |

|                          |             |           |             |           |
|--------------------------|-------------|-----------|-------------|-----------|
| Payment during the year  | 14,549,467  | 5,154,440 | 14,490,319  | 5,154,440 |
| Withholding tax utilized | (5,586,731) | (479,091) | (5,586,731) | (479,091) |
| At 31 March              | (301,010)   | (259,850) | (301,010)   | (259,850) |
|                          | 8,661,726   | 4,415,499 | 8,602,578   | 4,415,499 |

## Cash flow reconciliation of tax paid

|                                                    |              |             |              |             |
|----------------------------------------------------|--------------|-------------|--------------|-------------|
| Balance at beginning of the year                   | (4,415,499)  | (796,041)   | (4,415,499)  | (796,041)   |
| Current tax for the year recognised in profit/loss | (10,133,968) | (4,358,399) | (10,074,820) | (4,358,399) |
| Withholding tax utilized                           | 301,010      | 259,850     | 301,010      | 259,850     |
| Balance at end of the year                         | 8,661,726    | 4,415,499   | 8,602,578    | 4,415,499   |
|                                                    | (5,586,731)  | (479,091)   | (5,586,731)  | (479,091)   |

| Group         |               | Company       |               |
|---------------|---------------|---------------|---------------|
| 2026<br>N'000 | 2025<br>N'000 | 2026<br>N'000 | 2025<br>N'000 |
| 4,415,499     | 796,041       | 4,415,499     | 796,041       |
| 9,169,104     | 4,358,399     | 9,109,957     | 4,358,399     |
| 964,864       | -             | 964,863       | -             |
| 14,549,467    | 5,154,440     | 14,490,319    | 5,154,440     |
| (5,586,731)   | (479,091)     | (5,586,731)   | (479,091)     |
| (301,010)     | (259,850)     | (301,010)     | (259,850)     |
| 8,661,726     | 4,415,499     | 8,602,578     | 4,415,499     |
| 2026<br>N'000 | 2025<br>N'000 | 2026<br>N'000 | 2025<br>N'000 |
| (4,415,499)   | (796,041)     | (4,415,499)   | (796,041)     |
| (10,133,968)  | (4,358,399)   | (10,074,820)  | (4,358,399)   |
| 301,010       | 259,850       | 301,010       | 259,850       |
| 8,661,726     | 4,415,499     | 8,602,578     | 4,415,499     |
| (5,586,731)   | (479,091)     | (5,586,731)   | (479,091)     |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**32.4 Reconciliation of the Tax Expenses - Effective Tax****Group**

| Reconciliation between accounting profit and tax expense                                      |                | 2026          | 2025          |
|-----------------------------------------------------------------------------------------------|----------------|---------------|---------------|
| Profit before tax                                                                             | A              | 21,896,202    | 21,199,476    |
| Tax at the applicable tax rate of 30%                                                         |                | 6,568,861     | 6,359,843     |
| <b>Tax effect of adjustments on taxable income:</b>                                           |                |               |               |
| Effect of expenses that are not deductible in determining taxable profit                      |                | 379,187       | 33,672        |
| Effect of income that is exempt from taxation                                                 |                | -             | (777,076)     |
| Adjustment for Capital Gain tax                                                               |                | -             | 18,490        |
| Adjustment for Police Trust Fund levy                                                         |                | -             | 1,070         |
| Effect of concessions (research and development and other allowances)                         |                | 3,129,800     | -             |
| Adjustment for change in tax rate (NTA impact)                                                |                | (189,724)     | -             |
| Effect of tax adjustments (dividend tax, development levy, etc)                               |                | 1,196,173     | -             |
| Impact of Tertiary Education tax (2025: 3%)                                                   |                | -             | 954,112       |
| Adjustments recognized in the current period in relation to the deferred tax of prior periods |                | (5,674,972)   | 20,715        |
| Income tax expense recognized in profit or loss                                               | B              | 5,409,324     | 6,610,826     |
| <b>Effective Tax Rate</b>                                                                     | <b>C = B/A</b> | <b>24.70%</b> | <b>31.18%</b> |

**32 Company**

| Reconciliation between accounting profit and tax expense                                                                           |                | 2026          | 2025          |
|------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|---------------|
| Profit before tax                                                                                                                  | A              | 22,412,832    | 21,393,008    |
| Tax at the applicable tax rate of 30%                                                                                              |                | 6,723,850     | 6,417,903     |
| <b>Tax effect of adjustments on taxable income:</b>                                                                                |                |               |               |
| Effect of expenses that are not deductible in determining taxable profit                                                           |                | 194,751       | 31,415        |
| Effect of income that is exempt from taxation                                                                                      |                | -             | (832,879)     |
| Adjustment for change in tax rate (NTA impact)                                                                                     |                | (174,812)     | -             |
| Effect of previously unrecognized and unused tax losses and deductible temporary differences now recognized as deferred tax assets |                | 51,612        | -             |
| Effect of tax adjustments (dividend tax, development levy, etc)                                                                    |                | 1,137,026     | -             |
| Impact of Tertiary Education tax (2025: 3%)                                                                                        |                | -             | 954,112       |
| Adjustment for difference in NBV and TWDV for assets transferred to Honeywell FZE                                                  |                | (4,389,027)   | -             |
| Adjustment for Capital Gain tax                                                                                                    |                | -             | 18,490        |
| Adjustment for Police Trust Fund levy                                                                                              |                | -             | 1,070         |
| Adjustments recognized in the current period in relation to the deferred tax of prior periods                                      |                | (1,221,574)   | 20,715        |
| Income tax expense recognized in profit or loss                                                                                    | B              | 2,321,825     | 6,610,826     |
| <b>Effective Tax Rate</b>                                                                                                          | <b>C = B/A</b> | <b>10.36%</b> | <b>30.90%</b> |

**33 Share Capital****Issued**

7,930,197,658 ordinary shares in units of 50k each

**33.1 Share premium****33.2 Retained earnings/ (accumulated losses)**

|                     | Group             |                  | Company           |                  |
|---------------------|-------------------|------------------|-------------------|------------------|
|                     | 2026              | 2025             | 2026              | 2025             |
| Balance at April 1  | 7,629,912         | (6,958,738)      | 7,823,444         | (6,958,738)      |
| Profit for the year | 16,486,878        | 14,588,650       | 20,091,007        | 14,782,182       |
| Balance at March 31 | <b>24,116,790</b> | <b>7,629,912</b> | <b>27,914,451</b> | <b>7,823,444</b> |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**34 Financial Commitments**

The Directors are of the opinion that all known liabilities and commitments have been taken into account in the preparation of the financial statements under review. These liabilities are relevant in assessing the Company's state of affairs as at 31 March 2026.

**35 Pending Litigation**

The Company was not involved in any litigation in the ordinary course of business during the year (2025: N532.3 million).

**36 Related Parties**

The directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company are considered as related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

**Relationships**

Ultimate Controlling Party  
Parent Company

Golden Penny Foods Limited  
Ecowise Horizons Investments Limited

**Name of related party**

Honeywell Flour Mills Sagamu FZE  
Honeywell Management Company Sagamu FZE  
Honeywell Management Company Tincan FZE  
Bagco Packaging Solutions Limited  
Apapa Bulk Terminal Limited  
Apapa Bulk Terminal Limited FZE  
Golden Sugar Company Limited  
Premier Feed Mills Company Limited  
Nigerian Eagles Flour Mills Limited  
Crestview Towers Limited  
Premium Edible Oil Products Limited  
Best Chickens Limited  
Golden Sugar Company Limited FZE  
Northern Nigeria Flour Mills Plc  
Flour Mills of Nigeria FZE, Apapa  
Flour Mills of Nigeria FZE, Iganmu  
Northern Nigeria Flour Mills Plc  
Nigerian Eagles Flour Mills Limited  
Golden Fertilizer Company Limited  
Flour Mills of Nigeria FZE, Agbara  
FMN Holdings Limited

**Nature of relationship**

Subsidiary  
Subsidiary  
Subsidiary  
Fellow subsidiary  
Fellow subsidiary  
Fellow subsidiary  
Fellow subsidiary  
Fellow subsidiary  
Fellow subsidiary  
Fellow subsidiary  
Fellow subsidiary  
Fellow subsidiary  
Fellow subsidiary  
Fellow subsidiary  
Fellow subsidiary  
Fellow subsidiary  
Fellow subsidiary  
Fellow subsidiary  
Fellow subsidiary  
Fellow subsidiary

**(a) Related Parties Transactions**

The company enters into transactions with some companies in which the Ex-Chairman, Dr. Oba Otudeko has significant interest (related parties) in the normal course of business and at normal market prices.

