DANGOTE
SUGAR

2018 ANNUAL REPORT & ACCOUNTS

Contents

Our Vision, Mission & Values

Vision

Our vision is to be one of the world's leading integrated sugar producers, respected for the quality of our products and the way we conduct our business.

Mission

To deliver consistently good returns to our shareholders by selling high-quality products at affordable prices, backed by excellent customer service.

Our Values

- Customer Service
- Entrepreneurship
- Excellence
- Leadership

Our Desired Outcome

"To consolidate our leadership position locally and become a leading integrated sugar company in Africa, with world class standards"

Strategic Initiatives

STRATEGIC MISSION

To deliver consistently, good returns to our shareholders by selling high-quality products at affordable prices, backed by excellent customer service.

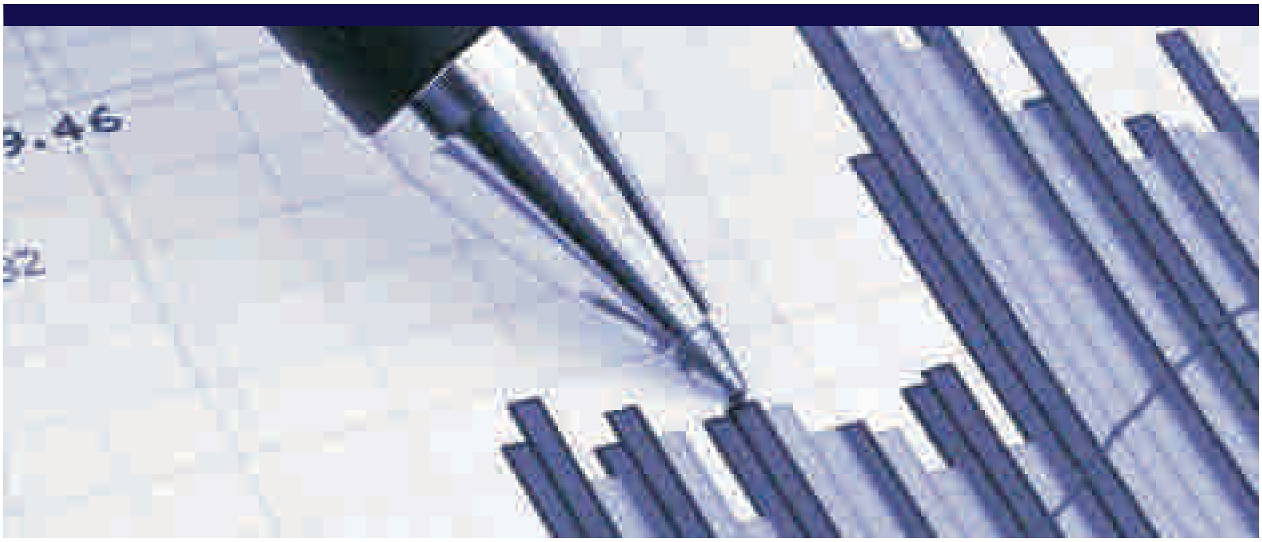
To satisfy market demand by producing the very best refined granulated sugar using exceptional resources and processes that comply with international standards and industry best practices.

To help Nigeria towards self-sufficiency in sugar production by moving from importation and refining to creating new plantations with their own refining facilities, close to major centres of demand, with a target to produce 1.5 - 2.0 million tonnes of refined sugar annually, by 2024 from over 150,000 hecters of locally grown sugar cane.

To provide economic benefits to local communities by way of direct and indirect employment.

To set a good example in areas such as governance, sustainability, health and safety.

Corporate Information



BOARD OF DIRECTORS

Alhaji Aliko Dangote, GCON
Chairman

Alhaji Sani Dangote
Non-Executive Director

Mr. Olakunle Alake
Non-Executive Director

Alhaji Abdu Dantata
Non-Executive Director

Ms. Bennedikter Molokwu
Independent Non-Executive Director

Dr. Konyinsola Ajayi, SAN
Independent Non-Executive Director

Mr. Uzoma Nwankwo
Independent Non-Executive Director

Ms. Maryam Bashir
Independent Non-Executive Director

COMPANY SECRETARY/LEGAL ADVISER

Chioma Madubuko (Mrs.)

AUDITORS

PricewaterhouseCoopers
Landmark Towers,
Plot 5B Water Corporation Road,
Victoria Island, Lagos, Nigeria

CAPITAL MARKET INFORMATION

NSE TICKER SYMBOL DANSUG
DATE LISTED: March 2007
FINANCIAL CALENDAR
(YEAR END): December 31

AUTHORIZED/PAID UP SHARE CAPITAL

12,000,000,000 Ordinary Shares of 50k each

SHAREHOLDER INFORMATION

RC Number: 613748
Date of Incorporation: January 2005

REGISTERED OFFICE

3rd Floor, GDNL Building
Terminal E, Shed 20
NPA Wharf Port Complex
Apapa
Lagos

FACTORY

Shed 20 Apapa Wharf
Apapa
Lagos

BANKERS

- Access Bank Plc.
- Diamond Bank Plc.
- Ecobank Nigeria Plc.
- Fidelity Bank Plc.
- First Bank of Nigeria Plc.
- First City Monument Bank Plc.
- GTBank Plc.
- Jaiz Bank Plc.
- StanbicIBTC Bank Plc.
- Standard Chartered Bank
- Sterling Bank Plc
- UBA Plc.
- Union Bank Nigeria Plc
- Unity Bank Plc
- Zenith Bank Plc.

Corporate Information Cont'd

SUBSIDIARIES

- **Savannah Sugar Company Limited**
  Km 81, Yola – Gombe Road,
  Numan, Adamawa State

- **Nasarawa Sugar Company Limited**
  1, Anguwan Kaura, Tunga Central Chiefdom,
  Tunga, Awe Local Government Council,
  Nasarawa State.

- **Dangote Taraba Sugar Limited**
  LAU/TAU PROJECTS
  C/o Dangote Sugar Refinery Plc
  Shed 20 Apapa Wharf Complex,
  Apapa Wharf
  Lagos

- **Dangote Adamawa Sugar Limited**
  Yola – Gombe Road,
  Numan, Adamawa State

- **Dangote Niger Sugar Limited**
  C/o Dangote Sugar Refinery Plc
  Shed 20 Apapa Wharf Complex,
  Apapa Wharf
  Lagos

REGISTRAR AND TRANSFER OFFICE: VERITAS REGISTRARS LIMITED

Plot 89A, Ajose Adeogun Street,
Victoria Island, Lagos
Telephone: (01) 27089304, 2784167-8;
Fax: (01)2704085
enquiry@veritasregistrars.com
www.veritasregistrars.com

CORPORATE COMMUNICATIONS/ INVESTOR RELATIONS CONTACT

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+234 8150983259
Ngozi.Ngene@dangote.com
ir@dangotesugar.com.ng
shareholderrelations@dangotesugar.com.ng

Results at a Glance

	Group 2018 ₦'000	Group 2017 ₦'000	Company 2018 ₦'000	Company 2017 ₦'000
Turnover	150,373,083	204,422,379	146,549,176	198,120,639
Profit Before Taxation	34,601,057	53,598,868	38,455,530	54,882,983
Taxation	(12,624,589)	(13,815,263)	(12,624,589)	(17,060,374)
Profit After Taxation	21,976,468	39, 783,605	25,830,941	37,822,609
Other Comprehensive Income	–	–	–	–
Dividend Paid Per Share	₦1.10 (proposed)	₦1.75	₦1.10	₦1.75
Share Capital	12,000,000	12,000,000	12,000,000	12,000,000
Shareholders' Fund				
50 Kobo Share Data (Kobo)	825 Kobo	773 Kobo	893 Kobo	827 Kobo
Earnings Per Share (Kobo)	185Kobo	331Kobo	215 Kobo	315Kobo

Proposed Dividend
The Directors recommend a dividend of ₦1.10 for every ordinary share of 50 Kobo each held in the Company, for the year ended December 31, 2018, subject to shareholders' approval at the Annual General Meeting. If approved the total cash dividend payable for the year ended December 31, 2018 will be ₦13.2 billion.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of DANGOTE SUGAR REFINERY PLC will hold at **Orchid Hall, Eko Hotel and Suites,** Plot 1415, **Adetokunbo Ademola Street, Victoria Island, Lagos,** on **Tuesday, the 18th day of June, 2018 at 10 a.m.** to transact the following business:

ORDINARY BUSINESS

1. To receive the Financial Statements for the year ended 31st December, 2018, the Reports of the Directors, Auditors and the Audit Committee thereon;

2. To declare a Dividend;

3. To re-elect Directors;

4. To authorize the Directors to fix the remuneration of the Auditors;

5. To elect members of the Audit Committee.

SPECIAL BUSINESS

To consider and if thought fit, pass the following as ordinary resolution

6. To fix the remuneration of the Directors.

Proxy

A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her/its stead. A proxy need not be a member. For the appointment to be valid a completed and duly stamped proxy form must be deposited at the office of the Registrars - Veritas Registrars Limited, Plot 89A, Ajose Adeogun Street, Victoria Island, Lagos, not later than forty-eight (48) hours before the time for holding the Meeting. A blank proxy form is attached to the Annual Report.

BY ORDER OF THE BOARD

CHIOMA MADUBUKO (MRS.)
Company Secretary/Legal Adviser
FRC/2014/NBA/00000007451
Dangote Sugar Refinery Plc.
3rd Floor, Greenview Development Nigeria Ltd. Building, Terminal "E" Apapa Port Complex
Lagos, Nigeria.

Dated this 1st day of April, 2019.

NOTES:

Dividend

If the dividend recommended by the Directors is approved by members at the Annual General Meeting, it will be paid to the Shareholders whose names appear in the Company's Register of Members at the close of business on Friday, 31st day of May, 2019. Shareholders who have completed the e-dividend Mandate Form will receive a direct credit of the dividend to their bank accounts on Wednesday, 19th day of June, 2019.

Closure of Register and Transfer Books

The Register of Members and Transfer Books of the Company will be closed from Monday, the 3rd of June, 2019 to Wednesday, the 5th of June, 2019 both dates inclusive, for the purpose of updating the Register of Members and for the Registrars to prepare for payment of dividend.

Unclaimed Share Certificates and Dividend Warrants

All Shareholders are hereby informed that the Registrars of the Company are holding Share Certificates and Dividend Warrants which have been returned by the Post Office as "unclaimed".

Some Dividend Warrants sent to Shareholders' registered addresses are yet to be presented for payment or returned to the Registrars of the Company for validation.

Audit Committee
In accordance with Section 359(5) of the Companies and Allied Matters Act, CAP C20 LFN 2004, any shareholder may nominate another shareholder for appointment to the Statutory Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least 21 days before the Annual General Meeting.

Kindly be informed that the Code of Corporate Governance issued by Securities and Exchange Commission (SEC) stipulate that members of the Audit Committee should have basic financial literacy and knowledgeable in internal control processes. Consequently, a detailed Curriculum Vitae affirming the nominee's qualification should be submitted with each nomination.

E-Dividend
Shareholders are kindly requested to open bank accounts for their dividend payment. A detachable application form for e-dividend is attached to this Annual Report to enable all Shareholders furnish particulars of their accounts to the Registrars as soon as possible.

E-Report
To improve delivery of our Annual Report, a detachable Form has been inserted in the Annual Report, and hereby request Shareholders who wish to receive the Annual Report of the Company in an electronic format to complete and return the Form to the Registrars for further processing. Also, our Annual Reports are available online for viewing and download from our website at www.dangotesugar.com.ng or Registrars' website at www.veritasregistrars.com

Rights of Securities' Holders to Ask Questions.
Securities' Holders have the right to ask questions not only at the Meeting, but also prior to the Meeting, in line with Rule 19.12(c) of the Listing Rules of The Nigerian Stock Exchange. Such questions must be in writing, addressed to the Company Secretary and reach the Company at the Head Office not later than 7 days to the date of the Meeting.

Chairman's Statement

Distinguished Shareholders, fellow Directors, Invited guests and Observers, Gentlemen of the Press, Ladies and Gentlemen.

I am happy to welcome you all to the 13th Annual General Meeting of our Company Dangote Sugar Refinery Plc (DSR). I shall be presenting to you the Annual Report and Financial Statements for the year ended 31st December, 2018.

To fully understand our performance results, let me start with a review of the global and national economic environment within which we operated during the period. This analysis is important as the period under review was marked by various factors that posed significant challenges which impacted our operations and the Company's performance during the year.

PERFORMANCE/PROJECTIONS

In furtherance to our continued steady economic recovery pace despite the gloomy economic outlook at the dawn of the previous year 2017, DSR was able to weather through the economic downturn, and advanced significantly in 2018.

The global economy started on an upbeat note in 2018, buoyed by a pickup in global manufacturing and trade through 2017. The Naira stabilized against the Dollar as well as the bottlenecks that came with it, while some vulnerable but emerging market economies have come under strain as the US Dollar gained value and the level of risk that global financial investors were prepared to accept also plunged.

Most of these countries have seen increases in their external borrowing costs, but the extent of these increases varied widely. Global GDP growth was also steady in 2018, but the last few weeks of 2018 saw several major developments that will have important ramifications on the 2019 economic outlook, such as the finalization of the Brexit withdrawal agreement and the decision of the OPEC to pursue production cuts in 2019.

Economic activities remained relatively weak in the final quarter of 2018, following a modest showing in Q3 which was propped up by higher oil production. The continued liquidity squeeze, multi-year high unemployment rate, still-elevated inflationary pressures through the year coupled with the 2019 general election tension weighed on private consumers in Q4.

With the elections successfully behind us, it is hoped that the Nigerian Gross Domestic Product (GDP) expected to grow by 2.8% in 2019 and 2020 respectively, will be achieved.

2018 PERFORMANCE

2018 was quite a challenging year for the Company with several negative activities, which include the influx of sugar smuggled into the key markets nationwide, and the Apapa traffic gridlock, which continues to affect the evacuation of products from the refinery. Despite these challenges, your Company continued to post a resilient performance. The Company achieved a Group turnover of ₦150.4 billion, a 26% decrease over ₦204.4 billion in 2017, a Profit Before Tax of ₦34.6 billion, and a Profit After Tax of ₦22 billion.

EBITDA decreased to ₦37.6 billion, a 27% decrease compared to the ₦51.4 billion margins of 25.2% achieved in 2017. Earnings per share decreased ₦1.85 kobo against ₦3.31 kobo; a 44% decrease over 2017.

DIVIDENDS

The Board has recommended to the shareholders for approval at this meeting, the payment of a total dividend of ₦13.2 billion, being ₦1.10 per ordinary share of 50 Kobo each for the year ended December 31st, 2018.

On approval, the dividend will be paid to shareholders whose names appear in the register of members at the close of business on Friday, 31st May 2019, net withholding tax at the standard rate. Shareholders are also encouraged to embrace the e-dividend option to ensure prompt payment of dividend to their bank accounts.

THE BACKWARD INTEGRATION PROJECTS

During the year, our major focus was on resolving the issues that are primarily affecting the achievement of the backward integration projects targets; in line with the revised timelines we submitted to the National Sugar Development Council. The revision was due to the unforeseen challenges we experienced with land acquisition to meet our requirement for the projects. The implementation was phased to enable us concentrate on areas where we believe we can mitigate the issues and meet our targets.

The first phase of the projects include the Rehabilitation and Expansion of Savannah Sugar Company, the Lau/Tau project in Taraba State and the Tunga Sugar Project in Nasarawa State.

In the year under review, Savannah Sugar Company's performance was impacted by the communal clashes between host community and Fulani herdsmen which led to the closure of the company's operations for over 90 days. Savannah Sugar remains the only company producing sugar from sugarcane grown in the country and had just ended its 2018/2019 crop season.

Rehabilitation of the land and its infrastructure for improved yield and output is still ongoing, whilst the increase of the current factory capacity from 3,000TCD to 3,500TCD has been completed. The subsequent increase to 6,000TCD has commenced, and is expected to be completed by 2020, as well as the installation of the new 12,000TCD factory that will be fed with the increased cane supply.

At Tunga, activities are well underway at 68,000 hectares Dangote Sugar Project Site. Activities ongoing at the project site include the establishment of the cane seed nursery, housing and other basic infrastructure.

Currently, the project employs about 325 staff, which will increase further by the 4th quarter of this year; while various CSR projects have been lined up for execution in the immediate communities in Tunga, which will cater for over 25,000 beneficiaries.

Project activities resumed in Taraba State after the rains during the year, following which issues with the Government and local communities over the Lau/Tau project were presumed resolved. Unfortunately, some communities in the area maintained that they had not been paid any compensation by the government for the land. Consequently, our employees and those of the contractors that were engaged to work at the site were attacked and injured. We were forced to stop work at the site till date, while still engaging the State Government to intervene in the matter. We are hopeful that a final solution will be proffered to enable us commence activities on the site this year.

Despite these challenges we are committed to the achievement of our goals for this project and look forward to leading the pack in the achievement of sugar sufficiency by Nigeria, in line with the National Sugar Development Master Plan.

SOCIAL RESPONSIBILITY & GOVERNANCE

In addition to our support and sponsorship of various causes by the Company, robust social impact schemes and Corporate Social Responsibility projects are now being implemented across all the backward integration project communities where we operate.

There has been relative peace with these communities. The Gyawana school project commenced towards the end of 2018 has been completed, while the Savannah Secondary School renovation and construction of new classroom blocks, and a staff room are ongoing, amongst other schools and water projects earmarked for the area.

In the same vein 13,000 women were supported with ₦130 million by the Aliko Dangote Foundation in Nasarawa State during the year, in addition to the various community development projects that have been earmarked for the communities in Tunga where the Nasarawa Sugar project is located.

BOARD OF DIRECTORS

During the year under review, Engr. Abdullahi Sule, the Group Managing Director resigned his appointment with the Company effective August 1st, 2018. We appreciate his years of service and thank him for his contributions to the growth of the Company; and wish him well in his future endeavours.

The Directors retiring by rotation, being eligible, will offer themselves for re-election during this meeting.

EMPLOYEES, CUSTOMERS & OTHER STAKEHOLDERS

On behalf of the Board and our Shareholders, I thank the Management and Staff for their resilience and hard work over the years. Also, to the customers for their continued loyalty and patronage. Not forgetting all the other stakeholders for their continued support and needed inputs.

THE FUTURE

The Board remains positive on the Company's future, despite the potential challenges along the way. We remain committed to the medium and long-term goals of the Sugar for Nigeria Project, investing and growing our business efficiently. The cost optimization efficiency project that is ongoing in the Apapa refinery will impact positively on the Company's performance in the years ahead. The Board remains focused on implementing more strategies for optimum delivery of returns to all stakeholders.