The details of transactions and balances outstanding at the end of year are as follows: The following transactions were carried out with related parties during the year:

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

|                                       | Group              |                   | Company            |                   |
|---------------------------------------|--------------------|-------------------|--------------------|-------------------|
|                                       | 2026               | 2025              | 2026               | 2025              |
|                                       | N'000              | N'000             | N'000              | N'000             |
| <b>Purchase of goods and services</b> |                    |                   |                    |                   |
| Golden Penny Foods Limited            | -                  | 75,154,583        | -                  | 75,154,583        |
| Flour Mills of Nigeria FZE, Apapa     | 109,646,526        | -                 | 109,646,526        | -                 |
| Premium Edible Oil Products Limited   | 204,118            | -                 | 204,118            | -                 |
| Flour Mills of Nigeria FZE, Agbara    | 148,805            | -                 | 148,805            | -                 |
| Golden Sugar Company Limited FZE      | 950                | -                 | 950                | -                 |
| Bagco Packaging Solutions Limited     | 1,185,637          | 8,560,894         | 1,185,637          | 8,560,894         |
|                                       | <b>111,186,036</b> | <b>83,715,477</b> | <b>111,186,036</b> | <b>83,715,477</b> |
| <b>Sale of goods and services</b>     |                    |                   |                    |                   |
| Premier Feed Mills Company Limited    | -                  | 696,090           | -                  | 696,090           |
| Flour Mills of Nigeria FZE, Apapa     | 6,284,513          | -                 | 6,284,513          | -                 |
| Flour Mills of Nigeria FZE, Iganmu    | 2,911,601          | -                 | 2,911,601          | -                 |
| Flour Mills of Nigeria FZE, Agbara    | 3,858,279          | -                 | 3,858,279          | -                 |
| Nigerian Eagles Flour Mills Limited   | 22,155,156         | 12,817,331        | 22,155,156         | 12,817,331        |
| Golden Penny Foods Limited            | 25,268,458         | 43,783,311        | 15,736,728         | 43,783,311        |
| Northern Nigeria Flour Mills Plc      | 436,934            | 367,920           | 436,934            | 367,920           |
| Honeywell Flour Mills Sagamu FZE      | -                  | -                 | 11,220,220         | -                 |
|                                       | <b>60,914,941</b>  | <b>57,664,652</b> | <b>62,603,431</b>  | <b>57,664,652</b> |
| <b>Rent income</b>                    |                    |                   |                    |                   |
| Premier Feed Mills Company Limited    | -                  | 1,315,203         | -                  | 1,315,203         |
| <b>Rent expense</b>                   |                    |                   |                    |                   |
| Apapa Bulk Terminal Limited           | -                  | 6,450             | -                  | 6,450             |
| <b>Interest expense</b>               |                    |                   |                    |                   |
| Golden Penny Foods Limited            | 277,831            | -                 | 277,831            | -                 |
| Golden Sugar Company Nigeria Limited  | 183,755            | -                 | 183,756            | -                 |
| Apapa Bulk Terminal Limited           | 20                 | -                 | 20                 | -                 |
| Flour Mills of Nigeria FZE, Iganmu    | 71,371             | -                 | 71,371             | -                 |
| FMN Holdings Limited                  | 721                | -                 | 721                | -                 |
| Northern Nigeria Flour Mills Plc      | 269                | -                 | 269                | -                 |
|                                       | <b>533,967</b>     | <b>-</b>          | <b>533,967</b>     | <b>-</b>          |
| <b>Interest income</b>                |                    |                   |                    |                   |
| Nigerian Eagles Flour Mills Limited   | 116,461            | -                 | 116,461            | -                 |
| Golden Penny Foods Limited            | 4,395,096          | 2,697,681         | 4,395,096          | 2,697,681         |
| Premier Feed Mills Company Limited    | 281,317            | -                 | 281,317            | -                 |
| FMN Holdings Limited                  | 9,863              | -                 | 9,863              | -                 |
|                                       | <b>4,802,737</b>   | <b>2,697,681</b>  | <b>4,802,737</b>   | <b>2,697,681</b>  |

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

| Due from related parties                   | Nature of Transaction        | Group             |                   | Company           |                   |
|--------------------------------------------|------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                            |                              | 2026<br>N'000     | 2025<br>N'000     | 2026<br>N'000     | 2025<br>N'000     |
| <b>Due from related parties</b>            |                              |                   |                   |                   |                   |
| Golden Sugar Company Nigeria Limited       | Sales of goods               | 19,446            | 77,404            | 19,446            | 77,404            |
| Flour Mills of Nigeria FZE, Agbara         | Sales of goods               | 4,650,468         | 750,975           | 4,650,468         | 750,975           |
| Flour Mills of Nigeria FZE, Iganmu         | Sales of goods               | 2,419,518         | 117,613           | 2,419,518         | 117,613           |
| Flour Mills of Nigeria Mgt Coy FZE, Iganmu | Sales of goods               | 1,141             | -                 | -                 | -                 |
| Flour Mills of Nigeria Mgt Coy FZE, Agbara | Sales of goods               | 6,709             | -                 | -                 | -                 |
| Golden Penny Foods Limited                 | Sales of goods               | 10,862,044        | 15,191,183        | -                 | 15,191,183        |
| Northern Nigeria Flour Mills Plc           | Sales of goods               | 4,085             | -                 | 4,085             | -                 |
| Apapa Bulk Terminal Limited                | Sales of goods               | 24,926            | -                 | 24,926            | -                 |
| Premium Edible Oil Products Ltd            | Sales of goods               | 65,403            | 3,232,675         | 65,403            | 3,232,675         |
| Premier Feed Mills Ltd                     | Sales of goods               | -                 | 2,913,165         | -                 | 2,913,165         |
| Golden Penny Power Limited                 | Sales of goods               | 651,729           | -                 | 651,729           | -                 |
| Nigeria Eagle Flour Mills Ltd              | Sales of goods               | -                 | 2,885,456         | -                 | 2,885,456         |
| Bagco Packaging Solutions Limited          | Packaging                    | 6,531,074         | -                 | 5,282,687         | -                 |
| Honeywell Flour Mills Tin Can FZE          | Pre-operating expenses       | -                 | -                 | -                 | 46,502            |
| Honeywell Flour Mills Sagamu FZE           | Pre-operating expenses       | -                 | -                 | -                 | 46,502            |
| Honeywell Flour Mills Sagamu FZE           | Intercompany transaction     | -                 | -                 | 60,877,598        | -                 |
| Honeywell Management Company Tin Can FZE   | Pre-operating expenses       | -                 | -                 | -                 | 46,502            |
| Honeywell Management Company Sagamu FZE    | Pre-operating expenses       | -                 | -                 | -                 | 46,502            |
|                                            |                              | <b>25,236,543</b> | <b>25,168,471</b> | <b>73,995,860</b> | <b>25,354,477</b> |
| <b>Due to related parties</b>              | <b>Nature of Transaction</b> | <b>Group</b>      | <b>2025</b>       | <b>Company</b>    | <b>2025</b>       |
| <b>Due to related parties</b>              |                              | <b>2026</b>       | <b>N'000</b>      | <b>2026</b>       | <b>N'000</b>      |
| Flour Mills of Nigeria Management Company  | Purchase of goods            | -                 | 32,833,735        | -                 | 32,833,735        |
| Apapa                                      |                              |                   |                   |                   |                   |
| Flour Mills of Nigeria FZE, Apapa          | Purchase of goods            | 61,521,605        | 9,028,215         | 29,766,760        | 9,028,215         |
| Flour Mills of Nigeria FZE, Iganmu         | Purchase of goods            | 10,013            | -                 | -                 | -                 |
| Flour Mills of Nigeria FZE, Agbara         | Purchase of goods            | 1,838,032         | -                 | -                 | -                 |
| Apapa Bulk Terminal Limited                | Purchase of goods            | -                 | 5,441             | -                 | 5,441             |
| Golden Sugar Company Nigeria Limited       | Purchase of goods            | 1,000,000         | 29,931            | 1,000,000         | 29,931            |
| Premier Feed Mills Company Limited         | Purchase of goods            | 1,000,000         | -                 | 1,000,000         | -                 |
| Golden Fertilizer Company Limited          | Purchase of goods            | 1,000,239         | -                 | 1,000,239         | -                 |
| FMN Holdings Limited                       | Purchase of goods            | 147,112           | -                 | 147,112           | -                 |
| Northern Nigeria Flour Mills               | Purchase of goods            | -                 | 42,604            | -                 | 42,604            |
| Bagco Packaging Solutions Limited          | Purchase of goods            | 2,383,270         | 3,550,984         | 1,135,296         | 3,550,984         |
| Golden Penny Foods Limited                 | Purchase of goods            | 794,649           | 905,867           | -                 | 905,867           |
| Honeywell Flour Mills Tin Can FZE          | Pre-operating expenses       | -                 | -                 | -                 | 75,000            |
| Honeywell Flour Mills Sagamu FZE           | Pre-operating expenses       | -                 | -                 | -                 | 75,000            |
| Honeywell Management Company Tin Can FZE   | Pre-operating expenses       | -                 | -                 | -                 | 75,000            |
| Honeywell Management Company Sagamu FZE    | Pre-operating expenses       | -                 | -                 | -                 | 75,000            |
|                                            |                              | <b>69,694,920</b> | <b>46,396,776</b> | <b>34,049,407</b> | <b>46,696,776</b> |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**(b) Transactions with Key Management Personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director of the Company.

Key management personnel compensation comprises of the following

|                                                              | Group          |               | Company        |               |
|--------------------------------------------------------------|----------------|---------------|----------------|---------------|
|                                                              | 2026           | 2025          | 2026           | 2025          |
| <b>Compensation of key management personnel</b>              |                |               |                |               |
| Short term benefits                                          | 220,555        | 64,423        | 135,249        | 64,423        |
| Post-employment benefits (Pension) Defined contribution plan | 16,977         | 4,216         | -              | 4,216         |
| Long Service Award                                           | -              | 3,750         | -              | 3,750         |
|                                                              | <b>237,532</b> | <b>72,389</b> | <b>135,249</b> | <b>72,389</b> |

**36 Common control transaction**

Effective October 1st 2025, Honeywell Flourmills PLC, by way business reorganisation transferred all its assets (operation) in Sagamu to its wholly subsidiary, Honeywell Flour Mills Sagamu FZE based on an agreement entered into by both parties. The transaction has been accounted for as a common control reorganisation using predecessor accounting. The transferred operations would continue to be presented within continuing operations. No discontinued-operation line item or restatement of comparatives is required.

The below shows the asset transfer summary

**Transfer to related parties**

|                                              | Group |      | Company           |      |
|----------------------------------------------|-------|------|-------------------|------|
|                                              | 2026  | 2025 | 2026              | 2025 |
| Purchase Consideration*                      | -     | -    | 56,770,858        | -    |
|                                              | -     | -    | <b>56,770,858</b> | -    |
| <b>Carrying amount of assets transferred</b> |       |      |                   |      |
| Property Plant and Equipment (Netel6)        | -     | -    | 49,952,257        | -    |
| Inventory                                    | -     | -    | 6,818,601         | -    |
| <b>Total Assets Acquired</b>                 | -     | -    | <b>56,770,858</b> | -    |

\* The transfer was executed on a non-cash basis and recorded as intercompany receivables by Honeywell Flour Mills PLC and intercompany payables by Honeywell Flour Mills Sagamu FZE.

**37 Significant Judgment and Key Sources of Estimation**

In preparing its financial statements, the Company has made significant judgments, estimates and assumptions that impact on the carrying value of certain assets and liabilities, income and expenses as well as other information reported in the notes. The Company periodically monitors such estimates and assumptions and make sure that they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

The judgments made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in the financial statements, and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

**Allowance for expected credit loss**

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

**Asset impairment tests**

A financial asset or a group of financial assets, other than those categorized at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Impairment exists only when the Company ascertains that a "loss event" affecting the estimated future cash flows of the financial

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

asset has occurred. It may not be possible to identify a single, discrete event that caused the impairment and moreover to determine when a loss event has occurred might involve the exercise of significant judgment.

The amount of impairment loss recognized for financial assets carried at amortized cost is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

**Net realizable value of inventories**

Inventories are stated at the lower of cost and net realizable value. The cost of inventories is written down to their estimated realizable value when their cost may no longer be recoverable, such as when inventories are damaged or become wholly or partly obsolete or their selling prices have declined. In any case, the realizable values represent the best estimate of the recoverable amount, based on the most reliable evidence available at the reporting date and inherently involve estimates regarding the future expected realizable value. The benchmarks for determining the amount of write-downs to net realizable value include ageing analysis, technical assessment and subsequent events.

In general, such an evaluation process requires significant judgment and may materially affect the carrying amount of inventories at the reporting date.

**Deferred tax estimation**

Recognition of deferred tax assets and liabilities involves making a series of assumptions. As far as deferred tax assets are concerned, their realization ultimately depends on taxable profits being available in the future. Deferred tax assets are recognized only when it is probable that taxable profits will be available against which the deferred tax asset can be utilized and it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the Company making assumptions within its overall tax-planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability.

**Transfer of assets in Sagamu to Honeywell Flour Mills Sagamu FZE**

Honeywell Flourmills PLC, transferred all its assets (operation) in Sagamu to its wholly owned subsidiary, Honeywell Flour Mills Sagamu FZE based on an agreement entered into by both parties. Management has determined that this transaction does not constitute a discontinued operation. Although the transferred operations represent a distinct geographic segment, the transaction is an intra-group restructuring under common control rather than a disposal. Control, economic benefits, and risks remain within the Group through the subsidiary. Accordingly, the operations continue to be classified as continuing operations, and no discontinued operations disclosure or restatement of prior periods is required.

**38 Financial instruments and risk management****Capital risk management**

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividends paid to the shareholders, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The group and the company monitor capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

The capital structure and gearing ratio of the company at the reporting date was as follows:

|                           |                | Group             |                   | Company           |                   |
|---------------------------|----------------|-------------------|-------------------|-------------------|-------------------|
|                           |                | 2026              | 2025              | 2026              | 2025              |
| Borrowings                | 25             | 32,482,019        | 26,965,403        | 32,482,019        | 26,965,403        |
| Lease liabilities         | 27             | 986,157           | 870,875           | 986,157           | 870,875           |
| <b>Total borrowings</b>   | <b>A</b>       | <b>33,468,176</b> | <b>27,836,279</b> | <b>33,468,176</b> | <b>27,836,279</b> |
| Cash and cash equivalents | 24             | (9,810,078)       | (5,264,550)       | (8,329,752)       | (5,264,550)       |
| <b>Net borrowings</b>     | <b>B</b>       | <b>23,658,098</b> | <b>22,571,729</b> | <b>25,138,424</b> | <b>22,571,729</b> |
| Equity                    |                | 53,932,039        | 37,445,161        | 57,729,700        | 37,638,694        |
| <b>Gearing ratio</b>      | <b>C = A/B</b> | <b>43.87%</b>     | <b>60.28%</b>     | <b>43.55%</b>     | <b>59.97%</b>     |

## Financial risk management

### Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports quarterly to the board of directors on its activities.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The company audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the risk committee.

### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with credit worthy counter party and credit limits are set, where appropriate as a means of mitigating the risk of financial loss from default. Credit exposure is controlled by counter party's limits that are reviewed and approved annually by Management.

The Company considers financial assets to be in default when:

- the debtor is not likely to pay its credit obligation to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial assets is more than 365 days past due

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**Credit-impaired financial assets**

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 365 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

**Write-off**

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 365 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The Company considers fixed income securities to have low credit risk, and therefore no material loss allowance was recognised during the period. These investments are usually classified as risk free and are considered to be low credit risk where they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

**Trade and other receivables**

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of counterparties to assess recoverability of amount due. See Note 22.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by customer type). The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company does not hold collateral as security.