I am happy to report that we have made significant progress in our Petroleum Refinery, Petrochemicals, Fertilizer and Gas treatment projects at Ibeju-Lekki and we believe that they will address Nigeria's energy needs, as well as that of the sugar refinery which energy has been one of the major cost drivers in the operations.

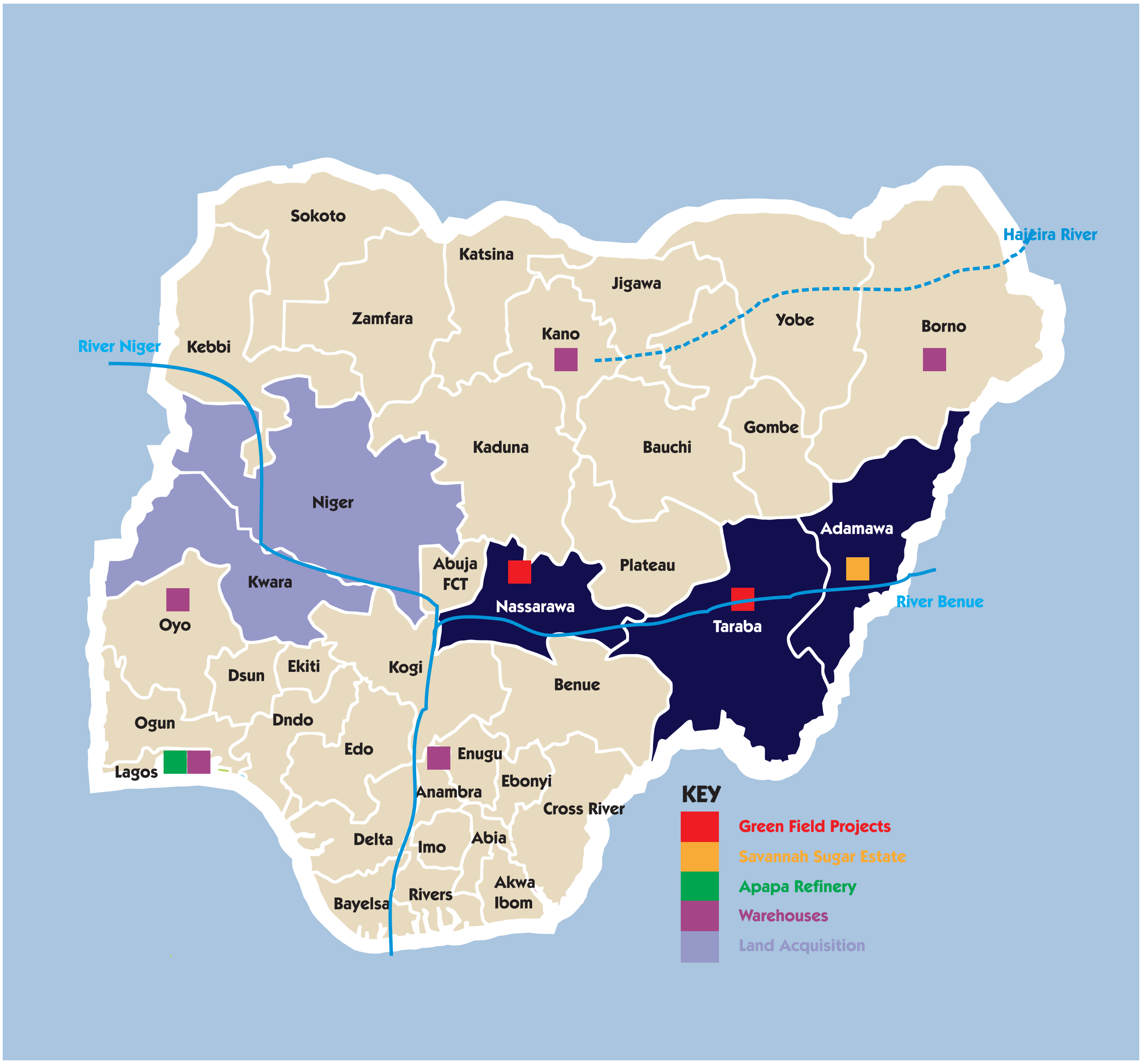
Finally, Ladies and Gentlemen, I thank my fellow Directors, the Management and staff for the 2018 performance. Your contributions led to these achievements and have sustained our leadership position against all odds. I thereby solicit your unflinching support and renewed commitment to achieving set goals for 2019 and beyond.

Thank you.

Aliko Dangote, GCON
Chairman

About Us

DANGOTE SUGAR OPERATIONAL LOCATIONS AND BACKWARD INTEGRATION PROJECTS SITES



Dangote Sugar commenced business in March 2000 as the sugar division of Dangote Industries Limited. The sugar division was spun-off as Dangote Sugar Refinery Plc via a Scheme of Arrangement in January 2006 which transferred all the assets, liabilities and undertakings attributable to the sugar division of Dangote Industries Limited to Dangote Sugar. Dangote Sugar Refinery at Apapa Port Complex was commissioned in 2001.

Company Profile

Dangote Sugar Refinery Plc. ("Dangote Sugar" or "DSR") is a household name in the sugar refining sector of the Nigerian Food and Beverage Industry. Dangote Sugar refining facility at Apapa is one of the largest sugar refineries in the world, with 1.44MT per annum installed capacity, at the same location.

Our core competences include:

- Refining of raw sugar to make high quality Vitamin A fortified and non- fortified granulated white sugar
- Marketing and distribution of our refined sugar grades in 1000kg, 50kg, 1kg, 500g & 250g packages
- Cultivation and milling of sugar cane to finished sugar from our subsidiary, Savannah Sugar Company Limited
- Development of Greenfield projects in line with our "Sugar for Nigeria Project," strategic plan

Our business provides key value-added support services for customers including logistics, supply – chain management, credit and risk advice, sales and merchandising. The refining operations are supported by warehouses located strategically across the country and served by more than 550 trucks that take the finished products to the market.

The Dangote Sugar Refinery facility, commissioned in year 2000, is the first sugar refinery built in Nigeria, with an initial refining capacity of 600,000MT/PA.

Over the years, the facility has undergone two major upgrades which turned it into one of the largest sugar refineries in the world with 1.44MTPA refining capacity, at the same location.

The refinery uses Talo-Phosphitation process for purification and Ion Exchange Resin for decolourisation and has a combined in-house turbo-alternator power generating capacity of 16MW with steam supply to them from high pressure boilers fuelled with natural gas and/or Low-Pour Fuel Oil (LPFO).

The Dangote Sugar Refinery produces Vitamin A fortified and non-fortified refined granulated free flowing crystal white sugar, packaged and distributed in 50kg bags; 1kg, 500g and 250kg sachets. The non-fortified sugar are packaged in 1ton and 50kg bags all sold under the brand name "Dangote Sugar"

Our facility and production processes are operated in line with best practices as well as regulatory and international standards and can accommodate requests for special products and packaging from customers.

Dangote Sugar Refinery is QMS, (ISO 9001:2015), FSMS, (ISO 22000:2005), OHSMS, (ISO 18001:2007) and (FSSC 22000:2013 VERSION 4.1) certified. Currently, preparation is being made towards achieving EMS ISO 14001-2013 Certification in 2019.

Company Profile Cont'd

Sales & Marketing
Dangote Sugar is a leading supplier of high quality refined granulated Vitamin A fortified white sugar for direct consumption, and non-fortified sugar for industrial use.

Our sugar brand is a leader with over 70% of the Nigerian sugar industry market share and is trusted by the various industries we serve. Through our vast network of trade distributors across the country, we reach consumers nationwide, and in the neighbouring countries on the West African coast.
With high volume capacity warehouses at strategic locations across Nigeria; the warehousing locations are part of Dangote Sugar's strategy to optimize supply chain opportunities by being close to our target markets with very fast and reliable delivery service.

Dangote Sugar Refinery Plc's goal to sustain and continuously grow its current market share is being actualized by partnering with retailers, sugar cubing companies, private label packaging, the emerging modern trade segment and small-scale businesses to set the platform for sustainable market expansion.

The Company's strength is drawn from the Dangote Group's culture of exceptional performance. We are building competences within our teams, to provide the needed support to these partners and ensure that the opportunities are maximized to their full potentials. The customers with outstanding performance are appreciated at the Dangote Foods Customer's Awards/Gala Nite, held annually.

Distribution

With warehouses strategically located near our key markets nationwide, and DSR Fleet over 550 haulage trucks in the fleet. Our delivery is fast and reliable covering over 1000 Dangote Sugar customers nationwide. This ensures our customers are always served effectively to ensure availability of our products to the end users.

With a professional team that has a minimum of 15 years industry experience; the goal is to sustain our leadership position in the Nigerian sugar sector, by ensuring availability through effective delivery schedules and timelines.

DSR Fleet and Sales & Marketing employees are empowered to take ownership of every transaction. They adopt cost effective measures, to ensure seamless operations and efficiency at resolving the inevitable problems that may occur when traffic grid locks, weather, and other road mishaps that threaten timely fulfillment of scheduled commitments to our customers.

Sugar for Nigeria Project

The Dangote Sugar Refinery Plc, Sugar for Nigeria Project Master Plan goal is to become a global force in sugar production...

The Dangote Sugar Refinery Plc, Sugar for Nigeria Project Master Plan goal is to become a global force in sugar production, working within Nigeria's National Sugar Master Plan to end importation and produce 1.5MMT/PA of refined sugar annually from locally grown sugarcane. The target will help Nigeria achieve sugar sufficiency and support export to neighboring countries.

To achieve this goal, Dangote Sugar Refinery Plc acquired Savannah Sugar Company Limited, in December 2012, and embarked on the ongoing rehabilitation of its facilities and expansion of its sugarcane estate. Located on 32,000 hectares, the Savannah Sugar estate has considerable opportunity for expansion, which will be augmented by acquiring additional sites that are suitable for sugarcane plantation to achieve the target 150,000 hectares required for the Project.

In view of the various challenges facing the project from land acquisition to lack of skilled manpower amongst others, the "Sugar for Nigeria" Project's strategy was revaluated in line with the various challenges to a phasal implementation strategy. This will see to the achievement of 1.08M MT/PA refined sugar in the 6 years, in phase 1, and eventually the target 1.5M MT/PA of refined sugar, from locally grown sugar cane, across various sites in Nigeria over 10 years.

The 1.08MMT/PA will be achieved from the first phase of the project, covering Rehabilitation and Expansion of Savannah Sugar Company Limited, and two greenfield projects located at Lau/Tau in Taraba State as well as Tunga, in Nasarawa State.

SAVANNAH SUGAR COMPANY LIMITED, NUMAN, ADAMAWA STATE

Savannah Sugar Company Limited (SSCL), a subsidiary of Dangote Sugar Refinery Plc, an existing cane sugar production company located on 32,000 hectares of land in Numan, Adamawa State, Nigeria, with a milling capacity of 50,000 tonnes of sugar per annum.

As part of the DSR sugar backward integration strategy, SSCL is still undergoing rehabilitation and expansion to cultivate more of its land for a robust harvest. The expansion project will increase sugar milling capacity to about 260,000 tonnes of sugar per annum, from sugar cane produced on approximately 25,000 hectares. The project will include the development of an enlarged out-growers scheme and the refurbishment of infrastructure within the estate. The existing factory has been revamped and its capacity increased from 3000TCD to 3,500 TCD, while the process for the eventual upgrade to 6000TCD is ongoing.

A new 12000 TCD factory will also be installed to process the increased cane supply that will be grown at the expansion and the out growers.

As at today, Savannah Sugar is the only sugar company producing refined granulated Vitamin A fortified sugar for consumption in the country, from over 6,000 hectares of sugar cane cultivated on its sugarcane fields.

Savannah Sugar directly employs about 6,000 staff (including permanent, seasonal and non-permanent workers); about 300 people through the out growers' scheme, as well as thousands of people further empowered through the various activities that arose due to the company's operation in the area.

Savannah generates 6 megawatts of power from bagasse, for its operations and the sugar estate.

NASARAWA SUGAR COMPANY LIMITED, TUNGA, NASARAWA STATE

The Nasarawa Sugar Company Limited, is the registered subsidiary of Dangote Sugar Refinery Plc. The 68,000 hectares Dangote Sugar Project Site is located at Tunga, Awe Local Government Area, of Nasarawa State.

The Memorandum of Understanding was signed in June 2017, and the compensation for the land in the sum of N3.25 billion fully paid to the State Government for settlement of the land and economic trees owners.

The project is along the Benue river. Activities ongoing at the project site include the establishment of the cane seed nursery, housing and other basic infrastructure for the project. The total area planned for development during 2019 is 5000HA.

Currently, the project employs about 325 staff, 175 permanent staff and 150 casuals for the land development activities. The staff strength for both categories will increase further by the 4th quarter of 2019, in line with the requirements for the project development.

In the same vein, various social responsibility projects have been lined up for execution in the immediate communities in Tunga with over 25,000 beneficiaries. This is in addition to the other CSR projects being implemented along with the ongoing project development activities listed below: -

1. Drilling of 10 boreholes
2. Renovation of 2 schools, including 9 classrooms;
3. Renovation of 2 health centres, an immunization centre and staff quarters.

DANGOTE TARABA SUGAR LIMITED LAU/TAU PROJECT, TARABA STATE

The Lau/Tau Sugar Project is a 25,000ha Dangote Sugar greenfield Sugar Backward Integration Project, located at Lau/Tau areas of Taraba State. The project suffered continued set back due to the continued community relations issues over the land acquisition process.

Though the issues were successfully resolved early this 2018, some sections of the communities around the project area came up with issues of alleged unpaid land compensation and went as far as attacking workers at the site.

The State Government was involved in the issue and it set up a committee to investigate the matter. Due to the situation, activities at the project site came to a stop during the year. We however, continued to maintain the 68hectres seed cane farm at Lau out of the 72hectres seed cane farm. 4hectres were damaged by river flooding during the year, hence the 68hectres currently under cane.

Renewed efforts at resolving the community relations issues are being made and plans are underway for the development of additional 200hectres seed cane farm this 2019.

RAVINDRA SINGH SINGHVI

Chief Operating Officer

Ravindra Singhvi joined Dangote Sugar in 2018, with over 37 years proven experience in leadership positions in the Manufacturing, Sugar Production, Petrochemicals, Cement, Textiles products industries in India. Mr. Singhvi is a Chartered Accountant with background in Company Secretaryship and General Management. He possesses a Bachelor's Degree in B. Com (Hons) and Law(I) from the University of Jodhpur, India.

BRAIMAH OGUNWALE

General Manager, Refinery

Braimah Ogunwale joined Dangote Sugar in 1998. With over 40 years' experience in the sugar industry, Engr. Ogunwale is a well experienced sugar industry professional in the erection, commissioning, maintenance and management of sugar plants. He holds a Diploma in Mechanical Engineering from the University of Science and Technology, Kumasi, Ghana, and a Diploma in Financial Management obtained from the University of Ibadan Consultancy Unit.

CHIOMA MADUBUKO

Company Secretary/Legal Adviser

Chioma Madubuko was appointed the Company Secretary/Legal Adviser of Dangote Sugar Refinery Plc in 2008. A Lawyer with over 38 years' post call to bar experience in legal practice, banking, manufacturing, real estate sectors in Litigation, Legal Advisory, Company Secretarial, Credit Risk Management, Corporate Governance, General management and administration amongst others. She holds a Master's degree in Business Administration and was the Company Secretary/Legal Adviser of Lead Bank Plc. Mrs Madubuko is an Honourary Senior Member of the Chartered Institute of Bankers of Nigeria, member Institute of Management Consultants; International Federation of Women Lawyers; and the Chartered Institute of Taxation of Nigeria amongst others.

DEBOLA FALADE

Chief Finance Officer

Debola Falade joined Dangote Sugar in 2018. A graduate of Accounting from the University of Lagos; and a Fellow of the Institute of Chartered Accountants of Nigeria. She was Chief Financial Officer of Ecart Internet Services Ltd (Jumia) and had worked at Guinness Nigeria Plc (a Diageo company) in various senior roles spanning across Financial Control, Compliance and Ethics Management, Enterprise Risk Management; Internal Audit and compliance.

IDOWU ADENOPO

Chief Internal Auditor

Idowu Adenopo joined Dangote Sugar in 2015. He has over 23 years' experience across professional practice and in the manufacturing industry in Nigeria and the United Kingdom. He holds a BSc (Hons) in Chemistry from the University of Lagos. Idowu is a Fellow of the Institute of Chartered Accountants of Nigeria (FCA), a Certified Internal Auditor (CIA) of the Institute of Internal Auditors, North America and an Associate member of both the Chartered Institute of Taxation of Nigeria and the Nigerian Institute of Management.

HASSAN SALISU

Head Human Resources/Admin

Hassan Salisu joined Dangote Sugar in 2018, with over 30 years work experience in the Nigerian Banking sector. Mr. Salisu holds a BSc. in Business Administration from the Ahmadu Bello University, Zaria and MSc in Technology Development from Olabisi Onabanjo University, Ago-Iwoye in Ogun State. He was the GM, Organization Resourcing at Federal Mortgage Bank of Nigeria and GM, Corporate Services at the Bank of Industry. Hassan joined Dangote Industries Limited in 2012 as Head Management Development. He later became the GM, Group Learning & Development at the Dangote Academy, before his deployment, as Head, Human Resources and Administration.

NSEOBOT EKPE

General Manager, Supply Chain

Nseobot Ekpe joined Dangote Sugar in 2016. He has over 22years' experience in sales and marketing in the Manufacturing sector and FMCG sections of multinational organizations in Nigeria & Ghana. He oversees the Materials and Procurement functions, and was the Head of Sales, Eastern Region before his reassignment. Mr. Ekpe obtained a Master's degree in Marketing from the ESUT Business School, Enugu and a BSc in Marketing from the University of Uyo, Akwa Ibom State both in Nigeria. He is a member chartered Institute of Procurement & Supply (CIPS) and Associate Member National Institute of Marketing Nigeria (NIMN).

BELLO SADDIQ

Head Sales & Marketing

Bello Alkali Saddiq joined Dangote Sugar in 2018 as Head, Sales & Marketing, with over 20 years' experience, out of which 18 years was in the FMCG section of Multinational companies. He holds a Master's degree in Marketing from the Bayero University, Kano, and Higher National Diploma in Business Administration from the Kaduna State Polytechnic, both in Nigeria. Bello is a member of the National Institute of Marketing of Nigeria and a Fellow of the Institute of Professional Managers and Administrators of Nigeria.