**Cash and cash equivalents**

The cash and cash equivalent are held with banks and financial institutions counterparties, which are rated by established rating agencies.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflect the short maturities of the exposure. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Company continuously assesses the recoverability of these receivables. When the assessment reveals an indication of crystallization of a credit risk, the Company recognizes an impairment loss provision based on its assessment of the expected credit loss for these receivables.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

| Group                         |    | 31-Mar-26                      |                                |                                    | 31-Mar-25                      |                                |                                    |
|-------------------------------|----|--------------------------------|--------------------------------|------------------------------------|--------------------------------|--------------------------------|------------------------------------|
|                               |    | Gross carrying amount<br>N'000 | Credit loss allowance<br>N'000 | Amortised cost/fair value<br>N'000 | Gross carrying amount<br>N'000 | Credit loss allowance<br>N'000 | Amortised cost/fair value<br>N'000 |
| Related party loan receivable | 19 | 42,213,603                     | (1,657,776)                    | 40,555,827                         | 3,260,211                      | (108,866)                      | 3,151,345                          |
| Trade receivables             | 22 | 5,137,100                      | (941,121)                      | 4,195,979                          | 4,874,380                      | (962,221)                      | 3,912,159                          |
| Related party receivables     | 22 | 25,236,543                     | (1,946,913)                    | 23,289,630                         | 25,168,471                     | (1,573,454)                    | 23,595,016                         |
| Other receivables             | 22 | 1,306,137                      | -                              | 1,306,137                          | 54,405                         | -                              | 54,405                             |
| Bank balance                  | 24 | 9,810,078                      | -                              | 9,810,078                          | 4,898,661                      | -                              | 4,898,661                          |
| Short term deposits           | 24 | -                              | -                              | -                                  | 365,889                        | -                              | 365,889                            |
|                               |    | <b>83,703,461</b>              | <b>(4,545,810)</b>             | <b>79,157,651</b>                  | <b>38,622,017</b>              | <b>(2,644,541)</b>             | <b>35,977,476</b>                  |

| Company                       |    | 31-Mar-26                      |                                |                                    | 31-Mar-25                      |                                |                                    |
|-------------------------------|----|--------------------------------|--------------------------------|------------------------------------|--------------------------------|--------------------------------|------------------------------------|
|                               |    | Gross carrying amount<br>N'000 | Credit loss allowance<br>N'000 | Amortised cost/fair value<br>N'000 | Gross carrying amount<br>N'000 | Credit loss allowance<br>N'000 | Amortised cost/fair value<br>N'000 |
| Related party loan receivable | 19 | 42,317,533                     | (1,657,776)                    | 0,659,7584                         | 3,260,211                      | (108,866)                      | 3,151,345                          |
| Trade receivables             | 22 | 5,137,100                      | (941,121)                      | 4,195,979                          | 4,874,380                      | (962,221)                      | 3,912,159                          |
| Related party receivables     | 22 | 25,236,543                     | (1,946,913)                    | 23,289,630                         | 25,354,477                     | (1,573,454)                    | 23,781,024                         |
| Other receivables             | 22 | 1,306,137                      | -                              | 1,306,137                          | 54,405                         | -                              | 54,405                             |
| Bank balance                  | 24 | 9,810,078                      | -                              | 9,810,078                          | 4,898,661                      | -                              | 4,898,661                          |
| Short term deposits           | 24 | -                              | -                              | -                                  | 365,889                        | -                              | 365,889                            |
|                               |    | <b>83,807,392</b>              | <b>(4,545,810)</b>             | <b>79,261,582</b>                  | <b>38,808,023</b>              | <b>(2,644,541)</b>             | <b>36,163,483</b>                  |

The amount of cash and cash equivalents (including short term deposits) disclosed in the table above represents the Company's maximum credit exposure on these assets. The cash and cash equivalents (including short term deposits) are held with banks and financial institution counterparties, which are reputable and have a sound financial position.

**Liquidity risk**

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short-term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**Liquidity risk - Continued**

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

| <b>Group 2026</b>        |    | <b>Carrying Amount<br/>N'000</b> | <b>Gross Nominal Amount<br/>N'000</b> | <b>Less than 1 month<br/>N'000</b> | <b>1 to 3 months<br/>N'000</b> | <b>3 months to 1 year<br/>N'000</b> | <b>Above 1 year<br/>N'000</b> |
|--------------------------|----|----------------------------------|---------------------------------------|------------------------------------|--------------------------------|-------------------------------------|-------------------------------|
| Borrowings               |    | 32,482,019                       | 59,662,937                            | -                                  | 2,662,244                      | 5,459,198                           | 51,541,495                    |
| Trade and other payables |    | 94,768,958                       | 94,768,958                            | -                                  | -                              | 94,768,958                          | -                             |
| Lease liabilities        |    | 986,157                          | 3,048,727                             | -                                  | 15,578                         | 132,837                             | 2,900,311                     |
|                          |    | <b>128,237,134</b>               | <b>157,480,622</b>                    | <b>-</b>                           | <b>2,677,822</b>               | <b>100,360,993</b>                  | <b>54,441,806</b>             |
| <b>Group- 2025</b>       |    | <b>Carrying Amount<br/>N'000</b> | <b>Gross Nominal Amount<br/>N'000</b> | <b>Less than 1 month<br/>N'000</b> | <b>1 to 3 months<br/>N'000</b> | <b>3 months to 1 year<br/>N'000</b> | <b>Above 1 year<br/>N'000</b> |
| Borrowings               | 25 | 26,965,403                       | 49,530,024                            | -                                  | 2,213,250                      | 4,467,873                           | 42,848,901                    |
| Trade and other payables | 29 | 78,678,020                       | 78,678,020                            | -                                  | -                              | 78,678,020                          | -                             |
| Lease liabilities        | 27 | 870,875                          | 998,974                               | -                                  | -                              | 101,724                             | 897,250                       |
|                          |    | <b>106,514,298</b>               | <b>129,207,018</b>                    | <b>-</b>                           | <b>2,213,250</b>               | <b>83,247,617</b>                   | <b>43,746,151</b>             |
| <b>Company 2026</b>      |    | <b>Carrying Amount<br/>N'000</b> | <b>Gross Nominal Amount<br/>N'000</b> | <b>Less than 1 month<br/>N'000</b> | <b>1 to 3 months<br/>N'000</b> | <b>3 months to 1 year<br/>N'000</b> | <b>Above 1 year<br/>N'000</b> |
| Borrowings               |    | 32,482,019                       | 59,662,937                            | -                                  | 2,666,040                      | 5,381,916                           | 51,614,981                    |
| Trade and other payables |    | 54,602,531                       | 54,602,531                            | -                                  | -                              | 54,602,531                          | -                             |
| Lease liabilities        |    | 986,157                          | 3,048,727                             | -                                  | 15,578                         | 132,837                             | 2,900,311                     |
|                          |    | <b>88,070,707</b>                | <b>117,314,195</b>                    | <b>-</b>                           | <b>2,681,618</b>               | <b>60,117,284</b>                   | <b>54,515,293</b>             |
| <b>Company 2025</b>      |    | <b>Carrying Amount<br/>N'000</b> | <b>Gross Nominal Amount<br/>N'000</b> | <b>Less than 1 month<br/>N'000</b> | <b>1 to 3 months<br/>N'000</b> | <b>3 months to 1 year<br/>N'000</b> | <b>Above 1 year<br/>N'000</b> |
| Borrowings               | 25 | 26,965,403                       | 49,530,024                            | -                                  | 2,213,250                      | 4,467,873                           | 42,848,901                    |
| Trade and other payables | 29 | 78,970,495                       | 78,970,495                            | -                                  | -                              | 78,970,495                          | -                             |
| Lease liabilities        | 27 | 870,875                          | 998,974                               | -                                  | -                              | 101,724                             | 897,250                       |
|                          |    | <b>106,806,773</b>               | <b>129,499,493</b>                    | <b>-</b>                           | <b>2,213,250</b>               | <b>83,540,092</b>                   | <b>43,746,151</b>             |

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rate, exchange rates and other prices. The Company negotiates long term credit facilities and obtains subsidised loans from the Government in order to reduce the risk associated with high cost of borrowing. The Company also takes advantage of the Central Bank of Nigeria intervention funds and grants from the Federal Government at below market rate in order to mitigate this risk.

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

**Foreign currency risk**

The Company is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary.

**The Company is mainly exposed to fluctuation in the exchange rate of the American Dollar (USD).**

Effective closing rate as at 31 March 2026 is N1,386.71/US Dollar (2025: N1,541.67/US Dollar). Average rate for the year is N1,502.26/US Dollar (2025: N1,425.53/US Dollar).

**Foreign currency exposure at the end of the reporting period**

The net carrying amounts, in Naira, of the exposure to the American Dollars. The amounts have been presented in USD by converting the Naira currency amounts at the closing rate at the reporting date:

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

|                             | Group       |             | Company     |             |
|-----------------------------|-------------|-------------|-------------|-------------|
|                             | 2026<br>USD | 2025<br>USD | 2026<br>USD | 2025<br>USD |
| Cash and cash equivalent    | 112,749     | 17,383      | 18,979      | 17,383      |
| Trade payables              | (17,055)    | (1,836,625) | (87,075)    | (1,836,625) |
| Short-term finance (Usance) | -           | (890,068)   | -           | (890,068)   |
| Net exposure                | 95,694      | (2,709,310) | (68,096)    | (2,709,310) |

**Foreign currency sensitivity analysis**

The following information presents the sensitivity of the company to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

At 31 March 2026 if the dollar exchange rate had been 19% (2025: 15%) higher or lower during the period, with all other variables held constant, loss for the year would have been impacted as follows:

| Sensitivity Analysis | 2026<br>N'000 | 2025<br>N'000 | 2026<br>N'000 | 2025<br>N'000 |
|----------------------|---------------|---------------|---------------|---------------|
| +19%                 | 25,213        | (626,529)     | (17,942)      | (626,529)     |
| -19%                 | (25,213)      | 626,529       | 17,942        | 626,529       |

**Interest rate risk management**

Interest rate risk is the risk that the fair value or the future cashflow of a financial instrument will fluctuate due to the changes in market interest rates. In managing interest rate risk, the company ensures the significant portion of its interest rate exposure is at a fixed rate. The Company at year end have outstanding fixed interest rate facilities and it is therefore not exposed to interest rate risk.

**Fair value sensitivity for fixed rate instruments**

The Company does not account for any fixed rate financial liability at fair value through profit or loss (FVTPL). Therefore, a change in interest does not affect profit or loss.

**Price risk**

The Company is exposed to commodity price risk. The risk arises from the Company's raw materials and Spare parts requirement to meet its Production requirements. The Company Monitors commodity price movement and make advance purchase of raw materials before use to Mitigate significant Price fluctuation.

**39. Fair value information****Accounting classification and fair values**

The following table shows the carrying amount and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

| Group<br>31-Mar-26                                        |      | Carrying<br>amount                                         |                                                                 | Fair value    |         |              |         |              |
|-----------------------------------------------------------|------|------------------------------------------------------------|-----------------------------------------------------------------|---------------|---------|--------------|---------|--------------|
| In thousands of Naira                                     | Note | Financial<br>assets<br>measured<br>at<br>amortised<br>cost | Financial<br>liabilities<br>measured<br>at<br>amortised<br>cost | Total         | Level 1 | Level 2      | Level 3 | Total        |
| <b>Financial assets measured at amortised cost</b>        |      |                                                            |                                                                 |               |         |              |         |              |
| Trade and other receivables                               | 22   | 28,791,747                                                 | -                                                               | 28,791,747    | -       | -            | -       | -            |
| Cash and cash equivalents                                 | 24   | 9,810,078                                                  | -                                                               | 9,810,078     | -       | -            | -       | -            |
|                                                           |      | 38,601,825                                                 | -                                                               | 38,601,825    | -       | -            | -       | -            |
| <b>Financial liabilities not measured at fair value</b>   |      |                                                            |                                                                 |               |         |              |         |              |
| Secured loans*                                            | 25   | -                                                          | (19,936,904)                                                    | (19,936,904)  | -       | (17,671,090) | -       | (17,671,090) |
| Trade and other payables (excluding statutory deductions) | 29   | -                                                          | (94,768,958)                                                    | (94,768,958)  | -       | -            | -       | -            |
|                                                           |      | -                                                          | (114,705,862)                                                   | (114,705,862) | -       | (17,671,090) | -       | (17,671,090) |
| <b>31-Mar-25</b>                                          |      |                                                            |                                                                 |               |         |              |         |              |
| In thousands of Naira                                     | Note | Financial<br>assets<br>measured<br>at<br>amortised<br>cost | Financial<br>liabilities<br>measured<br>at<br>amortised<br>cost | Total         | Level 1 | Level 2      | Level 3 | Total        |
| <b>Financial assets measured at amortised cost</b>        |      |                                                            |                                                                 |               |         |              |         |              |
| Trade and other receivables                               | 22   | 27,561,580                                                 | -                                                               | 27,561,580    | -       | -            | -       | -            |
| Cash and cash equivalents                                 | 24   | 5,264,550                                                  | -                                                               | 5,264,550     | -       | -            | -       | -            |
|                                                           |      | 32,826,130                                                 | -                                                               | 32,826,130    | -       | -            | -       | -            |
| <b>Financial liabilities not measured at fair value</b>   |      |                                                            |                                                                 |               |         |              |         |              |
| Secured loans*                                            | 25   | -                                                          | (26,965,403)                                                    | (26,965,403)  | -       | (23,900,807) | -       | (23,900,807) |
| Trade and other payables (excluding statutory deductions) | 29   | -                                                          | (78,678,020)                                                    | (78,678,020)  | -       | -            | -       | -            |
|                                                           |      | -                                                          | (105,643,423)                                                   | (105,643,423) | -       | (23,900,807) | -       | (23,900,807) |

\* The fair value for loan is estimated based the net present value of expected payments, discounted using a risk adjusted discount rate. The basis of measurement has remained the same between current and prior years. The discount rate used to determine the fair value of loans is 19% (2025 :22%).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Company  
31-Mar-26

| 31-Mar-26                                                 |      | Carrying amount                             |                                                  | Fair value   |         |              |         |              |
|-----------------------------------------------------------|------|---------------------------------------------|--------------------------------------------------|--------------|---------|--------------|---------|--------------|
| In thousands of Naira                                     | Note | Financial assets measured at amortised cost | Financial liabilities measured at amortised cost | Total        | Level 1 | Level 2      | Level 3 | Total        |
|                                                           |      |                                             |                                                  |              |         |              |         |              |
| Financial assets measured at amortised cost               |      |                                             |                                                  |              |         |              |         |              |
| Trade and other receivables                               | 22   | 77,579,773                                  | -                                                | 77,579,773   | -       | -            | -       | -            |
| Cash and cash equivalents                                 | 24   | 8,329,752                                   | -                                                | 8,329,752    | -       | -            | -       | -            |
|                                                           |      | 85,909,525                                  | -                                                | 85,909,525   | -       | -            | -       | -            |
| Financial liabilities not measured at fair value          |      |                                             |                                                  |              |         |              |         |              |
| Secured loans*                                            | 25   | -                                           | (19,936,904)                                     | (19,936,904) | -       | (17,671,090) | -       | (17,671,090) |
| Trade and other payables (excluding statutory deductions) | 29   | -                                           | (54,602,531)                                     | (54,602,531) | -       | -            | -       | -            |
|                                                           |      | -                                           | (74,539,435)                                     | (74,539,435) | -       | (17,671,090) | -       | (17,671,090) |

31-Mar-25

| 31-Mar-25                                                 |      | Carrying amount                             |                                                  | Fair value    |         |              |         |              |
|-----------------------------------------------------------|------|---------------------------------------------|--------------------------------------------------|---------------|---------|--------------|---------|--------------|
| In thousands of Naira                                     | Note | Financial assets measured at amortised cost | Financial liabilities measured at amortised cost | Total         | Level 1 | Level 2      | Level 3 | Total        |
| Financial assets measured at amortised cost               |      |                                             |                                                  |               |         |              |         |              |
| Trade and other receivables                               | 22   | 27,747,588                                  | -                                                | 27,747,588    | -       | -            | -       | -            |
| Cash and cash equivalents                                 | 24   | 5,264,550                                   | -                                                | 5,264,550     | -       | -            | -       | -            |
|                                                           |      | 33,012,138                                  | -                                                | 33,012,138    | -       | -            | -       | -            |
| Financial liabilities not measured at fair value          |      |                                             |                                                  |               |         |              |         |              |
| Secured loans*                                            | 25   | -                                           | (26,965,403)                                     | (26,965,403)  | -       | (23,900,807) | -       | (23,900,807) |
| Trade and other payables (excluding statutory deductions) | 29   | -                                           | (78,970,495)                                     | (78,970,495)  | -       | -            | -       | -            |
|                                                           |      | -                                           | (105,935,898)                                    | (105,935,898) | -       | (23,900,807) | -       | (23,900,807) |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

**Fair value hierarchy**

**Level 1:** Quoted unadjusted prices in active markets for identical assets or liabilities that the Company can access at measurement date.