NGOZI NGENE

Head Corporate Affairs

Ngozi Ngene joined Dangote Sugar in 2007. She has over 24 years' multi industry experience that spans across Sales & Marketing, Corporate Image & Reputation Management, Journalism, Media Relations and Events Management; as well as Company Secretariat functions. A member of the Nigerian Institute of Public Relations and Chartered Institute of Public Relations, UK; she holds a Master's in Public Administration from Nnamdi Azikiwe University, Awka and a Higher National Diploma in Mass Communication from the Federal Polytechnic, Oko, both in Anambra State.

FATAY OLAMILEKUN JIMOH

Head Risk Management

Fatay O. Jimoh joined Dangote Sugar in 2018, with over 25 years' multi industry experience across the Banking sector, Information Technology, Accounting Professional practice, Credit Risk functions. Fatay is responsible for the DSR Enterprise Risk Management Function. He holds a Higher National Diploma in Accounting from the Yaba College of Technology Yaba, Lagos. He is a member of the Institute of Chartered Accountants of Nigeria, Nigerian Institute of Management, and the Chartered Institute of Taxation. Fatay is also a Fellow of the Institute of Information Management Africa and a member of the Society for Corporate Governance Nigeria.

Our People Cont'd

Dangote Sugar Refinery Plc in keeping with its standard and global best practices remains an equal opportunities employer. Its Human resources objective is to attract, develop and retain a highly skilled and competent team, which is the driving force behind its business.

During the year under review, the Company continued with the implementation of its reviewed organizational development, with talent management, performance management, employee engagement and competitive appraisal systems to motivate our employees. The Human Resources and Manpower Development strategies are aligned with the Company's business objectives and aspirations sustained through intensive training, proper placements and exchange programmes for continued skills and knowledge acquisition.

The process has helped to identify gaps in the reward system and address specific training development needs of employees. During the year under review, over 200 employees received various types of trainings in house, locally and outside the country.

The Company's manpower development focus during the year remained improvement of the skills and competency levels through learning and development interventions. This has helped to prepare the workforce for more challenging roles across relevant competences in the organization.

We will continue to build capability and leadership among our people, while attracting some of the best talent in the market place.

Our People cont'd

Throughout the year the Company maintained a harmonious industrial relation with employees. With our ambitious strategy and aspirations to achieve the Dangote Sugar Backward Integration Master Plan, the employees are carried along with developments in the Company. Periodically, employees are briefed on the developments, targets, and expectations by Management. DSR employees remain critical to the achievement of its corporate goals to sustain our leadership position in the industry.

To further encourage productivity, Management introduced recognition and awards for Internal Customer Service Champions during the year under review. Employees were encouraged to nominate their colleagues who have delivered beyond expectations in the delivery of their service to them in the course of duty; Company wide. Four of our employees; Olanrewaju Yekini, Yetunde Kuyoro, Helen Okwori and Muritala Abdulraheem were nominated unanimously by different departments as the DSR 2018 Internal Customer Service Champions.

We will continue to upgrade their skills and competences to remain the preferred employer in the Nigerian Food and Beverage industry.

Health & Safety

Dangote Sugar Refinery Plc's Health & Safety, and Social Investment efforts are enhanced with the consolidation of existing and development of our group-wide policies to attain world class performance: zero fatalities and virtually no loss time incidents for employees and contractors within our facilities.

We strive to ensure that the impact of our operations on the environment is very minimal and take seriously the health of our consumers by imbibing good manufacturing practices in our production processes.

The Company is committed to the implementation and maintenance of Occupational Health & Safety Management Systems that aim at the prevention of occupational injury and ill–health to all people who have access to the organisation's workplace. A strong commitment to continuous improvement is needed for production, sales and delivery of refined granulated white sugar in compliance with relevant legal, statutory and other requirements.

During the year under review, we enhanced our commitment to ensuring zero accidents across our operations, with an improved Health and Safety strategy, with the objective of building and reinforcing a winning safety culture amongst employees. Efforts were channeled towards the effective management and reduction of our environmental impacts by evaluating our production processes and introduction of various projects to activities to safeguard the environment not just in our processes but from our Procurement and distribution operations.

Our slogan remains: "Safety First. If it is not safe, don't do it."

The Occupational Health & Safety policy is documented, monitored and sustained through adequate communication, supervision and awareness creation to all employees, suppliers and all stakeholders in line with the requirements of the OHSAS 18001:2007/ISO 45001 Safety Management System and the DIL Group HSSE Framework.

To this effect DSR was recognized by the NSITF – NECA Safe Workplace Intervention Project during the year under review with the 2017/2018 Workplace

Occupational Safety & Health Outstanding Performance Award. The award is in recognition of DSR's compliance to the Occupational Safety & Health standards for workers by creating a conducive and safe work environment for employees.

Health, Safety and Environmental workshops and training programmes (Rolling out of 15 Life saving Golden rules, Evacuation drills, HSE Inspections and audits, successful hosting of several regulatory bodies, Tool box talks, Leading and Lagging indicators etc) were also organized for all employees with a broad focus on continuous improvement to ensure a safe working environment, with minimal risk to their health, as we strive to achieve zero accidents in our operations.

Risk Management

The Risk Management function of Dangote Sugar Refinery Plc remains dynamic and responsive to the needs of the Group strategy for managing these wide spectrum of risk exposures ”

Risk Management Outlook

At DSR, risk management is an essential strategic tool in the pursuit of business success and the achievement of corporate goals. Risk taking is done strategically in a manner that is fit for purpose to suit our entrepreneurial mindset with focus on value creation for all stakeholders. To ensure that this is achieved, we attract and build required competencies, capabilities, expertise, processes and controls to maintain an efficient and cost-effective risk management machinery.

Our definition of a risk factor is any event that indicates a consequence of uncertainty in the achievement of set business objectives which can result in an opportunity or a threat to Dangote Sugar Plc. It encompasses all active and passive actions that may threaten the achievement of our goals such as risks to the capital we invest, project failure risks, supply chain risks, Information Technology risks, foreign exchange risks and reputational risks to mention a few.

The Risk Management function of Dangote Sugar Refinery Plc remains dynamic and responsive to the needs of the Group as it constantly improves on its strategy for managing these wide spectrum of risk exposures. Risk management tools deployed include Loss Incident Reporting, Key Risk Indicator monitoring, Credit Risk Analysis, Risk and Control Self-Assessments and Stress Testing for likely losses using various scenarios based on internal and external trends observed; global risk management guidelines such as COSO (Committee of Sponsor Organization) and ISO 31000 are also referenced as part of our methodology in ensuring that we deploy a holistic yet granular Enterprise-wide Risk Management framework. This ensures that any type of inherent or likely risk exposure is timeously identified, assessed, measured and treated with consideration for risk correlations prevalent in the organization's gamut of business activities. The Board and Senior Management closely monitor all risk management activities with the aim of preserving and enhancing shareholder value.

Approach to Effective Risk Management

Our approach to ensuring effective risk management across the Group is value-enhancing, that supports informed and proactive decision-making at all levels in the organization. For this reason, we take and retain only risks consistent with our defined risk appetite to ensure that we can fulfil our commitments to all stakeholders, whilst minimizing or eradicating loss build up or value erosion as it relates to our people, assets, reputation, business activities and viability, and external stakeholders.

A fit-for-purpose holistic enterprise-wide approach to Risk Management has been adopted at DSR to ensure timely and proper identification, assessment, measurement and treatment of prevalent and likely risks and opportunities in a business friendly way. Our ERM approach is designed specifically for our business model with appropriate contexts and structures defined in a robust framework that serves as a guide for risk management implementation across the Group.

The framework is governed by our Board of Directors, overseen by Senior Management and driven by a specialist Risk Management team that takes a formalised approach to risk management across all our operations, using well-established methodologies and tools.

Risk Governance

Our risk governance structure ensures appropriate oversight and accountability for the effective management of all prevalent and emerging risks. The Board oversight is delegated to the Board Risk Management and Assurance (BRMC) Committee which has the overall responsibility for setting the tone for the desired risk culture and practices in the organization whilst the Risk Management function with strong support from Senior Management ensures proper implementation of the Group's Risk Management framework and management of risk exposures.

Risk Management Approach

DSR has instituted policies and procedures that would drive a strong risk management culture which ensures fit-for-purpose risk policy formulation and implementation, risk awareness, and sound risk-based decision making. It recognizes that effective and holistic risk management must include three distinct lines of defense comprising all process owners at all levels in the organization at the first level, its Risk Management Function at the second level and its Internal Audit Department at the third level.

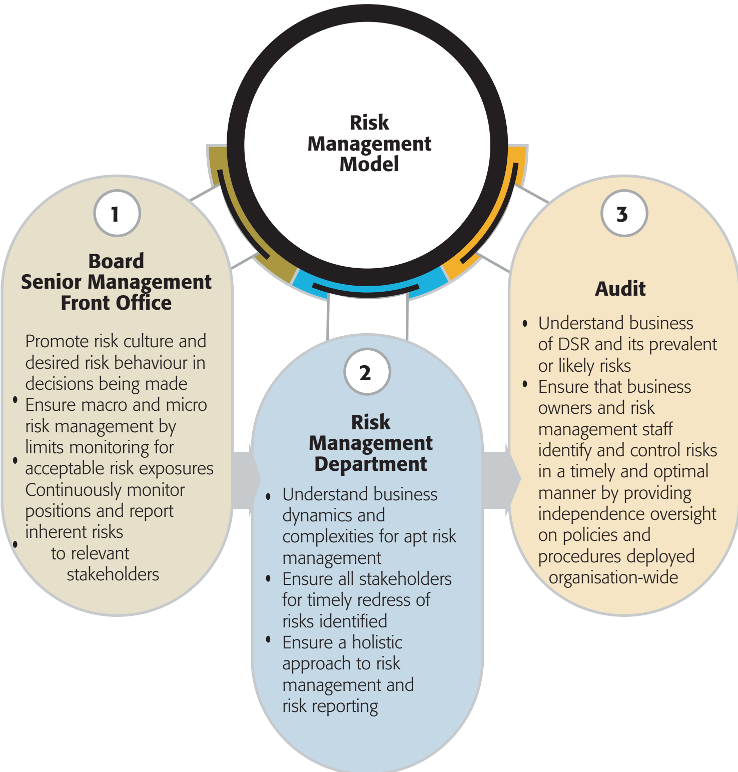
This approach to Risk Management ensures accountability and responsibility for risk management by all process owners in the organization whether at strategic, tactical or operational levels. Oversight on all risk management practices and escalation of key risk exposures to key stakeholders is managed by the Risk Management function, and this ensures that all likely or emerging risk issues are identified and appropriately treated. Where any risk incident slips through these first two lines of defense, the Internal Audit Department conducts independent review of all business activities in the organization to identify areas of weakness and resulting control failures organization-wide for timely redress.

Our Appetite for Risk

The BRMAC operates within the scope of a clearly defined appetite for risk across the Group.

Risk Management *Cont'd*

This is articulated through "Risk Appetite Statements" that are high-level principles governing the maximum level of risk that we are prepared to accept in the achievement of our goals. These are reviewed periodically to ensure consistency with our strategy, business model, environment and stakeholder requirements. They provide guidelines for setting clear thresholds for risk tolerance and acceptance for the different types of risk exposures prevalent in the Group which ensures proactive risk monitoring in the conduct of all our business activities.



Dangote Sugar's Risk Appetite Statements are given below:	
Profitability	Dangote Sugar should always have the ability, but not be required, to pay a dividend even under a severe downturn in the economy or in key markets
Solvency	Dangote Sugar will manage its financial resources such that it can withstand severe financial stress
Reputation	Dangote Sugar will maintain a strong reputation for integrity, openness and assisting the communities in which it operates
Health & Safety	Dangote Sugar aims to have a world class approach to health and safety
Environmental Sustainability	Dangote Sugar will ensure that the adverse impact of its operations is minimal on the environment

Figure 3- Risk Appetite Statements

Based on the Group's risk appetite, risk tolerance levels and thresholds are set at different trigger levels, with clearly defined escalation requirements that enable appropriate actions to be considered and implemented as required. These statements are aligned with the core values of our Company, as expressed in our Mission Statements below.

1. Deliver strong returns to our shareholders by selling high-quality products at affordable prices backed by excellent service;
2. Help Nigeria in the achievement of self-sufficiency in sugar production by establishing efficient production facilities across suitable locations close to key growth markets;
3. Provide economic benefits to local communities by way of direct and indirect employment in all countries in which we operate;
4. Lead the way in areas such as governance, sustainability and environmental conservation and to set a good example for other countries to follow.

Risk Culture

At Dangote Sugar Refinery Plc our risk culture is driven by our Key Risk Principles as enshrined in our Enterprise Risk Management framework. These principles are:

- **Responsibility:** All risk exposures are owned by named individuals or units to ensure enough attention is given to managing these risks;
- **Accountability:** Staff are answerable for any action taken that exposes DSR to a risk whether it translates to be an opportunity or threat for the organization. As a result, staff can only take authorised actions.
- **Balancing risk and reward:** All decisions taken in DSR must balance risk and reward to ensure that all actions taken are economically profitable and preserves or builds our brand equity.
- **Measurement and monitoring:** Dangote Sugar Refinery Plc has appropriate systems in place to measure and monitor risk and facilitate all steps involved in the risk management process of risk identification, assessment, measurement, treatment and monitoring.
- **Communication:** All potential and likely risks identified and treated must be logged for future reference in DSR's Risk Register and key risks reported to the Board of Directors on a quarterly basis and Senior Management on a monthly basis. Where a high risk that requires immediate redress is identified, such incident is promptly reported to relevant stakeholders for immediate redress.

The Risk Management Process

Our risk management process is disciplined and methodological to ensure value added and protection for the Group. The process ensures the appropriate ownership of risk and accountability by all stakeholders in the risk management value chain, whilst ensuring collaboration between Risk Management and process owners across the business. Measurement of risk exposures take into consideration our risk appetite tolerance limits to avoid misrepresentation of our risk profile.

Risk management procedures are applied at department, country, regional and group levels. Qualitative and quantitative tools such as Risk and Control Self Assessments, Key Risk Indicators, Monitoring and Loss Incident Reporting are deployed to manage the process for **risk identification and assessment** effectively. These processes are supplemented with adhoc, on-site assessments or incident assessments when unexpected high risks are envisaged or occur.

Risk measurement and prioritization requires the quantification of the consequences of likely or potential risk exposures for

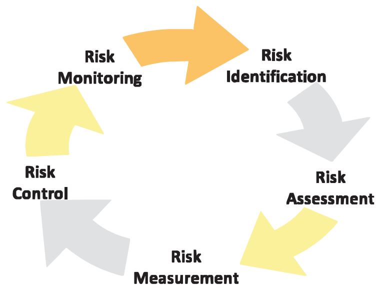


Figure 4 – Risk Management

proper understanding of risk treatment required. At Dangote Sugar Refinery Plc, the overall risk rating of any risk exposure is prioritized, based on consideration for likelihood of occurrence and adjudged level of impact. Five levels of severity have been defined for both measurement parameters as captured in Figures 5 and 6.

Risk Management Cont'd

Assessing Likelihood of Occurence	
Almost certain	Occurs once a month
Likely	Occurs once every 3-6 month
Possible	Occurs at least once a year
Unlikely	Likely to occur every 2 years
Rare	Likely to occur every 3 years

Figure 5 - Definitions for Likelihood of Occurrence

Assessing Level of Impact

Parameter	Catastrophic	Major	Moderate	Minor	Significant
	5	4	3	2	1
Financial	25% of Gross income	15% - 25% of Gross income	5% - 15% of Gross income	1% - 5% of Gross income	1% of Gross income
Reputational	Negative publicity lasting over 6 months; Highly customer defection; irreparable share price decline; Major investor divestment	Negative publicity lasting over 3 months; some customer defection; Decline in share price; Few instances of investor divestment	Negative publicity lasting about 1 month; some customer defection; Decline in share price; No investor divestment	No negative publicity, customer defection; Impact on share price or investor divestment	Minimal negative publicity, customer defection; No Impact on share price or investor divestment

Figure 6 - Definitions for Levels of Impact

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Risk control and reporting

This follows risk measurement and prioritization. The treatment of existing and potential risks, mitigation strategies are recommended, and approvals obtained for implementation through risk reports to DSR's Executive Committee on a monthly basis and to the Board via Board Audit and Risk Management Committee the on a quarterly basis. Where necessary, special risk reports are sent to relevant stakeholders on a need-to-know basis. Thereafter, all risks reported are logged in the risk register for proper **risk monitoring** of control implementation, and emergence of new risks. All tools deployed also enable timely identification of new risks.

DSR's Risk Profile in 2018

Comprehensive risk assessments were carried out as required across our businesses and projects. A risk-based approach was adopted; as a result, the outcome of each risk assessment determines the number of risk assessments to be carried out in the year on each site. Where the overall risk rating is high, risk assessments are reviewed quarterly; where medium, risk assessments are reviewed bi-annually and where the overall risk rating is low, risk assessments are reviewed annually.

As shown in Figure 7, exogenous risk factors, such as foreign exchange risks and market risks constituted the largest element of DSR's risk exposure of 33% of

total number of risk incidents recorded and monitored. Operational risk exposures accounted for 28%, followed by exposures to financial risks which accounted for 17%. Other risks, such as strategic, competitive and industry risks account for the balance of the Group's risk profile.

For effective risk management, we determine our 'expected losses' by multiplying the likelihood of any given risk actually happening against the potential financial losses or financial impact of reputational damage that might crystallize from it.

Our risk management process imbibes continuous holistic risk analysis based on different stress scenarios for consideration of expected losses. Consequently, these expected losses are scenario-based and represent potential losses related to our key risk exposures.