The fair value of financial instruments traded in active markets (quoted equity) is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for financial assets held by the Company is the bid price at the reporting date. These instruments are included in level 1. There were no transfers between levels during the year.

**Level 2:** Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

The fair value of financial instruments that are not traded in an active market (loans and borrowings) is determined by using discounted cash flow valuation techniques. This valuation technique maximizes the use of observable market data by using the market related interest rate for discounting the contractual cash flows. There are no significant unobservable inputs. There were no transfers between levels during the year. The basis of measurement has remained the same between current and prior years. The discount rate used to determine the fair value of loans is 19% (2025: 22%).

Long-term fixed-rate and variable-rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the estimated losses of these receivables.

**Financial instrument in Level 3**

The fair value is based on unobservable inputs. The Company has no level 3 financial assets or financial liabilities as at the reporting period.

**39 Going concern**

The Group recorded a profit for the year ended 31 March 2026 of N16.5 billion (2025: N14.6 billion). As at the same date, the Group current liabilities exceeded its current assets by N15.4 billion (2025: N7.1 billion).

The Company recorded a profit for the year ended 31 March 2026 of N20.1 billion (2025: N14.8 billion). As at the same date, the Company's current assets exceeded its current liabilities by N60.8 billion (2025: The company's current liabilities exceeded its current assets by N7.2 billion).

As at 31 March 2026, a significant portion of the payables of the Group and Company is due to related parties. Consequently, the parent company, Golden Penny Foods Limited (formerly Flour Mills of Nigeria Plc) has issued a letter of support with a commitment to support the Group and Company in meeting its obligations as and when due.

The Directors of the Company have a reasonable expectation that the Group and Company will continue in operational existence for foreseeable future given the commitment of the parent company as described above. Accordingly, the financial statements have been prepared on the basis of accounting policies applicable to going concern.

**40 Events after the Reporting Period**

There were no significant events after the reporting date which could have a material effect on the financial position of the Group and Company as at 31 March 2026 and its financial performance for the year then ended, that have not been adequately provided for, or disclosed in the financial statements.

# Other National Disclosures



## CONSOLIDATED AND SEPARATE STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 MARCH, 2026

"Value added" is the measure of wealth the group has created in its operations by "adding value" to the cost of products and services. The statement below summarises the total wealth created and shows how it was shared by employees and other parties who contributed to its creation. Also set out below is the amount retained and re-invested in the company for the replacement of assets and the further development of operations.

| Group                                              | 2026              | %          | 2025              | %          |
|----------------------------------------------------|-------------------|------------|-------------------|------------|
| Turnover                                           | 360,849,158       |            | 373,509,245       |            |
| Other operating income                             | 8,205,250         |            | 7,618,310         |            |
| Bought - in materials and services;                |                   |            |                   |            |
| -Foreign                                           | (291,219,552)     |            | (306,936,408)     |            |
| -Local                                             | (42,558,320)      |            | (34,636,306)      |            |
| <b>Total Value Added</b>                           | <b>35,276,535</b> | <b>100</b> | <b>39,554,841</b> | <b>100</b> |
| <b>Value Distributed</b>                           |                   |            |                   |            |
| <b>To Pay Employees</b>                            |                   |            |                   |            |
| Employees cost                                     | 5,693,883         | 16         | 4,264,156         | 11         |
| <b>To Pay Providers of Fund</b>                    |                   |            |                   |            |
| Finance costs                                      | 3,904,706         | 11         | 4,640,866         | 12         |
| <b>To Pay Government</b>                           |                   |            |                   |            |
| Income tax                                         | 10,133,967        | 29         | 4,358,399         | 11         |
| Retained for future expansion and wealth creation: |                   |            |                   |            |
| Depreciation, amortization and impairments         | 3,781,744         | 10         | 9,450,343         | 24         |
| Deferred tax                                       | (4,724,643)       | (12)       | 2,252,427         | 6          |
| Retained earnings                                  | 16,486,878        | 47         | 14,588,650        | 37         |
| <b>Total Value Distributed</b>                     | <b>35,276,535</b> | <b>100</b> | <b>39,554,841</b> | <b>100</b> |

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

## CONSOLIDATED AND SEPARATE STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 MARCH, 2026

"Value added" is the measure of wealth the group has created in its operations by "adding value" to the cost of products and services. The statement below summarises the total wealth created and shows how it was shared by employees and other parties who contributed to its creation. Also set out below is the amount retained and re-invested in the company for the replacement of assets and the further development of operations.

### Company

|                                                    | 2026<br>N'000     | %          | 2025<br>N'000     | %          |
|----------------------------------------------------|-------------------|------------|-------------------|------------|
| Turnover                                           | 355,954,336       |            | 373,509,245       |            |
| Other operating income                             | 7,349,336         |            | 7,618,310         |            |
| Bought - in materials and services;                |                   |            |                   |            |
| -Foreign                                           | (291,808,268)     |            | (306,936,407)     |            |
| -Local                                             | (37,804,126)      |            | (34,462,334)      |            |
| <b>Total Value Added</b>                           | <b>33,691,277</b> | <b>100</b> | <b>39,728,814</b> | <b>100</b> |
| Value Distributed                                  |                   |            |                   |            |
| To Pay Employees                                   |                   |            |                   |            |
| Employees cost                                     | 5,693,883         | 17         | 4,264,156         | 11         |
| To Pay Providers of Fund                           |                   |            |                   |            |
| Finance costs                                      | 3,904,706         | 12         | 4,640,866         | 12         |
| To Pay Government                                  |                   |            |                   |            |
| Income tax                                         | 7,972,931         | 24         | 4,338,839         | 11         |
| Retained for future expansion and wealth creation: |                   |            |                   |            |
| Depreciation, amortization and impairments         | 3,781,745         | 11         | 9,450,343         | 24         |
| Deferred tax                                       | (7,752,995)       | (23)       | 2,252,427         | 6          |
| Retained earnings                                  | 20,091,007        | 60         | 14,782,183        | 37         |
| <b>Total Value Distributed</b>                     | <b>33,691,277</b> | <b>100</b> | <b>39,728,814</b> | <b>100</b> |

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

## FINANCIAL SUMMARY FOR THE YEAR ENDED 31 MARCH, 2026

### Consolidated Statement of Financial Position

|                                                                                | 2026               | 2025               |
|--------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Assets</b>                                                                  |                    |                    |
| Non-current assets                                                             | 100,357,399        | 74,686,409         |
| Current assets                                                                 | 116,351,777        | 92,759,827         |
| <b>Total assets</b>                                                            | <b>216,709,176</b> | <b>167,446,236</b> |
| <b>Liabilities</b>                                                             |                    |                    |
| Non-current liabilities                                                        | 31,066,127         | 30,116,792         |
| Current liabilities                                                            | 131,711,010        | 99,884,282         |
| <b>Total liabilities</b>                                                       | <b>162,777,137</b> | <b>130,001,074</b> |
| <b>Equity</b>                                                                  |                    |                    |
| Share capital                                                                  | 10,427,140         | 10,427,140         |
| Reserves                                                                       | 19,388,109         | 19,388,109         |
| Retained earnings                                                              | 24,116,790         | 7,629,912          |
| <b>Total equity</b>                                                            | <b>53,932,039</b>  | <b>37,445,161</b>  |
| <b>Total equity &amp; liabilities</b>                                          | <b>216,709,176</b> | <b>167,446,236</b> |
| <b>Consolidated Statement of Profit or Loss and Other Comprehensive Income</b> |                    |                    |
| Revenue                                                                        | 360,849,158        | 373,509,245        |
| <b>Profit before taxation</b>                                                  | <b>21,896,202</b>  | <b>21,199,476</b>  |
| Taxation                                                                       | (5,409,324)        | (6,609,730)        |
| Police trust fund dev. levy                                                    | -                  | (1,096)            |
| <b>Profit for the year</b>                                                     | <b>16,486,878</b>  | <b>14,588,650</b>  |
| <b>Per share data (kobo)</b>                                                   |                    |                    |
| Earnings per share (Basic)                                                     | 207.6              | 183.96             |
| Net assets per share                                                           | 680.08             | 472.18             |

Per share data are based on the number of issued and fully paid ordinary shares of 7,930,197,658 at the end of each financial year, (2025: 7,930,197,658).

## FIVE YEARS FINANCIAL SUMMARY FOR THE YEAR ENDED 31 MARCH, 2026

### Separate Statement of Financial Position

|                                       | 2026<br>N'000      | 2025<br>N'000      | 2024<br>N'000      | 2023<br>N'000      | 2022<br>N'000      |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Assets</b>                         |                    |                    |                    |                    |                    |
| Non-current assets                    | 25,070,765         | 74,986,409         | 81,831,114         | 85,912,619         | 97,247,878         |
| Current assets                        | 150,592,801        | 92,945,834         | 67,134,834         | 79,087,358         | 51,448,153         |
| <b>Total assets</b>                   | <b>175,663,566</b> | <b>167,932,244</b> | <b>148,965,948</b> | <b>164,999,977</b> | <b>148,696,031</b> |
| <b>Liabilities</b>                    |                    |                    |                    |                    |                    |
| Non-current liabilities               | 28,149,966         | 30,116,792         | 37,330,330         | 41,877,630         | 35,030,414         |
| Current liabilities                   | 89,783,900         | 100,176,757        | 88,779,106         | 90,146,058         | 68,217,954         |
| <b>Total liabilities</b>              | <b>117,933,866</b> | <b>130,293,549</b> | <b>126,109,436</b> | <b>132,023,688</b> | <b>103,248,368</b> |
| <b>Equity</b>                         |                    |                    |                    |                    |                    |
| Share capital                         | 10,427,140         | 10,427,140         | 10,427,140         | 10,427,140         | 10,427,140         |
| Reserves                              | 19,388,109         | 19,388,109         | 19,388,109         | 19,388,109         | 32,115,596         |
| Retained earnings                     | 27,914,451         | 7,823,444          | -6,958,738         | 3,161,039          | 2,904,927          |
| <b>Total equity</b>                   | <b>57,729,700</b>  | <b>37,638,694</b>  | <b>22,856,511</b>  | <b>32,976,289</b>  | <b>45,447,663</b>  |
| <b>Total equity &amp; liabilities</b> | <b>175,663,566</b> | <b>167,932,243</b> | <b>148,965,948</b> | <b>164,999,977</b> | <b>148,696,031</b> |

### Separate Statement of Profit or Loss and Other Comprehensive Income

|                                      |                   |                   |                    |                    |                    |
|--------------------------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
| Revenue                              | 355,954,336       | 373,509,245       | 188,311,035        | 147,350,739        | 136,427,507        |
| <b>Profit/(Loss) before taxation</b> | <b>22,412,832</b> | <b>21,393,008</b> | <b>(7,860,042)</b> | <b>(8,906,996)</b> | <b>(172,141)</b>   |
| Taxation                             | -                 | -                 | (738,451)          | (628,679)          | (9,585,482)        |
| Police trust fund dev. levy          | (2,321,825)       | (6,610,826)       | -                  | -                  | -                  |
| <b>Profit/(Loss) for the year</b>    | <b>20,091,007</b> | <b>14,782,182</b> | <b>(8,598,493)</b> | <b>(9,535,675)</b> | <b>(9,757,623)</b> |
| <b>Per share data (kobo)</b>         |                   |                   |                    |                    |                    |
| Earnings/(Loss) per share (Basic)    | 253.35            | 186.40            | (127.61)           | 3.23               | (123.04)           |
| Net assets per share                 | 727.97            | 474.62            | 288.22             | 415.83             | 573.10             |
| Dividend proposed per share          | -                 | -                 | -                  | -                  | -                  |
| Dividend paid per share              | -                 | -                 | -                  | -                  | 7                  |

Per share data are based on the number of issued and fully paid ordinary shares of 7,930,197,658 at the end of each financial year, (2025: 7,930,197,658).

## SHARE CAPITAL HISTORY

| Year | Authorised |            | Issued and fully paid up N'000 |            | Consideration                                     |
|------|------------|------------|--------------------------------|------------|---------------------------------------------------|
|      | Increase   | Cumulative | Increase                       | Cumulative |                                                   |
| 1990 | -          | 10,000     | -                              | 2          | cash@ N1 each                                     |
| 1991 | -          | 10,000     | -                              | 2          | cash@ N1 each                                     |
| 1992 | -          | 10,000     | -                              | 2          | cash@ N1 each                                     |
| 1993 | -          | 10,000     | -                              | 2          | cash@ N1 each                                     |
| 1994 | -          | 10,000     | -                              | 2          | cash@ N1 each                                     |
| 1995 | 40,000     | 50,000     | 49,998                         | 50,000     | cash@ N1 each                                     |
| 2001 | 160,000    | 210,000    | 160,000                        | 210,000    | cash@ N1 each                                     |
| 2003 | 790,000    | 1,000,000  | 790,000                        | 1,000,000  | cash@ N1 each                                     |
| 2008 | 1,000,000  | 2,000,000  | 999,999                        | 1,999,999  | Acquisition of Honey well Superfine Foods Limited |
| 2008 | -          | 2,000,000  | -                              | 1,999,999  | Share split of N1 to N0.50                        |
| 2008 | 2,000,000  | 4,000,000  | 1,500,000                      | 3,500,000  | Bonus issue of 3 to 4 shares                      |
| 2009 | -          | 4,000,000  | 465,100                        | 3,965,099  | Public issue @ N8.50 each                         |
| 2022 | -          | 3,965,099  | -                              | 3,965,099  | Share Cancellation                                |

## COMMUNITY IMPACT



## Proxy Form

**HONEYWELL FLOUR MILLS PLC**  
**17<sup>TH</sup> ANNUAL GENERAL MEETING TO BE HELD AT 11.00 AM**  
**ON WEDNESDAY 16<sup>TH</sup> SEPTEMBER 2026**  
**HELD VIRTUALLY AND HOSTED AT 1 GOLDEN PENNY PLACE,**  
**WHARF ROAD, APAPA, LAGOS.**

I/We\* .....

of .....

being member(s) of Honeywell Flour Mills Plc

hereby appoint .....

of.....  
or failing him Mr. Omoboyede Olusanya or failing him Mr. Nassib Raffoul, as my/our proxy to vote for me/us at the Annual General Meeting of the company to be held on 16<sup>th</sup> September 2026 and at any adjournment thereof.

Dated this..... day of.....2026

Signature .....

### Notes:

1. Please sign this proxy card and post it to reach the Registrars not less than 48 hours before the time for holding the meeting.
2. If executed by a corporation, the proxy card should be sealed with the common seal.
3. This proxy card will be used both by show of hands and in the event of a poll being directed or demanded.
4. In the case of joint holders the signature of any one of them will suffice, but the names of all joint holders should be shown.

**Please indicate with "x" in the appropriate box how you wish your vote to be cast on the resolution set out above.**

**Unless otherwise instructed, the Proxy will vote or abstain from voting at his / her discretion.**

-----  
**BEFORE POSTING THE ABOVE, PLEASE TEAR OFF THIS PART AND RETAIN IT FOR ADMISSION TO THE MEETING**

**ADMISSION CARD**  
**HONEYWELL FLOUR MILLS PLC**  
**17<sup>TH</sup> ANNUAL GENERAL MEETING TO BE HELD AT 11.00 AM**  
**ON WEDNESDAY 16<sup>TH</sup> SEPTEMBER 2026**  
**HELD VIRTUALLY AND HOSTED AT 1 GOLDEN PENNY PLACE, WHARF ROAD, APAPA, LAGOS.**

NAME OF SHAREHOLDER\* .....

### IF YOU ARE UNABLE TO ATTEND THE MEETING

A member (shareholder) who is unable to attend the annual general meeting is allowed by law to vote by proxy. A proxy need not be a member of the Company. The above proxy card has been prepared to enable you exercise your right to vote if you cannot personally attend

The names of two Directors of the Company have been entered on the card to ensure your representation at the meeting, but if you wish, you may insert in the blank space on the form(marked\*\*) the name of any person who will attend the meeting and vote on your behalf instead of one of the Directors.