Summary of Key Risks, Definitions and Developments In 2018

Risk Type	Risk Definition	Development in 2018	Risk Strategy Employed
Credit Risk	The risk of losses resulting from a customer's failure to pay for goods lifted or inability to meet a contractual obligation on credit sales.	• The quest for growth in sales across the Country necessitated the granting of credit and offering flexible conditions for credit sales with collateral positions entrenched. • The need to prevent unauthorized credit sales through SAP release of sales orders led to the centralization of sales operations control across the country.	• Credit sales secured by commercial bank guarantees • Clean credit approval by Group President after Credit Committee and Group Risk Management recommendations. • Use of credit rating and credit checks on Credit Bureau platforms to establish the integrity of customers. This has improved turn around time for credit analysis
Insurance Risk	Insurance is a key risk treatment used to protect the assets and liabilities of Dangote Sugar Refinery. Risks considered in this respect have to do with undervaluation of assets leading to inadequate insurance cover, and not having insurance policies in place to cover key risk exposures and long outstanding claims.	• Engineering surveys were carried out in conjunction with our international brokers who visited DSR and Savannah Sugar locations. • Risk reviews were carried out to support decision making on insurance priorities, including policy limits and deductibles. • Estimated Maximum Loss (EML) calculations to quantify risk exposures and support optimal coverage required were done.	• To optimize cover at best pricing, we have in place a property damage and business interruption insurance program which ensures improved protection of assets and provides financial loss protection. • Conduct of gap analysis and review of insurance policy library was executed to show areas where DSR has little or no insurance cover. All gaps were mitigated and adequate cover provided.
Operational Risk	Risk of actual or likely change in value ensuing from inadequate or failed internal processes, people and systems or from external events including litigations against DSR.	• Development of a Strategic KRI Dashboard for reporting key risk exposures with likely impact on set corporate objectives to the Board and Senior Management. • Holistic review of transport management processes to deliver expected results, considering the strategic role it plays in customer service delivery.	• Quarterly reporting Strategic KRI trends to relevant stakeholders. • Conduct of Drivers' training programs to actualize desired objective of zero fatalities from road accidents. • Reviewed transport management processes for better truck utilization, turnaround time and operational status of fleet.

Risk Management Cont'd

Risk Type	Risk Definition	Development in 2018	Risk Strategy Employed
Information Technology Risk	Increased cybersecurity vulnerabilities, poor IT operations, alongside poor physical and logical access controls may result in breach of Information Confidentiality, Integrity, and Availability and thereby colossal financial losses or reputational damage.	• Planned execution of a unified cyber risk assessment exercise. • Completion of various vulnerability tests applicable on our systems. • Provision of adequate protection of our IT systems using best in class technologies and applications available.	• Continuous employee training and awareness of IT security procedures. • System monitoring and testing, maintenance of protective systems and contingency plans. • Maintaining and updating a robust IT Disaster Recovery Plan.

For each category of risk, we formulate and deploy mitigation strategies that would ensure minimal damage of assets, value erosion or business disruption. Key Risk Indicators monitoring risk trends for all business activities in DSR are also closely monitored for useful insights and timely indication of evolving risk trends within the operations of our business or emerging from external events such as macro-economic changes.

Outlook for 2019

The International Monetary Fund, IMF, anticipates a 3.4% economic growth in Sub-Saharan Africa. It also implies that good harvests and a recovery in oil output in Nigeria would fuel this growth. In addition, there are indications of increased investment in capital projects across many economies in Africa. Key downside risks to the region's growth outlook will emanate from the largest economies, where elevated political uncertainty could delay necessary policy adjustments and dampen investor and consumer confidence.

Dangote Sugar Refinery Plc will align with government policies to spur deepened industrialization and conscientiously work towards operational efficiency and increased production that would contribute to the anticipated economic growth in Nigeria. This invariably presents an opportunity for DSR's entrepreneurial vision for growth, sustainability and value creation for shareholders.

Our risk management practices would be deployed using a fit-for-purpose approach that would focus on these drivers, to ensure desired objectives are achieved. We would continue to utilize a bespoke Risk Management Framework that would ensure appropriateness of business models deployed in supporting envisaged growth prospects through the optimization of our risk and governance processes.

Internal Audit

At DSR Plc., the approach to internal audit is centered on an Enterprise Risk Management (ERM) Framework and a Risk-Based Audit Approach, both of which strengthen and complement how we manage risk. This approach provides an assurance that the processes that manage risks to a level considered acceptable by the Board, are working effectively and efficiently, whilst focusing on key processes and controls.

The Board of Directors of DSR Plc. recognizes the importance of internal auditing and has adopted the definition of internal auditing by the Institute of Internal Auditors. Consequently, the Board documented its operating model for carrying out internal audit activities within the Company in an Internal Audit Charter.

The Charter describes the objectives, scope, authority and responsibility of the Internal Audit Function in achieving internal audit objectives within the Company and is adhered to strictly by both the Board Risk Management and Assurance Committee and the Internal Audit Function.

The Internal Audit department across the DSR Plc. Group (DSR and SSCL) has been fully resourced consistent with the agreed manning level as approved by the Board Risk Management and Assurance Committee.

Internal Audit Function Wheel

Dangote Sugar Refinery outlook for the future is based on an intentional and entrepreneurial vision for growth, sustainability and value creation. As it continues to grow and expand its business, a more sophisticated and granular methods would be applied in the management of the risks organization-wide.

Whistle-Blowing

The Company has set up regulations to identify non-compliant events, as well as the implementation of a whistle blowing policy, which allows all employees and business partners to raise genuine concerns, in good faith, without fear of reprisals.

Guiding principles over the Whistle-Blowing process include ensuring that the confidentiality of the whistleblower is maintained and not disclosed without his/her formal consent. Furthermore, if the whistleblower raises a genuine concern in good faith, he or she will not be held liable, should the whistleblower be proven to be incorrect thereafter.

To maintain independence over the Whistle-blowing process, an external professional services firm was engaged in 2016 to receive whistleblower information or complaints. The external professional services firm has so far provided useful whistle blower complaints to identified individuals within the Company based on the category of persons involved in the whistle blowing complaint.

The Internal Audit department has developed a process to carry out necessary investigations on relevant items and provide recommendations and reports to the Board Risk Management & Assurance Committee on the results of these investigations. In addition, the Internal Audit department engage with various Process Owners even more proactively, to further improve the control environment.

Lastly, a professional services firm was engaged during the year to support management in the update of Company Policies and Standard Operating Procedures across key departments.

Operations Review

THE GLOBAL SUGAR MARKET

Global leaders are searching for clean, renewable options to provide energy and reduce petroleum use. Sugarcane has emerged as an important alternative for meeting those needs. This powerful plant is grown in more than 100 countries and holds the potential to reduce greenhouse gas emissions, diversify energy supplies and create jobs.

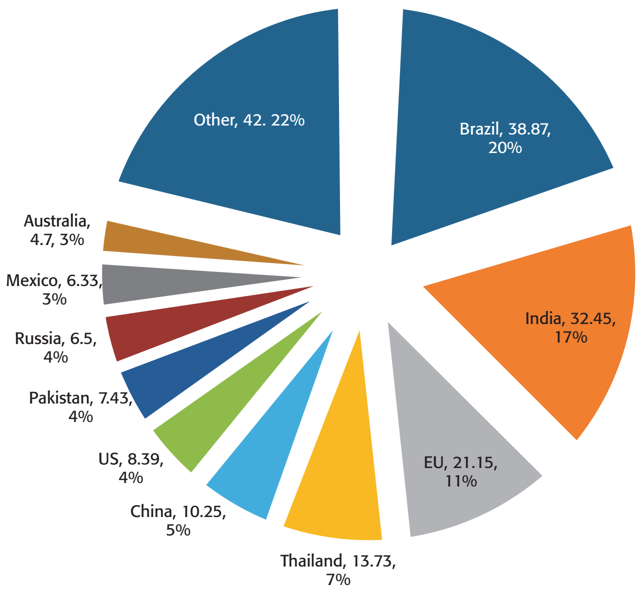
Sugar, used as a sweetener in food and beverages, is a sweet crystalline substance acquired from various plants, such as sugar cane and sugar beet. It is said that sugar had first been used in the Polynesian Islands more than five thousand years ago. Early Polynesians discovered that sugar cane held a sweet-tasting liquid and could be used in preparing food. Sugar cane then became widespread due to trade, invasions and conquests. In 1493, Christopher Columbus brought sugar cane to the Caribbean and the crop thrived in the fertile environment.

GLOBAL SUGAR MARKET DRIVERS

- As compared to its substitutes, sugar is more economical, easily available and consumed across all socioeconomic age groups.
- The global food and beverage sector is a major driver of sugar consumption and is expected to create a positive impact on the sugar industry. The market growth is anticipated to continue in the long term.
- Sugar finds numerous applications in the pharmaceutical and skincare industry. In the pharmaceutical sector, it is included in the preparation of antibiotics and cough syrups, while, in the skincare sector, sugar is used in the manufacturing of scrubs owing to its exfoliating properties.
- Although the sugar market remains saturated in developed economies, such as North America and Western Europe, it is showing a promising growth in the emerging regions. Driven by rising disposable incomes, urbanisation and changing food habits, the demand for sugar-based products in developing markets, such as India, China and Middle East, is showing a strong growth.

down 9 million tons to 186 million tons primarily due to the 8-million-ton drop in Brazil caused by unfavorable weather and more sugarcane being diverted towards ethanol production. Exports are down, driven by the lower supplies in Brazil. Record consumption is expected due to growth in markets such as India and Indonesia.

Global stocks are forecast to rise to a new high of 53 million metric tons (raw value) as massive stock building in India more than offsets lower stocks in China and the European Union.



- Majority of the global sugar production comes from sugarcane, whereas, the remaining is from sugar beet. Raw materials for sugar are available across the globe with nearly all tropical and subtropical regions accounting for their cultivation.

SUGAR PRODUCTION

Global production for Marketing Year (MY) 2018/19 is forecast

Global sugar production is at an average of 182mt/pa while 175mt/pa is expected to be consumed. About 66% of world sugar production is consumed domestically, while the remainder is traded to other countries. Sugar is produced in over 120 countries worldwide. In 2017/2018 the top 5 worldwide producers of sugar are Brazil, India, the European Union, Thailand and China.

SUGAR CONSUMPTION

Sugar consumption worldwide in 2018/2019 was seen at 178.04 million tonnes, a 1.63% rise from the prior season, marginally below the 10-year average of 1.67 percent. Demand for sugar is largely dominated by industrial usage, comprising food manufacturing, preparations and beverages.

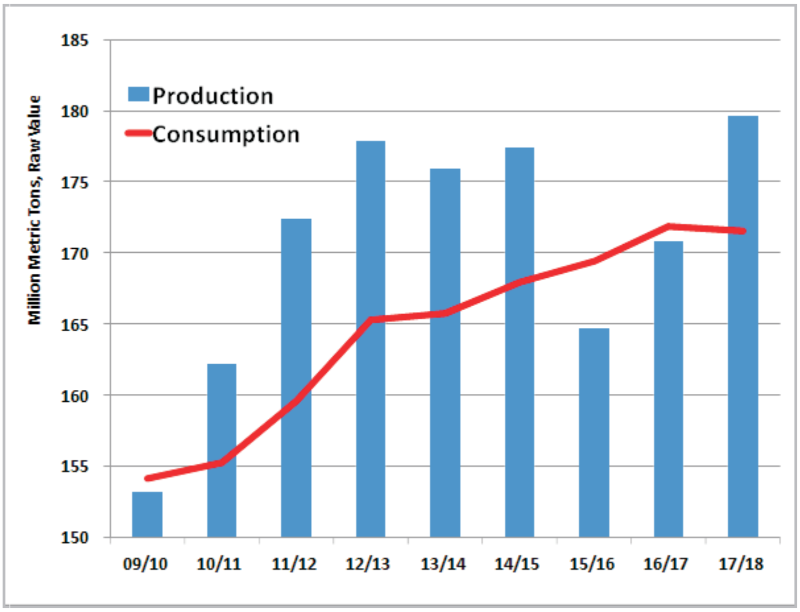
Global consumption is projected to grow at 2.2% a year to reach nearly 201 million tonnes in 2021, dependent on economic growth.

Developing countries account for 77% of global sugar consumption and are expected to be the primary sources of future demand growth, particularly in Asia. Global consumption continues to expand, averaging 1.83% over the past 10 years driven largely by population growth, rising incomes and shifting dietary patterns. India currently represents the world's biggest consumer of sugar followed by the European Union, China, Brazil, USA and Indonesia.
The most important drivers of sugar consumption are: -

- Population growth,
- Per capita incomes,
- Domestic prices for sugar and sugar-containing products,
- The availability of alternative sweeteners and their prices,
- Changes in dietary habits (diet globalization), and since recently.
- Health concerns.

SUGAR TRADE

Cane sugar is the primary source of internationally traded sugar, as sugarbeets are grown and processed almost exclusively for internal domestic markets, and the most efficient sugarbeet



SDA report Sugar, World Markets and Trade

processing technologies result in one-step production for refined (white food grade standard) sugar. Sugarcane is harvested and milled into raw sugar (non-food grade) to further refine at some later date or immediately into white (food grade) sugar.

World sugar trade averages about 60 mln tonnes/year. Raw sugar accounts for more about 60% of internationally trade volumes. Although many countries produce sugar, ten countries dominate global raw sugar exports, with Brazil, Thailand, Australia, Guatemala, Mexico, India, Cuba, Swaziland, Argentina and El Salvador

10 LARGEST NET-EXPORTERS (in mln metric tonnes, tel quel)

TOTAL			RAW SUGAR			WHITE SUGAR		
1	Brazil	28.93	1	Brazil	23.66	1	Brazil	5.27
2	Thailand	6.49	2	Australia	3.95	2	India	3.11
3	Australia	4.05	3	Thailand	3.41	3	Thailand	3.08
4	Guatemala	2.04	4	Guatemala	1.06	4	Guatemala	0.97
5	Mexico	1.54	5	Cuba	0.94	5	Mexico	0.65
6	India	1.06	6	Mexico	0.89	6	Ukraine	0.44
7	Cuba	1.00	7	El Salvador	0.47	7	Mauritius	0.42
8	Swaziland	0.60	8	Argentina	0.35	8	United Arab Emirates	0.37
9	Argentina	0.59	9	Swaziland	0.25	9	Pakistan	0.37
10	El Salvador	0.50	10	Costa Rica	0.19	10	Algeria	0.37

Source – ISO Sugar Yearbook

Brazil, as the largest producing and exporting country in the world, dominates world trade, accounting for 45% of global sugar export trade

10 LARGEST NET-IMPORTERS (in mln metric tonnes, tel quel)

TOTAL			RAW SUGAR			WHITE SUGAR		
1	China	5.91	1	Indonesia	5.12	1	China	3.29
2	Indonesia	5.35	2	China	2.62	2	Sudan	0.99
3	USA	2.82	3	EU-28	2.36	3	USA	0.70
4	EU-28	2.00	4	USA	2.12	4	Sri Lanka	0.60
5	Bangladesh	1.95	5	India	2.04	5	South Africa	0.44
6	Malaysia	1.66	6	Bangladesh	1.93	6	Chile	0.34
7	Nigeria	1.56	7	Algeria	1.89	7	Yemen Rep.	0.34
8	Korea, Republic. of	1.55	8	Malaysia	1.86	8	Viet Nam	0.34
9	Algeria	1.53	9	Korea, Rep. of	1.77	9	Kenya	0.33
10	Japan	1.26	10	Nigeria	1.56	10	Ghana	0.32

Source – ISO Sugar Yearbook

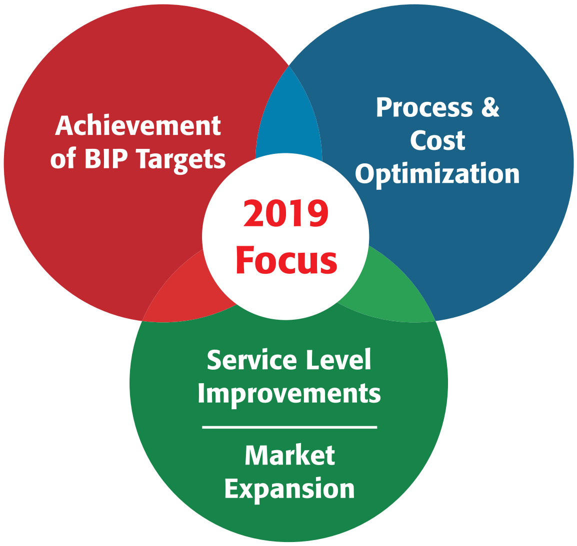
AFRICAN SUGAR INDUSTRY

Africa grows only about 5% of the world sugar production. South Africa is the leading producer followed by Sudan, Kenya and Swaziland. In Africa, sugar output is projected to increase by 49% by the end of 2025 as a result of production expansion in Sub-Saharan countries. With its favourable agronomic conditions, Africa has significant potential to contribute towards the production needed to meet this growing demand.

Africa sugar production is projected to increase by 4% annually to 2025 due to the continued increases in production capacity at both the farms and processing levels. The growth will be driven by strong demand for sugar, Government policies, like the Nigerian Sugar Master Plan, as well as trade opportunities offered under the Economic Partnership Agreements; the Everything but Arms initiative of the European Union.

Also, the Africa sugar industry has potential for diversification into biofuels, cogeneration and cooking fuels. Per capita sugar consumption in Africa is historically low and growth prospects are high compared to other regions. High increases in consumption are also projected in several Sub-Saharan countries, both in level and per capita, which will be driven by its over average population growth, continued urbanization, rising income etc. A major sustainability feature for Africa is the abundant resources it has for agricultural production, in general, and sugar production, in addition to an average consumption growth rate of 2% per annum.

MR. RAVINDRA SINGH SINGHVI
Chief Operating Officer



Dear Shareholders, it is my pleasure and a privilege to present to you the report of Dangote Sugar Refinery Plc's performance for the year ended 31st December, 2018.

I was appointed Chief Operating Officer for the Company in August 2018, and it has been an enriching experience for me both in the country and the sugar industry. I came to the position with over 37 years' experience in Manufacturing, Sugar Production, Petrochemicals, Cement, Textiles products industries in India.

My primary objective is to work with our very capable team to build on the successful performance of the Company through the execution of our core strategies. On behalf of the Dangote Sugar team, I would like to acknowledge and thank the former Group Managing Director, Engr. Abdullahi Sule for his outstanding contribution to the business over the years.

These strategies include; driving growth through improved service delivery to customers and growing new markets for our products, in addition to the realization of the Dangote Sugar Backward Integration Master Plan.
Our key challenges during the year under review and currently remains the influx of lower quality, unlicensed sugar smuggled into the key markets nationwide, which continued to gain grounds, with the attendant downward pressure on trade selling prices; and the Apapa Traffic Gridlock, which constrained our logistics operations, primary and secondary distribution; and consequently delivery to our customers.

Guided by the Board of Directors, we have reviewed all our processes, realigned our teams for increased efficiency and currently implementing our energy saving/efficiency projects to maximize cost savings benefits, which are passed to customers to drive sales.

Management's short-term focus remains sustaining the current market share and increasing it, in addition to improved efficiencies in every aspect of our operations by cost saving drives, improved service levels and process optimization.

At this juncture, I would like to speak briefly on some of the financial highlights of the Company's 2018 performance laid out in the Financial Statements for the year ended 31st December, 2018 released to shareholders.

YEAR 2018 PERFORMANCE
Distinguished shareholders, Group Turnover for the year under review stood at ₦150.4billion, against ₦204.4 billion recorded in 2017. Group Profit Before Tax was ₦34.6billion, Profit After Tax was ₦22billion, against ₦53.6billion, and ₦39.8billion achieved respectively in 2017.

With our focus on improved service levels and cost saving drives in the current year, the Management team is driving efficiencies and cost savings exceptionally hard, and we are hopeful that this will impact positively on our volume growth and performance.

THE BACKWARD INTEGRATION PROJECTS

The Dangote Sugar Refinery Plc, Sugar for Nigeria Project Master Plan goal to produce 1.5 million MT/PA of refined sugar annually from locally grown sugarcane in 10 years from 2013 is still on course.

In line with the phasal implementation strategy, our focus is on the achievement of the first phase target of 1.08 million MT/PA refined sugar within the first 6 years of the programme, from Savannah, Tunga and the Lau/Tau project sites.

Though concerted efforts are being made towards this goal, the challenges persist and have led to the delays in meeting up with the project delivery timelines. We have however continued to engage the necessary agencies, communities and State Government to resolve these issues, especially at Lau/Tau, Taraba State.

The full rehabilitation and expansion of Savannah Sugar is ongoing, while activities are in top gear at the Nasarawa Sugar Company Limited, Tunga. The situation at the Lau/Tau project remains the same.

The Board and Management however, are more resolute than ever to see to the achievement of this target. We continue to evaluate and realign the activities to beat the challenges and have drawn an additional road map with trackers to allow for more efficiency and ensure delivery of set targets.

Savannah Sugar Company Operations

The full rehabilitation of the Savannah Sugar estate is still ongoing. Presently, Savannah is the only sugar company that is producing refined sugar from its own grown sugar cane in Nigeria and the 2018/2019 crop season was concluded in April 2019.

The company's performance during the year under review was impacted by the multiplier effect of the communal clashes between host community and Fulani Herdsmen which led to the closure of operations of the company for over 90days in 2017/2018. The rehabilitation of land and its infrastructure for improved yield and output is still ongoing whilst the increase of the current factory capacity from 3,000TCD to 3,500TCD has been completed. The subsequent increase to 6,000TCD has commenced, and is expected to be completed by 2020, as well as the installation

of the new 12,000TCD factory that will be fed with the increased cane supply.

Nasarawa Sugar Company Tunga Project
Activities are well underway at 68,000 hectares Dangote Sugar Project Site. Activities ongoing at the project site include the establishment of the cane seed nursery, housing and other basic infrastructure for the project. The total area planned for development in 2019 is 5000HA.
Currently, the project employs about 325 staff, which will increase further by the 4th quarter of this 2019; while various CSR projects have been lined up also for execution in the immediate communities in Tunga which caters for over 25,000 beneficiaries.

LAU/TAU, TARABA STATE BACKWARD INTEGRATION PROJECT
Lau/Tau Sugar Project is a 25,000ha Dangote Sugar greenfield Sugar Backward Integration Project, located at Lau/Tau areas of Taraba State. Project activities resumed in Taraba State after the rains during the year, following which issues with the Government and local communities over the Lau/Tau project was presumed resolved. Unfortunately, certain communities in the area maintained that they had not been paid any compensation by the government for the land. Consequently, our employees and those of the contractors that were engaged to work at the site were attacked and injured. We were forced to stop work at the site till date, while still engaging the State Government to intervene in the matter. We are hopeful that a final solution will be proffered to enable us commence activities on the site this year.

GOOD GOVERNANCE AND RISK MANAGEMENT
Dangote Sugar Refinery Plc. (DSR) is very much aware of the importance of its reputation and vigilantly protects that. The responsibility to ensure good governance underpins its commitment to fairness, integrity and accountability in its day to day operations.

We are mindful of the demands and obligations inherent in our operating environment; and therefore, we have entrenched global best practices in every facet of our operations. We also ensure that our practices are anchored on best practices, good corporate governance, robust risk management and high sense of corporate social responsibility.

We maintain a risk-based internal controls and systems designed to provide reasonable assurance to the integrity and reliability of our operations; products and financial statements. The controls and systems are based on established policies and procedures implemented by a team of qualified professionals with an appropriate segregation of duties, in our Compliance, Risk Management and Internal audit departments.

The underlying objective of our governance practice is to counterbalance the interests of investors, consumers, producers, the environment, employees, communities, government and any other groups impacted by its business, while safeguarding its sustainability.

DSR prides itself as being a responsible corporate citizen, which applies global best practice through an Enterprise Wide Risk Management Framework. The Board and Management views corporate governance as paramount to sustainability and our risk policy and framework incorporate guidelines that ensures the Company's operations are carried out in line with best practices monitored by the Board Risk Management & Assurance Committee.

Driven by our continued desire to adequately safeguard, verify and maintain accountability for our operations and assets, we took steps to improve further on the governance and controls in our system during the year under review. We manage, monitor and measure compliance through the internal audit function and our Ethics Hotline (outsourced to KPMG).

At DSR, the health and safety of our customers is of utmost importance; from transforming raw materials into finished nutritious fortified products for our customers/consumers; and the substantial payments made to the value chain of suppliers, contractors, as well as the government through taxes.

CORPORATE SOCIAL RESPONSIBILITY

Dangote Sugar Refinery Plc (DSR) social responsibility approach is driven by a desire to contribute to, and impact positively on the development of the immediate communities where it operates and the society at large. It is also about creating shared value for all its stakeholders.

We are mindful that the sustained growth of our business is interwoven with the well-being and advancement of the communities in which we operate. Therefore, in addition to creating jobs and other economic opportunities, we continue to provide education, portable water, free health care and other support services to the communities.

We are guided by a group wide sustainability agenda as envisioned by our parent Company, Dangote Industries Limited, who works with the sustainability team in Dangote Sugar Refinery Plc. to ensure that policies and standards are implemented in line with the specific requirements of each business unit.

Our social responsibility platform delivers on commitments focused on social impact, environmental protection and awareness, promoting health and safety; and minimizing the risks within our operations.

HUMAN CAPITAL

Dangote Sugar employees remain the center of its operations. During the year under review DSR continued with its strategy to build existing competencies, establish a culture of exceptional performance, with a view to setting a platform for growth opportunities, for its employees. This is unpinned by our exceptionally low staff turnover and high-performance culture. As a Management team we go to great lengths to ensure staff across all levels in the organization is well-informed of our objectives and the strategies to achieve this.

Our manpower development and compensation strategy are aligned with our strategic goals and employees are carried along to effectively understand the Company's targets and the individual expectations from all employees.

The required competences and capabilities are identified in-house to encourage our employees to achieve their professional goals as they contribute to the achievement of the Company's goals. Our competitive advantage lies in performance reward and inclusive system which motivates staff to perform optimally in the delivery of superior services to the benefit of customers and other stakeholders.

In addition, we are implementing a skills acquisition and transfer scheme through the backward integration projects to ensure a robust skills pool is developed in the Company and the Nigerian sugar industry.

FUTURE OUTLOOK

The Board and Management's resolve for the future remains realisation of the Dangote Sugar Backward Integration Master Plan, targeted at the production of 1.08 million metric tonnes of refined sugar from locally grown sugarcane annually in the first phase of the project.

We will continue to leverage on our strengths to maximize every opportunity to generate sales, increase market share and create sustainable value for all stakeholders. ?Though the terrain remains challenging, Management is committed to rapidly adapting to market changes and will employ numerous levers to mitigate the major effects on performance in the years ahead.

We are resilient on increasing our market share and customer base, as well as the creation of sustainable value for our stakeholders.

I am very confident that the achievement of these goals especially our sugar backward integration projects target, will set the stage for sugar self-sufficiency in the country, and ultimately put the Nigerian Sugar Industry on the table with other world sugar producers.

APPRECIATION

My profound appreciation goes to the Board, for their support and guidance as we weathered the challenges through the year, the distributors and our partners who remain the base for our successes. I thank them for their continued support, patronage and call for our continued partnership.

I thank the shareholders for their support all through the years, and to my colleagues on Management, and every staff, for their hard work, commitment and dedication to the achievement of our goals despite the numerous challenges.

Thank you.

Ravindra Singh Singhvi
Chief Operating Officer
April 2019

Chief Finance Officer's Report for the year ended 31st December, 2018

DEBOLA FALADE (MRS)
Chief Finance Officer

Financial Highlights

	Group 2018 ₦'000	Group 2017 ₦'000
Revenue	150,373,083	204,422 .379
EBITDA	37,599,872	51,408,712
EBITDA (%)	25%	25%
Operating profit	32,684,323	43,907,442
Profit Before Tax	34,601,057	53,598,868
Profit After Tax	21,976,468	39,783,605
Earnings per share (Naira)	1.85	3.31
Interim dividend		0.50
Dividend per share (proposed 'Naira)	1.10	1.25
Total assets	175,116,627	195,080,449

The Group continued to ensure that its liquidity and working capital were optimally managed despite reduction in sales revenue and the ongoing funding of the Backward Integration Projects. ”

The business environment in 2018 was characterised by weak GDP growth and consumer demand as well as infrastructure deficiencies, and insecurity in parts of the country. There was however relative stability in the different segments of the foreign exchange market.

The Apapa traffic gridlock situation continued unabated through out the year, equally impacting negatively on the traffic situation in neighbouring parts of Lagos state. The situation adversely impacted production activities as outbound logistic operations of the business were constrained.

The influx of low priced smuggled sugar into key markets in the country has continued through out the year exerting a downward pressure on selling price of sugar. Against this back drop, the groups performance showed a year on year decline as shown above in most of the key financial indicators. There was a decline of 26% in revenue on account of reduced sales volumes and reduction in net selling price per unit.

Group Sugar sales volumes decreased by 11% year on year to 581,504mt. Similarly Group production reduced year on year by 14 % to 577,160mt.
The average price per 50kg bag reduced year on year by 14% to ₦14, 400. Notwithstanding the downward pressure on net selling price by the increasing volumes of lower priced smuggled sugar in the market, the Company recorded a gross margin of 26 % (vs 25% in 2017) through cost optimisation initiatives.

The performance of Savannah Sugar Company limited (SSCL) were adversely affected by reduced production output due to low cane yield. The low cane yield was a result of adverse impact on farming and agricultural activities of the 2 month closure of operations in the 2nd quarter of 2017, and the communal clashes with the Fulani herdsmen in the first quarter of 2018.

Overall the Profit Before Tax declined by 35% versus 2017.

Subsidiaries

During the year, the following companies which form part of the Backward Integration Project (BIP)were incorporated and consolidated in the Financial Statements of the Group. This is indicative of the progress being made in SIP. They are Nasarawa Sugar Company Limited, Dangote Taraba Sugar Limited, Dangote Adamawa Sugar Limited and Dangote Niger Sugar Limited.

Cashflow

The Group continued to ensure that its liquidity and working capital were optimally managed despite reduction in sales revenue and the ongoing funding of the Backward Integration Projects. Funds placed on short term fixed deposit in line with the Company's liquidity management policy earned an investment income of ₦2.5 billion against ₦3.3 billion realized in 2017, a decline of

24%. The Backward Integration Projects were funded largely from cashflows generated from operating activities.

Stability and Growth
The current ratio improved to 1.43 (vs 1.34 in 2017), whilst the solvency ratio also showed year on year improvements to 2.21 (vs 1.90 in 2017). These ratios are indicative of the short term and long term stability of the Group.

Taxation
The tax payable by the Group are determined by the effective tax rates applicable to companies under the law remained the same for the year ended 31st December, 2018. The newly consolidated companies within the Backward Integration Project are eligible for the Pioneer Status Incentive and as such, this would be a tax benefit to the Group.

Proposed Dividend
The Board has recommended for the shareholders' approval at the 13th Annual General Meeting holding on 18th, June 2019, a dividend of ₦1.10 per ordinary share of 50 kobo held in the Company as at 31st December 2018. If approved, the dividend will translate to the sum of ₦13.25 billion payable to members who are eligible for the year ended 31st December 2018 .

Going Concern
The Directors continue to apply the Going Concern Principle in the preparation of the Financial Statements. After considering the liquidity position and the availability of resources, the Directors concluded that there are no significant threats to the Company's Going Concern capabilities .

Mrs. Adebola Falade
Chief Finance Officer
FRC/2016/ICAN/00000015167

Corporate Governance

Dear Shareholders,

Dangote Sugar Refinery Plc. is committed to maintaining the highest standards of Corporate Governance in the Company. Its business is conducted in compliance with relevant laws and regulations and in line with global best practices. Consequently, the Company regularly reappraises its processes to ensure that its business conforms to best practice always.

The Board of Directors of Dangote Sugar Refinery Plc. (DSR) are pleased to report that during the year ended December 31, 2018, the Company complied with the principles and guidelines of its Corporate Governance Code and the Securities and Exchange Commission Code of Corporate Governance for Public Companies ("the SEC Code").

The Board remains committed to DSR values and pledge to safeguard and increase the value of our Company by wholesome Corporate Governance practices by ensuring continuous compliance with all legal and regulatory requirements and global best practices, to remain a pace setter in good Corporate Governance practices.

In furtherance of the Board's commitment to best practice in Corporate Governance, the Directors participated in the Fiduciary Awareness Certification Test (FACT) of the Corporate Governance Rating System (CGRS) introduced by The Nigerian Stock Exchange and The Convention On Business Integrity, and all the Directors passed the Test and were certified.

The Board of Directors is accountable to shareholders for creating and delivering sustainable value through the management of the Company. To this end, the Board of Directors has put in place mechanisms that assist it to review, on a regular basis, the operations of the Company to ensure that business is conducted in accordance with good Corporate Governance and global best practices.

The Company produces a comprehensive Annual Report and Financial Statements in compliance with the Companies and Allied Matters Act. Risk based internal control procedures were established to ensure that the documents disclose the business and provide detailed audited Financial Statements in accordance with the relevant Accounting Standards and Regulations.

Our Shareholders are encouraged to embrace the e-Dividend in all its ramifications. This is consistent with the Dangote Sugar Refinery Plc. overall business strategy and Shareholder value creation. This is to enable the Company to pay the Dividends due to Shareholders through direct credit to their chosen bank accounts immediately after they are declared. Consequently, we have requested all Shareholders to complete the detachable form in the Annual Report, to provide our Registrars, Veritas Registrars Limited, with their bank and other details.

BOARD OF DIRECTORS

The Board is made up of a non-executive Chairman, and seven non-executive Directors, four of whom are Independent Directors. The Board has the overall responsibility for setting the strategic direction of the Company and ensuring that the Company is appropriately managed towards the achievement of the Company's strategic objectives.

RESPONSIBILITIES OF THE BOARD

The Board ensures that Management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives. In fulfilling its primary responsibility, the Board is aware of the importance of achieving a balance between conformance to governance principles and economic performance.

The Board is responsible among others, for:

- the determination and approval of the strategic objectives and policies of the Company to deliver long-term value;
- approval of the Company's medium and short-term plan and its annual operating and capital expenditure budget;
- the approval of quarterly, half-yearly and full year Financial Statements (whether audited or unaudited) and any significant change in accounting policies and/or practices;
- approval of major changes to the Company's corporate structure and changes relating to the Company's capital structure or its status as a public limited Company;
- recommendation to shareholders of the appointment or removal of Auditors and the remuneration of Auditors;
- the determination of Board structure, size and composition, including appointment and removal of Directors, succession planning for the Board and Senior Management and Board Committee membership;
- assessing its own effectiveness in fulfilling its responsibilities, including monitoring the effectiveness of individual Director;
- approval of policies on significant issues, including Enterprise-wide Risk Management, Human Resources, Credit administration, Corporate Governance and Anti – Money laundering, and approval of all matters of importance to the Company, considering their strategic, financial, risk or reputational implications or consequences.

The Chairman is responsible for ensuring that Directors receive accurate, timely and clear information to enable the Board take informed decisions and provide advice to promote the success of the Company. The Chairman also facilitates the contribution of Directors and promotes effective relationships and open communications between the Non -Executive Directors and the Executive Management. The Board has delegated the responsibility for the day-to-day management of the Company to the Chief Operating Officer, who is supported by Executive Management. The Chief Operating Officer executes the powers delegated to him in accordance with guidelines approved by the Board of Directors. Executive Management is accountable to the Board for the development and implementation of strategies and policies.

The Board carries out its oversight functions using its various Board Committees whose terms of reference and Charters clearly define their roles, responsibilities in such a way to avoid overlap or duplication of functions. Each Committee is chaired by a non–executive Director, while the Audit Committee is chaired by a representative of the Shareholders.

MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors holds at least four (4) meetings a year, to consider important corporate events and actions such as approval of corporate strategy, annual corporate plan, unaudited/audited Financial Statements, review of internal risk management and control systems, performance review; direct the affairs of the Company, its operations, finances and formulate growth strategies. However, it may convene a meeting as business of the Company demands.

RECORD OF DIRECTORS' MEETING

In line with the provisions of Section 258(2) of the Companies and Allied Matters Act, Cap. C20 Laws of the Federation of Nigeria, 2004, the record of Directors' attendance at

Board meetings is available for inspection at the Annual General Meeting.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board delegated some of its responsibilities to standing Committees that consists of Non–Executive Directors. In compliance with the practices of good Corporate Governance, the Chairman of the Board of Directors is not a member of any of these Committees. The Committees are the Governance, Finance and Risk Management and Assurance Committees. The Committees report to the Board of Directors on their activities and recommendations, which are ratified by the full Board, at subsequent Meetings.

BOARD FINANCE COMMITTEE

The Committee is made up of five Directors, with an independent Director as Chairman.

Members of the Committee are:

Ms. Bennedikter Molokwu	- Chair Person
Mr. Olakunle Alake	- Member
Engr. Abdullahi Sule	- Member Resigned on the 1st of August 2018
Alhaji Abdu Dantata	- Member
Ms. Maryam Bashir	- Member

Terms of reference

- Review and recommend for approval by the Board, the financial and business plan of the Company as well as its quarterly and annual operating and capital budgets and forecasts and revisions thereto, proposed by Management.

- Ensure the completeness and accuracy of Financial Statements – quarterly, half year and annual accounts, make reports and recommendations to the Board, and oversee the proper disclosure of its financial information.

- Review the capital appropriation plans of the Company and provide advice and guidance on the authorization limits established by the Board.