### IMPORTANT\*

Please insert your name in BLOCK CAPITALS on both proxy and admission card where marked\*.

| RESOLUTIONS                                                                                                                                                                  | FOR | AGAINST |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|
| <b>Ordinary business</b>                                                                                                                                                     |     |         |
| 1. To Declare a Dividend                                                                                                                                                     |     |         |
| 2. To re-elect the following Directors: <ul style="list-style-type: none"><li>• Mr. Omoboyede Olusanya</li><li>• Mr. Anders Kristiansson</li><li>• Mr. Sadiq Usman</li></ul> |     |         |
| 2. To authorize the Directors to fix Auditors remuneration.                                                                                                                  |     |         |
| 3. To disclose the remuneration of Managers.                                                                                                                                 |     |         |
| 4. To elect members of the Audit committee.                                                                                                                                  |     |         |
| <b>Special Business by Ordinary Resolution</b>                                                                                                                               |     |         |
| 5. To renew the general mandate for Related Party Transactions.                                                                                                              |     |         |





## Shareholders Data Update Request Form

To:  
The Registrars,  
Atlas Registrars Limited,  
34, Eric Moore Road, Iganmu,  
P.O. Box 3554, Surulere  
Lagos.  
Nigeria.

Important! The form should be completed in CAPITAL LETTER.

Please fill in the form and return to the address above

|                           |                      |  |  |  |  |  |  |  |  |  |                            |                      |  |  |  |  |  |  |  |  |  |
|---------------------------|----------------------|--|--|--|--|--|--|--|--|--|----------------------------|----------------------|--|--|--|--|--|--|--|--|--|
| Surname                   | <input type="text"/> |  |  |  |  |  |  |  |  |  |                            |                      |  |  |  |  |  |  |  |  |  |
| First Name                | <input type="text"/> |  |  |  |  |  |  |  |  |  |                            |                      |  |  |  |  |  |  |  |  |  |
| Other Name                | <input type="text"/> |  |  |  |  |  |  |  |  |  |                            |                      |  |  |  |  |  |  |  |  |  |
| Email                     | <input type="text"/> |  |  |  |  |  |  |  |  |  |                            |                      |  |  |  |  |  |  |  |  |  |
| Mobile Phone              | <input type="text"/> |  |  |  |  |  |  |  |  |  | Date of Birth (DD/MM/YYYY) | <input type="text"/> |  |  |  |  |  |  |  |  |  |
| CHN Number                | <input type="text"/> |  |  |  |  |  |  |  |  |  | <input type="text"/>       |                      |  |  |  |  |  |  |  |  |  |
| Stockbroker's Name        | <input type="text"/> |  |  |  |  |  |  |  |  |  |                            |                      |  |  |  |  |  |  |  |  |  |
| Bank Verification Number  | <input type="text"/> |  |  |  |  |  |  |  |  |  |                            |                      |  |  |  |  |  |  |  |  |  |
| Old Address               | <input type="text"/> |  |  |  |  |  |  |  |  |  |                            |                      |  |  |  |  |  |  |  |  |  |
|                           | <input type="text"/> |  |  |  |  |  |  |  |  |  |                            |                      |  |  |  |  |  |  |  |  |  |
|                           | <input type="text"/> |  |  |  |  |  |  |  |  |  |                            |                      |  |  |  |  |  |  |  |  |  |
| New Address               | <input type="text"/> |  |  |  |  |  |  |  |  |  |                            |                      |  |  |  |  |  |  |  |  |  |
|                           | <input type="text"/> |  |  |  |  |  |  |  |  |  |                            |                      |  |  |  |  |  |  |  |  |  |
|                           | <input type="text"/> |  |  |  |  |  |  |  |  |  |                            |                      |  |  |  |  |  |  |  |  |  |
| Next of Kin               | <input type="text"/> |  |  |  |  |  |  |  |  |  |                            |                      |  |  |  |  |  |  |  |  |  |
| Next of Kin Mobile Number | <input type="text"/> |  |  |  |  |  |  |  |  |  |                            |                      |  |  |  |  |  |  |  |  |  |
| Authorized Signatory      | <input type="text"/> |  |  |  |  |  |  |  |  |  |                            |                      |  |  |  |  |  |  |  |  |  |

# ATLAS REGISTRARS LIMITED

## SHAREHOLDERS' DATA UPDATE



- Flour Mills of Nigeria Plc
- Northern Nigeria Flour Mills Plc
- HoneyWell Flour Mills Plc

Dear Shareholders,

- (1) To enable us serve you better through prompt payment of dividends, electronic distribution of notices and Annual Reports and Accounts, Update and execution of your mandates and instructions, we request that you kindly avail us with the underlisted information to enable us update your records:

- Surname
- Other Names
- Current address
- E-mail Address
- GSM Number
- Bank Verification Number (BVN)
- Bank Name
- Bank Account Number

- (2) Securities and Exchange Commission (SEC) has directed Capital Market Registrars as follows

- To stop the issuance of dividend warrants to investors.
- That all dividends be credited into shareholders designated bank account directly

By this directive, we advise that if you have not mandated your dividends to your designated bank account, please do so immediately.

### **KINDLY UTILIZE ANY OF THE CHANNELS BELOW:**

- Visit our website to download DATA UPDATE and/or E-MANDATE ACTIVATION FORM  
[www.atlasregistrars.com](http://www.atlasregistrars.com)
- Scan completed copies and send to our e-mail addresses below:  
[registrars@atlasregistrars.com](mailto:registrars@atlasregistrars.com); [atlasregistrars@yahoo.com](mailto:atlasregistrars@yahoo.com)
- E-Mandate Activation Form could also be downloaded from your bank,  
**OR**
- Kindly pick-up any of the forms for your update at our office located at:  
**ATLAS REGISTRARS LIMITED**  
**BAGCO BUILDING,**  
**34, ERIC MOORE ROAD, IGANMU, LAGOS**

## E-Mandate Activation Form

Affix  
Current  
Passport  
Photo



### E-MANDATE ACTIVATION FORM

Please write your name at the back of your passport photograph

#### Instruction

Please complete all sections of this form to make it eligible for processing and return to the address below

The Registrar,  
Atlas Registrars Limited  
34, Eric Moore Road, Iganmu (Bagco Building) Surulere  
P. O. Bax 3554, Surulere, Lagos State.

We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at at the right hand column be credited directly to my/our bank detailed below.

Only Clearing Banks are acceptable

Kindly tick & quote your shareholders account no. in the box below

| Tick | Name of Company               | Shareholder's Account Number |
|------|-------------------------------|------------------------------|
|      | FLOUR MILLS OF NIG. PLC       |                              |
|      | NORTHERN NIG. FLOUR MILLS PLC |                              |
|      | HONEYWELL FLOUR MILLS PLC     |                              |

#### Bank Verification Number

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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Bank Name

Bank Account Number

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
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|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

Account Opening Date

\*Please ensure that the name on your Bank Account corresponds with that in our records as any contrary Name(s) would void your request

#### Shareholder Account Information

Surname/Company's Name

First Name

Other Names

Address:

City

State

Country

Previous Address (if any)

CHN (If any)

Mobile Telephone 1

Mobile Telephone 2

Email Address

\*\* Signature(s)

\*\*The signature(s) must correspond with your specimen held in our records as any contrary Signature(s) or non-existence in our records would void your request.

Joint/Company's Signatories

(CORPORATE BODIES)

PLEASE ATTACH BOARD RESOLUTION  
IN RESPECT OF BANK MANDATE

Company Self Incorporation Number (Corporate Shareholder)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

\*\*\*

AUTHORISED SIGNATORY AND STAMP OF BANKERS

\*\*\*The Bank stamp and signature of the authorised signatory of your bank is required to confirm that the Bank details and signature(s) is/are that of the shareholder(s) or an authorised signatory, before returning to the Registrars.

I/We confirm that all information supplied is to the best of my/our knowledge correct and hereby covenant to indemnify and forever keep indemnified the **security issuer, the directors, the security registrar**, the directors and officers of the security registrar from and against all losses in respect thereof and all claims, actions, proceedings, demands, cost, expenses whatsoever which may be made or brought against them by reason of compliance with this request.

Help Desk Telephone No/Contact Centre Information for issue resolution or clarification: +234 8175425054, 08108724445

Atlas Registrars Limited

website: atlasregistrars.com email: atlasregistrars@yahoo.com, registrars@atlasregistrars.com

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**HONEYWELL**  
WHOLE WHEAT  
MEAL

**Wholesome Goodness  
in every bite**





Honeywell  
is Back