- Review the Company's financial policies, capital structure, matters affecting the capital like mergers and acquisitions, divestments and acquisitions, loan repayments, guarantees, assumptions of debt, foreign currency transactions and major disposals not in the ordinary course of its business or that of its subsidiaries.

- Periodically review investment and operation performance plans, make recommendations regarding the financial, accounting, actuarial and investment policies, practices and guidelines, tax planning and compliance programmes and provide guidance and advisory recommendations.

- Develop alternative strategies to improve funding and ensure a balance between strategic priorities and resource availability.

- Appraise major equity or other investments, any share repurchases, plans or disposals of shareholding interests of more than 5% or take-over action, participation in joint ventures, partnerships or similar initiatives and make recommendations to the Board.

- Annually review the Company's Dividend policy and make recommendations to the Board on the dividend to be declared.

- Review of summaries of certain contractual obligations prepared by Management, including certain human resources, business process, outsourcing contracts and certain consulting contracts.

- Periodically review major banking, investment advisors, subsidiaries, customer and competitor activities and the impact of the Company's actions on those relationships.

- Review with Management and the Board Governance Committee the Company's retirement strategy, gratuity, defined benefit and contributions plans, and make recommendations performance and funding of the planned assets.

BOARD GOVERNANCE COMMITTEE

The Committee is comprised of three Directors, chaired by an independent Director.

Dr. Konyinsola Ajayi, SAN	- Chairman
Ms. Maryam Bashir	- Member
Mr. Uzoma Nwankwo	- Member

Terms of reference

- Review the Board structure, size, the required mix of skills, experience and other qualities of the Directors to assess the effectiveness of the Board, its Committees and the contribution of each Director, and recommend to the Board on any adjustments deemed necessary.

- Recommend to the Board on the appointment of new Executive and non-Executive Directors, including alternate Directors, to ensure that a balance exists between Executive and non-Executive Directors.

- Establish the general human resources policies, including the retirement age, the exit criteria, retirement and termination payments and benefits for Executive and non-Executive Directors and key officers, and review and propose necessary changes of the policies.

- Ensure that a fair and competitive Remuneration Policy which defines the criteria and mechanism for determining levels of remuneration and the frequency for review of such criteria and mechanism is in place. The policy defines a process for the determination of Executive and non-Executive compensation, as well as providing to what extent Executive Directors rewards should be linked to corporate and individual performance.

- Conduct periodic reviews of the organogram, size, composition, effectiveness of the senior Management and the human resources policies of the organisation for the Executive Directors and key officers against current industry practice and emplace professional Executive recruitment publications for DSR Plc., thereby creating a clear understanding of the different methods of recruiting, training, motivating, retaining and remunerating Executive Directors and key officers.

- Determine and recommend the criteria necessary to measure the performance of Directors and the Senior Executives and the Directors in discharging their functions and responsibilities, including setting performance bonuses or incentives.

- Ensure that performance evaluation or appraisal are conducted internally by the Board Governance Committee, and at least once in three years by an external Consultant.

- Ensure that a duly approved Trust Deed governs the policy and administration of the Employee Shares Ownership or Incentive Scheme and to recommend acceptable changes to the policy or other developments to the Board.

- Put in place in collaboration with the Company Secretary, induction and continuing education programmes for the Directors, to keep the skills required on the Board at its optimum level and to ensure that Corporate Governance training permeates the organisation.

- Provide the policy and framework for compliance with laws, regulations and principles of Corporate Governance and to provide the mechanisms for periodic assessment of compliance, including compliance by significant vendors and consultants.

- Monitor changes and proposed changes in laws, regulations and rules affecting the organisation and obtain regular updates from the Legal Counsel or Company Secretary regarding compliance matters.

- Communicate with the Board regarding the organisation's policy on ethics, code of conduct and fraud policy as it relates to internal control, financial reporting activities and all disclosures and related party transactions.

- Put in place a mechanism, whereby the findings of any inspections by regulatory agencies and Auditor observations, including investigations of standards, hazards, compliance, misconduct or fraud are considered and acted upon.

BOARD RISK MANAGEMENT AND ASSURANCE COMMITTEE

The Committee comprises of six Directors and the members are:

Mr. Uzoma Nwankwo	- Chairman
Engr. Abdullahi Sule	- Member Resigned on the 1st of August 2018
Ms. Bennedikter Molokwu	- Member
Dr. Konyinsola Ajayi, SAN	- Member
Mr. Olakunle Alake	- Member
Ms. Maryam Bashir	-Member

Terms of reference

The Committee has oversight responsibility for the overall risk assessment of the various areas of the Company's operations and compliance. Consequently, it receives reports from Management concerning the Company's Risk Management and internal Audit principles, policies, processes and practices for its review and report to the Board that:

- Adequate systems are in place for the effective identification and assessment of all areas of potential material business risk;

- Adequate policies, processes and procedures have been designed and implemented to manage identified material risks;

- Appropriate action is taken to bring the identified material risks within the Company's risk tolerance levels.

Actions the Committee will undertake to fulfill its duties and responsibilities, include the following:

- Ensure the design and implementation of the Risk Management framework and internal control systems, in conjunction with existing business processes and systems, to manage the Company's material business risk exposures;

- Monitor the risk profile of the Company against the agreed Company risk appetite and Risk Management framework;

- Ensure the establishment of processes and procedures for the monitoring and evaluation of the Company's Risk Management systems to assess the effectiveness of those systems in minimizing material risks that may impact adversely on the business objectives of the Company;

- Establish reporting guidelines for Management to report to the Committee on the effectiveness of the management of the Company's material business risk exposures;

- Evaluate the adequacy and effectiveness of the Company's Risk Management systems by reviewing the Company's risk registers;

- Review and recommend on the strategic direction, objectives and effectiveness of the Company's Risk Management policies;

- Receive reports from Management concerning the implications of new and emerging risks, legislative or regulatory initiatives and changes, organizational change and major initiatives, to assess and evaluate the potential impact on the strategy and business objectives of the Company.

WHISTLE BLOWER ADMINISTRATION

The Board of Directors on the recommendation of the Board Risk Management and Assurance Committee approved the provision of an appropriate confidential framework and mechanism for whistle-blowers to provide information on potentially illegal, fraudulent reporting or breaches of internal control. This mechanism has been very helpful in identifying areas of internal control breaches within the Company. This can be found on the Company's website.

Terms of reference

- Ensure the creation and maintenance of an appropriate whistle-blower mechanism and framework for the reporting of financial statement fraud and other fraud and inappropriate or improper activities which is sufficiently discrete and secure with assurances of the highest confidentiality and protection for matters raised in good faith;

- Exercise the power to carry out any special investigation that may become necessary;

- Retain independent counsel, accountants, or other specialists as it may deem necessary to advise the Committee or assist in the conduct of an investigation;

- Report the summary of reported cases to the Board, issues raised or received and reviewed by the Committee, the process and results of any investigation, problems encountered together with its recommended causes of action.

AUDIT COMMITTEE

The Audit Committee is established in line with Section 359(6) of the Companies and Allied Matters Act, 1990. The Audit Committee is made up of six (6) members, three (3) members representing the Shareholders elected at the Annual General Meeting, and three (3) non-executive Directors representing the Board. In compliance with the requirement of Corporate Governance practice, a representative of the Shareholders chairs the Committee.

Members of the Committee are

Mr. Segun Olusanya	- Chairman/Shareholder Representative
Hadjia Muheebat Dankaka, OON	- Shareholder Representative
Mallam Dahiru Ado	- Shareholder Representative
Ms. Bennedikter Molokwu	- Director
Mr. Olakunle Alake	- Director
Dr. Konyinsola Ajayi, SAN	- Director

Terms of reference: -

- Evaluate the Company's interim and annual Financial Statements for reasonableness, completeness and accuracy and consistency with information known to Committee members and appropriate accounting policies and principles, prior to presentation and approval by the Board. Also the committee with the internal and external Auditors reviews the integrity of the

Company's financial reporting process;

- Review significant accounting and reporting issues including complex or unusual transactions, proposed adjustments and areas of judgement involved in the compilation of the Company's results under accounting standards or IFRS as well as recent professional and regulatory pronouncements especially their impact on the Financial Statements;

- Review with Management, the internal Auditors and the external Auditors the results of the audit including resolving any difficulties that were encountered, adjustments and assessing any improved reporting suggestions proposed by them;

- Review with the Legal Adviser the status of legal matters that may influence the Financial Statements and ensure that the Financial Statements reflect appropriate accounting principles;

- Review annual and interim Financial Statements prior to filing with regulators to ensure that the Statements by Management concerning their responsibility for the assessment of the effectiveness of the internal control structure and the procedures for financial reporting are correct.

The Report of the Audit Committee to the Shareholders is on page 108 of the Annual Report and Accounts.

ATTENDANCE OF MEETINGS BY MEMBERS OF DSR PLC. BOARD OF DIRECTORS/BOARD COMMITTEES FROM JANUARY 1ST TO DECEMBER 31ST, 2018.

BOARD OF DIRECTORS MEETINGS

DIRECTORS	ATTENDANCE						
	JAN. 30	MARCH 19	APRIL 20	JUNE 21	JULY. 19	OCT. 24	DEC. 14
ALHAJI ALIKO DANGOTE, GCON	✓	✓	✓	✓	✓	✓	✓
ALHAJI SANI DANGOTE	A	A	A	A	A	A	A
MR. OLAKUNLE ALAKE	✓	✓	✓	✓	✓	✓	✓
ENGR. ABDULLAHI SULE	✓	✓	✓	✓	✓	R	R
ALHAJI ABDU DANTATA	✓	✓	✓	✓	✓	✓	A
MS. BENNEDIKTER MOLOKWU	✓	✓	✓	✓	✓	✓	✓
MS. MARYAM BASHIR	✓	✓	✓	✓	✓	✓	✓
DR. KONYINSOLA AJAYI, SAN	✓	✓	✓	✓	✓	A	✓
MR. UZOMA NWANKWO	✓	✓	✓	✓	A	A	✓

BOARD FINANCE COMMITTEE MEETINGS

DIRECTORS	ATTENDANCE					
	JAN. 24	MARCH 19	APRIL 17	JULY 16	OCT. 23	DEC. 3
MS. BENNEDIKTER MOLOKWU	✓	✓	A	✓	✓	✓
MR. OLAKUNLE ALAKE	✓	✓	✓	✓	✓	✓
ENGR. ABDULLAHI SULE	✓	✓	✓	✓	R	R
ALHAJI ABDU DANTATA	✓	✓	A	✓	✓	✓
MS. MARYAM BASHIR	✓	✓	✓	A	✓	✓

BOARD RISK MANAGEMENT & ASSURANCE COMMITTEE MEETINGS

DIRECTORS	ATTENDANCE		
	APRIL 16	JULY 30	DEC 3
MR. UZOMA NWANKWO	A	✓	✓
MR. OLAKUNLE ALAKE	✓	✓	✓
MS. BENNEDIKTER MOLOKWU	A	✓	✓
DR. KONYINSOLA AJAYI, SAN	✓	✓	✓
MS. MARYAM BASHIR	✓	✓	✓

BOARD GOVERNANCE COMMITTEE MEETINGS

DIRECTORS	ATTENDANCE		
	APRIL 26	JULY 10	JULY 18
DR. KONYINSOLA AJAYI, SAN	✓	✓	✓
MS. MARYAM BASHIR	✓	✓	✓
MR. UZOMA NWANKWO	A	✓	✓

BOARD AUDIT COMMITTEE MEETINGS

DIRECTORS	ATTENDANCE	
	MARCH 23	SEPT 13
MR. OLUSEGUN OLUSANYA	✓	✓
MR. OLAKUNLE ALAKE	✓	✓
MS. BENNEDIKTER MOLOKWU	✓	✓
DR. KONYINSOLA AJAYI, SAN	✓	✓
HADJIA MUHEEBAT DANKAKA, OON	✓	✓
MALLAM DAHIRU ADO	✓	✓

NOTES

✓ : Present
A : Apology
R : Resigned

SECURITIES TRADING POLICY

In compliance with the provisions of Section 14 of the Amended Listing Rules of the Nigerian Stock Exchange, 2014, the Directors and Employees of the Company, their immediate families, that is spouse, son, daughter, mother or father, and other insiders as defined under Section 315 of Investments and Securities Act, (ISA) and Rule 110 (3) of the SEC Rules and Regulations, are prohibited from buying or selling shares of the Company during the closed period stated below, in order to avoid occurrence of insider trading of the stocks of the Company, as defined under the Investments and Securities Act, 2007.

Consequently, and in accordance with Section 14.4 of the same Rules, compliance of the Rules by the Employees and Directors of the Company, will be disclosed in the Company's unaudited quarterly Financial Statements and the Audited Financial Statements.

Closed Period

The closed period shall be at the time of:

a. Declaration of Financial results (quarterly, half-yearly and annually);
b. Declaration of Dividends (interim and final);
c. Issue of Securities by way of Public Offer or Rights or Bonus Issues, etc;
d. Any major expansion plans or winning of bid or execution of new projects;
e. Amalgamation, Mergers, Takeovers and buy-back;
f. Disposal of the whole or a substantial part of the undertaking;
g. Any changes in policies, plans or operations of the Company that are likely; to materially affect the prices of the Securities of the Company;
h. Disruption of operations due to natural calamities;
i. Litigation/Dispute with a material impact;
j. Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the Securities of the Company.

Period of Closure

The period of Closure shall be effective 15 (Fifteen days) prior to the date of any meeting of the Board of Directors proposed to be held to consider any of the matters referred to above or the date of circulation of Agenda papers pertaining to any of the matters referred to above, whichever is earlier, up to 24 hours after the sensitive information is submitted to The Stock Exchange Commission. The trading window shall thereafter be opened.

Employees and Directors should inform the Company Secretary in writing of their dealings with the Company's shares on quarterly basis, on or before two weeks to the end of the quarter; and confirm that they complied with the Company's Securities Trading Policy.

COMPLAINT MANAGEMENT POLICY

1. Introduction

The Complaint Management Policy ("the Policy") has been prepared by Dangote Sugar Refinery Plc. ("the Company") pursuant to the requirements of the Securities & Exchange Commission's Rules relating to the Complaints Management Framework of the Nigerian Capital Market ("SEC Rules") issued on 16th February, 2015 and The Nigerian Stock Exchange Directive (NSE/LARD/LRD/CIR6/15/04/22) to all Listed Companies ("the NSE Directive") issued on 22nd April, 2015.

This Policy is to address complaints arising out of issues under the purview of the Investments and Securities Act 2007 (ISA), the Rules and Regulations made pursuant to the ISA, the Rules and Regulations of Securities Exchanges and guidelines of recognized trade associations. Also, this Policy has been prepared in recognition of the need to promote and facilitate increased Shareholder/Investor confidence in the Company, through the prompt and effective management of complaints.

The Policy outlines the wide-ranging structure by which the Company and its Registrars will provide assistance regarding shareholder issues and concerns. It also provides the opportunity for the Company's shareholders to provide feedback to the Company on matters that affect them.

This Policy shall be applicable only to the Company's shareholders and shall not extend to its customers, suppliers or other stakeholders.

2. Aim of the Policy

This Policy is designed to ensure that complaints and enquiries from the Company's shareholders are managed in an impartial, efficient and timely manner.

3. Responsibilities of the Company

The Company is dedicated to ensuring that it anticipates, handles and resolves all complaints by its shareholders, through the following means:

a. By ensuring that shareholder related matters are duly acknowledged and addressed;
b. By providing an effective platform for efficient and fair investigation of shareholder complaints and enquiries;
c. By ensuring that there are sufficient processes deployed to ensure that shareholders' complaints and enquiries are dealt with promptly and adequately;
d. By establishing and facilitating a transparent and efficient means of easy access to shareholder information;

4. Procedure for Shareholder Complaints Management

Shareholders can make complaints or enquires and access relevant information about their shareholdings in the following manner:

i. The Registrars:

a. Shareholders who wish to make a complaint or enquiry shall, in the first instance, contact the Registrar (contact details of the Registrars are set out in Section 9 of this Policy). The Registrars shall manage all the registered information relating to all shareholdings, including shareholder name(s), shareholder address and dividend payment instructions amongst others.
b. Upon receipt of a complaint or an enquiry, the Registrars shall immediately provide the relevant details of such complaint or enquiry to the Company for monitoring, record keeping and reporting purposes.
c. In resolving complaints or enquiries, the Registrars shall be guided by Section 5 of Shareholder Complaint Management of this Policy.

ii. The Company Secretary:

Where the Registrars are unable to satisfactorily address shareholder's enquiries and resolve his/her complaint, the shareholder should contact the office of the Company Secretary (contact details of the Company Secretary is set out in Section 10 of this Policy).

5.Shareholder Complaint Management

For the making and resolution of complaints and enquiries, the Registrars and the Company shall be guided by the following:

a. All complaints filed shall contain material facts and supporting documents establishing claim.
b. All complaints must contain the following information:

i. the name of the complainant; address; iii. mobile number; iv. email address; v. signature of the complainant; and vi. date of the complaint.

c. All complaints or enquiries received by e-mail shall be acknowledged within two (2) working days of receipt.

d. All complaints or enquiries received by post shall be acknowledged within five (5) working days of receipt.

e. All complaints or enquiries shall be resolved within ten (10) working days from the date of receipt of the complaint or enquiry.

f. The Nigerian Stock Exchange (NSE) shall be notified, within two (2) working days, of the resolution of a complaint or enquiry.

g. Where a complaint/ enquiry cannot be resolved within the stipulated time frame set out above, the shareholder shall be notified about the delay. PLEASE NOTE that delays may be experienced in some situations, including where documents need to be retrieved from storage.

h. Where a complaint cannot be resolved within the stipulated period, the Shareholder may refer the complaint to NSE within two (2) working days of being informed of the delay. The letter of referral shall be accompanied by a summary of the proceedings of events leading to the referral and copies of the relevant supporting documents.

I. Upon resolution of the complaint or enquiry, a response shall be forwarded to the complainant through the same medium by which the complaint or enquiry was received (whether by email, post or fax), unless otherwise notified to or agreed with the shareholder.

6. Electronic Complaints Register

The Company shall maintain an **Electronic Complaints Register.** The Electronic Complaints Register shall include the following information:

- Shareholder/Complainant's information (including name, full address, mobile number, e-mail address and signature);
- The date of receipt of the enquiry or complaint;
- The Nature and Details of the enquiry or complaint;
- The Status update and action(s) taken in respect of the complaint;
- Date of the Resolution of the complaint;
- Any additional remarks or comments.

7. Quarterly Reporting

The Company shall provide information on the details, action taken and current status of complaints to the Securities and Exchange Commission and The Nigerian Stock Exchange on a quarterly basis.

8. Liaison with the Registrars

During the investigation of a shareholder's enquiry, complaint or feedback, the Company may liaise with the Registrars, and the engagement with the Registrars will include:

- Determining the facts;
- Determining what action has been undertaken by the Registrars (if any);
- Coordinating a response with the assistance of the Registrars.

9. Contact Details of the Registrars

The Registrars may be contacted as follows:
Veritas Registrars
Plot 89A, Ajose Adeogun Street
P.O. Box 75315 Victoria Island
Extension Lagos, Nigeria
Telephone: +234-1-2708930-4, 2784167-8
E-mail:
enquiry@veritasregistrars.com
Website:
www.veritasregistrars.com

10. Contact Details of the Company Secretary

Shareholders seeking to escalate unresolved complaints are invited to contact the Company Secretary as follows:
Office of the Company Secretary,
Dangote Sugar Refinery Plc.
3rd Floor,Greenview Development Nigeria Ltd Building, Terminal "E" Apapa Port Complex. Lagos, Nigeria.
Telephone: +234 807 049 0002
E-mail:
mydsr.shares@dangote.com
Website:
www.dangotesugar.com.ng

11. Shareholder Access to this Policy

Shareholders will have access to this Policy through the following media:

- The Policy shall be available on the Company's website: (www.dangotesugar.com.ng)
- A copy of the Policy may be requested by contacting the

office of the Company Secretary.

- The Policy shall be made available for perusal at General Meetings of the Company.

12. Fees and Charges
Wherever possible, and subject to statutory requirements, the Company shall not charge shareholders for making enquiries, giving feedback, providing a response or for any aspect in resolving a shareholder's matter.

PLEASE NOTE that in certain circumstances, the Registrars may charge shareholders a fee (for example, to resend previous Dividend Statements upon request by the shareholder).

13. Review of this Policy
The Company may from time to time review this Policy and the procedures concerning shareholders' enquiries, complaints and feedback. Any changes or subsequent versions of this Policy shall be published on the Company's website (www.dangotesugar.com.ng)

Approved by the Board of the Company on the 28th day of January 2016

Chairman

Secretary

ALHAJI ALIKO DANGOTE, GCON
Chairman

Alhaji Aliko Dangote, GCON is the President/CEO, Dangote Group and the Chairman, Board of Directors, Dangote Sugar Refinery Plc. He is a graduate of Business Studies from the Al-Azahar University, Cairo, Egypt and the founder/Chief Executive Officer of the Dangote Group. He also obtained Honorary Doctorate degrees from the University of Ibadan and Coventry University in the United Kingdom in 2016.

He started commodity trading business in 1978 before his foray into full scale manufacturing.

Alhaji Aliko Dangote is the first private Nigerian to be awarded the Grand Commander of the Order of the Niger (GCON). He serves on various Boards, Foundations, Institutes and Committees of the Federal Government of Nigeria. Alhaji Dangote has been conferred with several awards in recognition of his contributions to the socio–economic development and growth of the Nigerian economy, and philanthropy around the world.

ALHAJI SANI DANGOTE
Non-Executive Director

Alhaji Sani Dangote is a businessman with over 30 years' experience in key sectors of the Nigerian economy including Manufacturing, Agriculture and Oil services. He is the Vice President of Dangote Industries Limited and sits on the Board of several other companies.

He is an alumnus of Harvard Business School, Harvard University. Alhaji Sani is a Member of several Chambers of Commerce, a Fellow of the Chartered Institute of Shipping of Nigeria, and the President of the Fertilizer Producers and Suppliers Association.

Alhaji Sani is also the President of the Nigeria Agribusiness Group (NABG)

OLAKUNLE ALAKE
Non-Executive Director

Mr. Olakunle Alake is the Group Managing Director of the Dangote Group. He holds a Bachelors' Degree in Civil Engineering from Obafemi Awolowo University, Ile-Ife (1983) and is a Fellow of the Institute of Chartered Accountants of Nigeria.

Mr. Alake started his career with PriceWaterhouse, a firm of Chartered Accountants, in September 1984 and resigned in 1990 to join Liberty Merchant Bank Limited, a financial institution of the Dangote Group, as the Financial Controller.

In August 1993, he was appointed Managing Director/Chief Executive of Liberty Merchant Securities Limited. He was the Management Consultant and part of the team that provided turn around services for a smooth take-over of International Trust Bank Plc by the Dangote Group in August 1996.
In July 1997, he moved to the Dangote Group as the Financial Controller and Head of Strategic Services. He was appointed to the Board as Executive Director and given the responsibility for the Group strategy in 2001. In January 2007, he was appointed the Chief Operating Officer (COO) of the Group. He was appointed the pioneer Group Managing Director in June, 2018.

Committee Membership
- Board Finance
- Board Risk Management & Assurance
- Statutory Audit Committee

MR. UZOMA NWANKWO
Independent Non-Executive Director

Mr. Uzoma Nwankwo is the Chief Executive Officer and Managing Director of AiQ Capital Management Limited. He is the Chief Financial Officer and Executive Director of Amni International Petroleum Development Company Limited.

He has held senior positions in Citicorp North America, Citibank Nigeria, First Bank of Nigeria Plc. He has been Consultant/Lead Advisor to many companies both locally and internationally in the areas of financial management, mergers & acquisitions and business process improvement.

Mr. Nwankwo worked in Dangote Industries Limited as an Executive Director, Corporate Finance and Treasury. He has a BSc in Engineering from the University of Nigeria, Nsukka in 1980, an MS degree in Agricultural Engineering obtained from Michigan State University in 1983. Mr. Nwankwo also holds a Master of Business Administration (MBA) degree with specialization in International Finance and Business Management from the University of Michigan Business School in the United States.

Committee Membership
- Risk Management & Assurance (Chairman)
- Board Governance

ALHAJI ABDU DANTATA
Non-Executive Director

Alhaji Abdu Garba Dantata is a Non-Executive Director of Dangote Sugar Refinery Plc. He is the Executive Director in charge of Logistics and Distribution for Dangote Industries Limited, and had served as the Executive Director, Sales and Marketing, with the responsibility for coordinating the sales and marketing of all the Groups' products.

He has attended various local and international training, including the famous Kellogg School of Management, University of Chicago, United States of America. He is a fellow of the Nigerian Institute of Shipping.

Committee Membership
- Board Finance

MS. BENNEDIKTER MOLOKWU

Independent Non-Executive Director

Ms. Bennedikter Molokwu is the first female Director on Dangote Sugar Board of Directors. She is the CEO of Credit Swift Limited, a Fellow of the Institute of Directors and had served as the President of the Institute of Directors (IOD) Nigeria. A member of the Nigerian Bar Association, International Bar Association, International Federation of Women Lawyers and Chartered Institute of Bankers; she obtained an LLB degree from the University of Nigeria, Nsukka in 1975 and was called to the Nigerian Bar in 1976.

She also received a Master's degree in International and Comparative Law from Vrije Universities Brussel, Belgium, in 1978, and holds banking and management certificates from various Business Schools including Harvard Business School, Boston, Wharton School, University of Pennsylvania among others. Ms. Molokwu had served in several capacities at the State and Federal government levels in Nigeria. She is a recipient of the prestigious Kwame Nkrumah Leadership Award and the Nigerian Bar Association Women Forum's distinguished Trail Blazer Award.

Committee Membership
- Board Finance (Chairperson)
- Board Risk Management & Assurance
- Statutory Audit Committee

DR. KONYINSOLA AJAYI, SAN

Independent Non-Executive Director

Dr. Konyinsola Ajayi is the Managing Partner of the law firm, Olaniwun Ajayi & Co and Senior Advocate of Nigeria. He has been Legal Counsel in Nigeria since 1980 and has over 25 years of legal experience in Energy and Natural Resources, International Business Transactions, Banking, Capital Markets, Construction and Engineering, Privatization as well as Litigation and Arbitration.

He is a Member of the International Bar Association, London, the Nigerian Bar Association and the Nigerian Economic Summit Group. He is a fellow of the Institute of Advanced Legal Studies and a member of the Chartered Institute of Arbitrators London.

Dr. Ajayi holds an LLM from Harvard Law School, USA and a PhD from the University of Cambridge, England. He has authored and co-authored over 120 legal writings under the heads of Energy and Natural Resources Law, Banking Law, Commercial Law, Project Finance and International Capital Markets.

Committee Membership
- Board Governance Committee (chairman)
- Board Risk Management & Assurance
- Statutory Audit Committee

MS. MARYAM BASHIR

Independent Non-Executive Director

Ms. Maryam Bashir is the CEO of Creditcorp Limited, a financial consulting firm in Lagos, with over 17 years of financial and banking experience.

She obtained a BSc. in Business Administration from Ahmadu Bello University, Zaria in 1983, before obtaining her Master of Business Administration degree in Finance from University of Jos in 1990, and was Executive Director, Corporate Services at UBA Plc. She is a founding member of Women in Business & Management (WIMBIZ) and a trustee member of NESG Endowment Fund.
Ms. Bashir is a non-executive Vice Chairman and Director of First Aluminium Nigeria plc. She was a Director of UBA Capital and Trust Ltd and serves on the Board of companies in the Technology and Financial services sectors

Committee Membership
- Board Finance
- Board Risk Management & Assurance
- Board Governance

The Directors present their report on the affairs of Dangote Sugar Refinery Plc. (DSR) together with the Audited Financial Statements of the Company for the year ended 31st December, 2018.

In the opinion of the Directors, the state of the Company's affairs is satisfactory, and the Financial Statements presented give a true and fair view of the state of the Company during the financial year under review.

1. Legal Form

The Company was incorporated on the 4th of January, 2005 as a Public Limited Liability Company. DSR Plc.'s Shares were listed in The Nigerian Stock Exchange (NSE), on the 18th of March, 2007 and has since being traded on the NSE.

2. Principal activities

The Company's principal activity remains the refining of raw sugar into edible sugar at its 1.44million MT/PA Apapa sugar refinery and selling the refined sugar. The Company has begun its Backward Integration Project (BIP) with a 10-year sugar development plan, to produce 1.5 million MT/PA of sugar from locally grown sugarcane. The project has commenced with its acquisition, rehabilitation and expansion of Savannah Sugar Company limited (SSCL) at Numan, in Adamawa State, as well as four other BIP sugar companies; Dangote Taraba Sugar Limited, Dangote Adamawa Sugar Limited, Nasarawa Sugar Company Limited and Dangote Niger Sugar Limited.

Operating Results	N000
Gross Earnings	39,685,360
Profit Before Income Tax	34,601,057
Taxation	12,624,589
Profit for the period	21,976,468
Non-controlling interests	(192,724)
The profit for the year after taxation	22,169,191

Dangote Sugar Refinery Plc.'s outlook for 2019 and beyond shows confidently, that the Company will continue operational existence for the foreseeable future as at the time when the Consolidated Financial Statements were approved.

Statement of Affairs

In the opinion of the Directors, the state of the Company's affairs is satisfactory and there has been no material change since the reporting date which would affect the Financial Statements as presented.

3. Directors Responsibilities

The Directors are responsible for the preparation of the Financial Statements, which give a true and a fair view of the state of affairs of the Company at the end of each financial year and of the profit or loss for that period, and comply with the provision of the Companies and Allied Matters Act, C20 Laws of the Federation of Nigeria, 2004.

In doing so, the Directors' responsibilities include ensuring that:

a) proper accounting records are maintained;
b) applicable accounting standards are followed;
c) suitable accounting policies are adopted and consistently applied;
d) judgments and estimates made are reasonable and prudent;
e) the going concern basis is used, unless it is inappropriate to presume that the Company will continue in business,
f) internal control procedures are instituted which as far as is reasonably possible, safeguard the assets, prevent

and detect fraud and other irregularities.

4. Directors and their Interests

I. The names of all the Directors who held office during the year under review and, are currently in office are as follows:

Aliko Dangote, GCON	- Chairman Appointed on 4th January, 2005
Abdullahi Sule	- Group - Managing Director Resigned, 1st of August, 2018
Sani Dangote	- Non-Executive Director Appointed on 4th January, 2005
Olakunle Alake	- Non-Executive Director Appointed on 20th July, 2006
Bennedikter Molokwu	- Non-Executive Director Appointed on 20th July, 2006
Konyinsola Ajayi, SAN	- Non-Executive Director Appointed on 20th July, 2006
Uzoma Nwankwo	- Non-Executive Director Appointed on 20th July, 2006
Abdu Dantata	- Non-Executive Director Appointed on 20th July, 2006
Maryam Bashir	- Non-Executive Director Appointed 31st December, 2013

The Directors' biographical details appear on pages 66 & 68 of this report. Since the last Annual General Meeting, there was only one change on the Board Composition of DSR Plc. The appointment of Directors is governed by the Company's Articles of Association, the Board Appointment Policy and the Companies and Allied Matters Act, CAP 20.

ii. In accordance with Article 62(b) & (c) of the Company's Articles of Association, the Directors retiring by rotation are Mr. Uzoma Nwankwo and Alhaji Sani Dangote, and being eligible, offer themselves for re-election.

iii. No Director has a service contract not determinable within five years.

Selection of New Directors and Board Membership Criteria

The Board Governance Committee works with the Board to determine the appropriate characteristics, skills and experience required for the Board and its individual members, with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. The Policy for Appointment and removal of Directors and determining Directors' independence forms part of the Directors' Report.

Familiarisation Programme for Independent Directors (ID)

All new IDs inducted on the Board are given an orientation. Presentations are made by EDs and senior Management, giving an overview of the Company's operations, products, group structure and subsidiaries, Board constitution and guidelines, matters reserved for the Board, and the major risks and risk management strategy.

5. Directors' Shareholding

The direct interest of Directors in the issued share capital of the Company as stated in the register of Directors Shareholding and as notified by the Directors, in compliance with Sections 275 and 276 of the Companies and Allied Matters Act (CAMA) and the listing requirements of The Nigerian Stock Exchange are as follows:

Number of shares held as at: -

	2017 Direct	2017 Indirect	2018 Direct	2018 Indirect	1st April 2019 Direct	1st April 2019 Indirect
Aliko Dangote, GCON	653,095,014	Nil	653,095,014	Nil	653,095,014	Nil
Sani Dangote	Nil	Nil	Nil	Nil	Nil	Nil
Olakunle Alake	7,194,000	Nil	7,194,000	Nil	7,194,000	Nil
Abdullahi Sule	2,497,987	Nil	997,987	Nil	997,987	Nil
Bennedikter Molokwu	1,483,400	Nil	1,483,400	Nil	1,483,400	Nil
Abdu Dantata	1,044,000	Nil	1,044,000	Nil	1,044,000	Nil
Uzoma Nwankwo	384,692	Nil	384,692	Nil	384,692	Nil
Konyinsola Ajayi, SAN	Nil	Nil	Nil	Nil	Nil	Nil
Maryam Bashir	Nil	Nil	Nil	Nil	Nil	Nil

6. Directors' interest in contracts

In compliance with Section 277 of CAMA, all contracts with related parties during the year were conducted at arm's length. Information relating to related parties transactions are contained in Note 35 of the Financial Statements.

7. Corporate Governance

The Board of Dangote Sugar Refinery Plc. is committed to achieving sustainable long-term success and ensuring the implementation of best practice in corporate governance principles and implementation within the Company. This commitment plays an integral part in ensuring consistency and rigour in decision-making to ensure shareholders continue to receive maximized value from their investments.

The Company's business is largely self-regulated, and it prides as leading its peers in the industry and Nigeria in this regard. The Company is committed to conducting business in line with best practice, in accordance with applicable laws and regulations in Nigeria, the requirements of The Nigeria Stock Exchange and the SEC Code of Corporate Governance for Public Companies in Nigeria.

8. The Company complied with these Corporate Governance requirements during the year under review as set out below:

Strategy and Management

- Input into the development of the long-term objectives and overall commercial strategy for the Company.
- Oversight of the Company's operations.
- Review of performance in the light of the Company's strategy, objectives, business plans and budget and ensuring that any necessary corrective action is taken.
- Extension of the Company's activities into new business or geographic areas.
- Any decision to cease to operate all or any material part of the Company's business.

Structure and Capital

- Changes relating to the Company's capital structure including reduction of capital, share issues (except under employee share plans) and share buy backs.
- Major changes to the Company's corporate structure.
- Changes to the Company's Management and control structure.
- Any changes to the Company's listing or its status as a Plc.

Financial Reporting and Controls

- Approval of preliminary announcements in interim of and final results.
- Approval of the annual report and accounts, including the Corporate Governance statement.
- Approval of the dividend policy.
- Declaration of the interim dividend and recommendation of the final dividend.
- Approval of any significant changes in accounting policies or practices.
- Approval of treasury policies including foreign currency.

Internal Controls

Ensuring maintenance of a sound system of Internal Control and Risk Management including:

- Receiving reports from the Finance and Risk Management and Assurance Committee in, and reviewing the effectiveness of the Company's risk and control processes to support its strategy and objectives.
- Undertaking an annual assessment of these processes through the Finance and Risk Management and Assurance Committee and;
- Approving an appropriate statement for inclusion in the report.

Contracts

- Major capital projects.
- Contracts which are material strategically due to size, entered by the Company in the ordinary course of business, for example bank borrowings and acquisition or disposals of fixed assets of amounts above the threshold reserved for Executive Directors under the schedule of limits and authorities.
- Major investments including the acquisition or disposal of interest of more than Five (5) percent in the voting shares of any Company or the making of any takeover offer.

Communication

- Approval of Resolutions and corresponding documentation to be put forward to Shareholders at a General Meeting.

- Approval of all circulars and listing approval of routine documents such as periodic circulars about scrip dividend procedures or exercise of conversion rights could be delegated to a Committee.
- Approval of press releases concerning matters decided by the Board.

Board Membership and other Appointment
The Board is responsible for changes to its structure, size and composition, as well as ensuring adequate succession planning for the Board and Senior Management by;

- Establishing a formal and transparent process for Board appointment, including establishing the criteria for appointment to the Board and Board committees, reviewing prospective candidates' qualifications and any potential conflict of interest.

- Identifying individuals suitably qualified to become Board members i.e. Executive Directors, Non-Executive Directors including Independent Directors.

- Ensuring that the Company has a succession policy and plan in place for Board appointments and Chairmanship of Board Committees.

- Assessing the contributions of the current Directors against their re-nomination/ continuation in office as Directors at the end of their term of office and when they are due to be re-elected by Shareholders at the Annual General Meeting (AGM) or otherwise as appropriate.

- Appointment to the Boards of Subsidiaries.

- Appointment, re-appointment or removal of the External Auditors to be presented to Shareholders for approval, on the recommendation of the Statutory Audit Committee.

Remuneration
- Approval of the remuneration of Directors, Company Secretary and other Senior Executives.

- Approval of the remuneration of the Non-Executive Directors, subject to the Articles of Association and Shareholders' approval as appropriate.

- The introduction of new share incentives plans or major changes to existing plans, to be presented to shareholders for approval.

Delegation of Authority
- The division of responsibilities between the Chairman and the Chief Executive, which should be in writing.

- Approval of terms of reference of Board Committees.

- Receiving reports from Board Committees of their activities.

Performance Evaluation process
- The Board Governance Committee oversees a formal evaluation process to assess the composition and performance of the Board, each Committee, and each individual Director on an annual basis.

- The assessment is conducted to ensure that the Board, Board Committees and individual members are effective and productive, and to identify opportunities for improvement and skill set needs.

- As part of the process, each member completes a detailed and thorough questionnaire. While results are aggregated and summarized for discussion purposes, individual responses are not attributed to any member and are kept confidential to ensure honest and candid feedback is received. The Governance and Remuneration Committee reports annually to the full Board on the outcome of its assessment. A Director will not be nominated for re-election unless it is affirmatively determined that he/she is substantially contributing to the overall effectiveness of the Board and the result of the evaluation published against the name of each director in the annual reports.

Code of Business Conduct and Code of Governance for Directors
The Company has a Code of Business Conduct which defines the Company's mission within a Corporate Governance framework. The Code is applicable to all Employees as well as Directors and Business Partners of the Company. In the bid to continue to create awareness on the essence and importance of compliance and

ethics to every aspect of the Company's operations, and to bring compliance front of the mind, the Company emphasizes on the importance of compliance and has put in measures to ensure that the laid-out procedures are followed always.

9. Substantial Interest in Shares

According to the Register of Members on 31st December 2018, apart from Dangote Industries Limited with 8,122,446,281 ordinary shares of 50k each and Alhaji Aliko Dangote with 653,095,014 ordinary shares of 50k each, no other shareholder held more than 5% of the issued share capital of the Company. Free float shares is 36.7%.

10. Fixed Assets

Movements in fixed assets during the year are shown in Note 16 to the Accounts. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the accounts.

11. Donations and Charitable Gifts

Dangote Sugar Refinery Plc. identifies with the causes and aspirations of its operational environment by supporting charitable and worthy causes in the areas of education, health, skills acquisition, poverty alleviation and sports amongst others.

S/N	BENEFICIARY	AMOUNT
1.	Corporate Social Responsibility Support for SON campaign against unfortified sugar products	58,152,637.00
2.	Media campaign Support against influx of unfortified sugar	50,000,000.00
3.	Donation to Internally Displaced Persons (IDPs) in Nasarawa State	50,000,000.00
4.	Donation of 10 Vehicles to Standards Organization of Nigeria	50,000,000.00
5.	Support for Capacity Building and Research for Manufacturers Association of Nigeria (MAN) Advocacy	20,000,000.00
6.	Sponsorship of the Manufacturers Association of Nigeria 46th Annual General Manager	20,000,000.00
7.	2018 International Conference on Lake Chad by the Federal Ministry of Water Resources	15,000,000.00
8.	Presidential Technical Committee on Land Reform National Stakeholders Dialogue on Land Reform	10,000,000.00
9.	Nigeria Shippers Council 15th Committee on Maritime Seminar for Judges	10,000,000.00
10.	Sponsorship of the Capital Market Correspondents of Nigerian Capital Market Performance Award Event	5,000,000.00
11.	Committee of Wives of Lagos State Officials 18th Annual National Women Conference	5,000,000.00
12.	Sponsorship of 2018 International Sugar Organization Seminar	3,107,905.87
13.	Support to BMG Foundation Orphanage, Adamawa North LGA	2,000,000.00
14.	Donation to Maria Onyioza Makoju Foundation Scholarship Fund	1,000,000.00
15.	Sponsorship of Lagos State 2018 World Food Day Celebration	900.000.00
16.	Sponsorship of Ikoyi Club 79th Anniversary Celebration	500,000.00
17.	Contribution to AFBTE request for Office Equipment donated to NAFDAC by the Association	450,000.00
18.	Sponsorship of NIMN 2018 Conference	450,000.00
19.	Sponsorship of Emergency Medicine Practitioners of Nigeria's 2nd AGM & Conference 2018	250,000.00
20.	Sponsorship of Mega Bakers Exhibition	100,000.00
21.	Sponsorship of Gloryville School Event	100,000.00
22	Living Word Schools Annual Sports Event	50,000.00
		302,060,543.00

During the year under review, no donation was made to any political party or organization.

12. Post Balance Sheet Events

There were no significant events after the Balance Sheet date that could affect the state of affairs of the Company as at 31st December 2018 and the profit for the year ended on that date.

13. Company's Distributors

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

14. Suppliers

The Company obtains its materials at arm's length basis from overseas and local suppliers. Amongst its main overseas and local suppliers are Bulk Commodities Dubai, Fairport UK, Unatrac, and Ericks UK, Dangote Agrosacks, Gaslink Nigeria ltd, Vitachem Nigeria Ltd, Biochemical Derivatives Nigeria Ltd, Istabaraqim Nigeria Ltd, amongst others.

15. Analysis of Shareholding as at 31st December 2018

Range (Units)			No of Holders	Holders %	Units	Units %
1	-	10,000	84,180	85.12	181,925,702	1.95
10,001	-	50,000	11,445	11.57	234,151,588	2.96
50,001	-	500,000	2,926	2.99	355,065,662	0.77
500,001	-	1,000,000	128	0.13	92,965,304	4.33
1,000,001	-	10,000,000	173	0.17	520,044,762	4.67
10,000,001	-	50,000,000	28	0.03	560,714,351	4.81
50,000,001	-	100,000,000	8	0.01	576,425,874	5.86
100,000,001	-	500,000,000	4	0.00	703,165,462	73.13
500,000,001	-	12,000,000,000	2	0.00	8,775,541,295	1.52
			98,894	**100.00**	**12,000,000,000**	**100.00**

16. Human Resources

a. Employment and Employees

The Company reviews its employment policy in line with the needs of business and maintains a policy of giving fair consideration to the application for employment made. The Company remains an equal opportunities employer, with policies that prohibit discrimination against gender, race, religion or disability to its existing and potential employees. The Company focuses on attracting and retaining outstanding talents, that will add value and ensure that all stipulated high-performance indices are met.

b. Health, Safety and Environment

The Company enforces strict health and safety rules and practices at the work environment, which are reviewed regularly. It maintains a high standard of hygiene in all its premises through maintaining bespoke sanitation practices and the regular fumigation exercises, which have been enhanced by the installation of pest and rodent control gadgets. Fire-fighting prevention and drills are carried out periodically, while fire-fighting equipment and alerts have been installed in the offices and plants.

Health, Safety and Environment workshops amongst others are organized for all employees with a broad focus on good housekeeping to ensure a safe working environment. The Company provides fully paid nutritionally balanced meals for staff in the canteen. Regularly, the Company updates its staff on current issues as they relate to diseases including HIV/AIDS, High Blood Pressure and other serious diseases through health talks, health assessments and information sharing.

c. Employee training and development

The Company places premium on its human capital development for improved efficiency of the business and maintenance of a strategic manpower advantage over competition. During the year under review, the Company invested in the training and development of its workforce through in-house and external training programmes locally and overseas across all job functions. Employees were also encouraged to develop themselves to their full potentials and are carried along on developments in the Company through Quarterly Management briefings and provision of information through the Corporate Communications and Human Resources/Administration departments.

d. Industrial/Employees Relations

The Company places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and the various factors affecting the performance of the Company. This is achieved through Management's open door policy and improved communication channels. These channels include the e-mail and intranet and the entrenchment of regular departmental meetings. The relationship between Management and the in-house unions remains very cordial. Regular dialogue takes place at informal and formal levels.

e. Employment of physically disabled persons

The Company maintains a policy of giving fair consideration to applications from physically disabled persons bearing in mind their respective aptitudes and abilities. In the event of members of staff becoming disabled in the course of their employment, every effort is made to ensure that their employment with the Company continues and that the appropriate training is arranged.

f. Staff Welfare

The Company has retainership agreement with several private hospitals to whom cases of illness are referred to for treatment and/or admission. The Company provides subsidy to employees in respect of transportation, lunch, housing and health care. Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of these schemes include bonuses, promotions and wage review.

g. Retirement Benefits

In line with the provisions of the Pension Reform Act of 2014, the Company operates the uniform contributory pension scheme for all employees, independent of its finances. The scheme is funded by the employees and DSR's contributions of 10% each, of the employee's monthly basic, housing and transport allowances, and remitted monthly to the employee's choice Pension Fund Administrator.

17. Auditors

The Auditors, PricewaterhouseCoopers was appointed at the last Annual General Meeting to replace Messrs Akintola Williams Deloitte (Chartered Accountants), in compliance with the provisions of Section 33 of the Securities and Exchange Commission (SEC) Code of Corporate Governance for Public Companies in Nigeria. The Auditors have satisfied the relevant corporate rules on their tenure in office and have indicated their willingness to continue in office as Auditors in accordance with Section 357(2) of the Companies and Allied Matters Act. Cap C20 Laws of the Federation of Nigeria, 2004.

By Order of the Board

CHIOMA MADUBUKO (MRS.)
Company Secretary/Legal Adviser
FRC/2014/NBA/00000007451
3rd Floor, GREENVIEW Development Nigeria Ltd Building,
Terminal "E" Apapa Port Complex.
Lagos, Nigeria.

Dated this 1st day of April 2019

67MTX
GAME
B208G
YAHAYA

2018
Sustainability Report

Championing Impact & Sustainable Development

DANGOTE
SUGAR

"Building prosperity & self-suffciency across Africa"

Sustainability Report

Our Approach to Sustainability

Dangote Sugar Refinery Plc (DSR) sustainability approach is driven by a desire to contribute and impact positively on the development of the immediate communities and markets where we operate and the society at large. It is also about creating shared value for all our stakeholders – The Dangote Way.

We are guided by a group wide sustainability agenda as envisioned by the Sustainability & Governance function of our parent company, Dangote Industries Limited, (DIL), working in collaboration with Sustainability Champions at Dangote Sugar Refinery Plc. We ensure that policies and standards are developed and implemented in line with the specific requirements of each business function.

Over the past decade, Dangote Sugar has played a key role in the development of the Nigerian Sugar Industry. We are the clear market leader in the industry by refinery size, sugar production volume, market share, strong cash generation and profitability. Dangote Sugar initiated a Backward Integration Project (BIP) plan to refine 1.5 – 2.0 million metric tonnes of sugar within the next 10 years from locally grown sugarcane. This supports the goal of the Nigerian Government to achieve sugar self-sufficiency.

Dangote Sugar has invested in land and equipment acquisition for both sugarcane fields and factory development, as well as the recruitment of professionals in sugar production under its skills transfer scheme. This scheme is helping to develop and grow local expertise in sugar production.

The BIP will create over 75,000 new jobs in the country, not only in the sugar production but also in sales, distribution, logistics and other support services across the value chain.

Dangote Sugar Refinery Plc is committed to promoting health and safety standards within its operations as well as supporting socioeconomic development in host communities through social investment programs.

The DSR sustainability agenda is

Our Approach to Sustainability *Cont'd*

anchored on the Dangote Group's 7 Sustainability Pillars, which embody our corporate values as a group, developed through an extensive stakeholder engagement process led by the Sustainability & Governance function. The Pillars constitute the framework around which our sustainability implementation and reporting are anchored.

From 2019, we plan to adopt a more systematic and structured approach to identifying material issues in our business operations, designing and developing sustainability initiatives and reporting our economic, social and environmental impact in alignment with the Global Reporting Initiative (GRI) against which the report is benchmarked.

Ms Ngozi Ngene, Head, Corporate Affairs, Dangote Sugar Refinery Plc and Dr. Ndidi Nnoli, Dangote Group Chief, Sustainability & Governance with Reps. of the United Nations and Lagos State Employment Trust Fund at a Widows empowerment event as part of the Sustainable Development Goals Implementation.

Dangote 7 Sustainability Pillars

FINANCIAL

Achieve sustainable financial health through a business model that delivers strong returns to shareholders, whilst creating value in the economies in which we operate by selling high quality products at affordable prices, supported by excellent customer service.

INSTITUTIONAL

Build a world-class institution centered around corporate governance best practices and sustainability principles that promote legal and regulatory compliance, transparency and business continuity.

ECONOMIC

Promote inclusive, sustainable economic growth, self reliance, self-sufficiency and industrialisation across Africa, by establishing efficient production facilities and developing resilient local economies in strategic locations and key markets.

CULTURAL

Embody our core values in the way we do business, including a respect for cultural diversity and giving back to the societies in which we operate. To achieve this, we actively encourage teamwork, empowerment, inclusion, respect, integrity and meritocracy within our organisation

OPERATIONAL

Serve and satisfy our markets by working together with partners to deliver the best products and services to our valued customers and stakeholders through continuous product improvement, new business development, employing state-of-the-art technologies and systems to constantly optimise cost-efficiencies.

ENVIRONMENTAL

Create sustainable environmental management practices, through a proactive approach to addressing the challenges and opportunities of climate change, while optimising our performance in energy efficiency, water usage and emissions.

SOCIAL

Create a learning environment and platform for our employees to grow and achieve their fullest potential, whilst adhering to the highest standards of health and safety. In our host communities, we strive to develop resilient and sustainable prosperity through direct and indirect employment, skills transfer and local entrepreneurial development.

Our Sustainability Road Map

2020

Entrenching our sustainability vision
- Benchmark our set KPIs with requirements of relevant national and global standards
- Set up a sustainability data collection system
- Carry out more extensive sustainability trainings
- Develop GRI compliant sustainability report

2019

Solidifying our sustainability vision
- Begin engagement with internal stakeholders to understand their concerns and expectations
- Engage key stakeholders on our sustainability vision and reporting
- Identify material topics and set KPIs
- Develop our first GRI-Standards referenced sustainability report
- Develop and implement strategic CSR and sustainability initiatives

2018

Setting up the building blocks for our sustainability vision
- Preliminary selection of material issues
- Preliminary identification of applicable reporting standards that meet our needs
- Develop our first sustainability report as part of our 2018 Annual Financial Report

Financial Management approach

OUR COMMITMENT TO SUSTAINABILITY REPORTING

We understand that to thrive in our sustainability implementation and reporting, there is a need to engage and involve stakeholders on our journey. Therefore, it is our priority to develop our sustainability goals and objectives with relevant stakeholders, to ensure that they are part of our policies and programmes. In the coming years, we would adopt the Global Reporting Initiative (GRI), which is the leading sustainability reporting framework, to disclose our economic, social and environmental impact.

CREATING VALUE

Dangote Sugar is driving positive change and sustainable growth in Nigeria. Our goal is to put the country on the global map of sugar production. This will be achieved through the Dangote Sugar BIP that will produce about 1.5 to 2.0 million metric tonnes of refined sugar annually from own homegrown sugar cane. We are committed to supporting the Federal Government of Nigeria to achieve its sugar self-sufficiency objectives. We also plan to support employment generation across the country. In line with our circular economy long term goals, we will maximise the extended sugarcane value chain for the production of sugar, ethanol, power, animal feeds, etc. This supports our commitment to the UN Sustainable Development Goals and The Dangote Way.

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

At DSR, we understand the relevance of the UN Sustainable Development Goals (SDGs) and the role of businesses in sub-national, national and global development. We therefore strive to address important economic, social and environmental challenges in every way we can.

social.un.org
United Nations Department of Economics and Social Affairs-Division for Social Policy and Development

We have mapped the Dangote Group's 7 sustainability pillars against the 17 SDGs and envision stronger contribution to the realisation of the 2030 agenda.

THE GLOBAL REPORTING INITIATIVE (GRI)

We have commenced our sustainability reporting journey by embedding this year's report as part of our annual financial report. We will take the journey a step further in 2019 by developing a GRI-referenced report, with the goal of achieving full GRI compliance from 2020.

We also understand the importance of data integrity in reporting. We will therefore develop an effective data collection framework going forward. Our goal is to hold ourselves accountable for our footprints; be transparent to our stakeholders; and pursue our ambition to build a truly sustainable business.

GRI Empowering Sustainable Decisions

UNITED NATIONS GLOBAL COMPACT

Based on the commitment made by our Founder and Chairman, Alhaji Aliko Dangote by signing the United Nations Global Compact (UNGC) Charter, we are dedicated to doing business responsibly in line with the Global Compact's 10 principles. Our 7 Sustainability Pillars ensure that our corporate values and culture integrate with best practices advocated for by the UNGC Charter.

United Nations Global Compact

Human Rights

***Principle 1**: Businesses should support and respect the protection of internationally proclaimed human rights;*

***Principle 2:** Make sure that they are not complicit in human rights abuses.*

Corporate Governance Policy

Complaints Management Policy

Whistle Blowing Policy

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: Elimination of all forms of forced and compulsory labour;

Principle 5: Effective abolition of child labour;

Principle 6: Elimination of discrimination in respect of employment and occupation.

Dangote Safety Golden Rule

Group HSSE Incident Reporting and Investigation Standard

Group HSSE Performance Reporting Standard

Group HSSE Risk Management Standard

Child Labour Policy

Forced or Compulsory Labour Policy

HIV and AIDS Policy

Environment

***Principle 7:** Businesses should support a precautionary approach to environmental challenges;*

***Principle 8:** Undertake initiatives to promote greater environmental responsibility; and*

***Principle 9:** Encourage the development and diffusion of environmentally friendly technologies.*

Group HSSE Incident Reporting and Investigation Standard

Group HSSE Performance Reporting Standard

Group HSSE Risk Management Standard

Group Environmental Management Standard

Health and Safety, Environmental and Social Corporate Policies

Anti-Corruption

***Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery*

Anti-Bribery and Corruption Policy

Conflict of Interest/ Related Party Transaction Policy

Insider Trading Policy

Institutional Management approach

Governance, risk and compliance are the three broad facets of our institutional pillar. Our business activities are governed by integrity and ethical business behaviour. These conducts are defined by policies such as Anti Bribery and Corruption Policy, Directors' Code of Conduct Policy, Insider Trading Policy, Crisis Management Policy, Board Appointment Policy, Shareholders Complaints Policy, Credit Management Policy, Internal Audit Charter, and Whistle Blowing Policy. These guide the way we do business and engage with stakeholders. The policies also ensure that we comply with relevant statutory and regulatory provisions in our host country. We have broadened our risk management scope to include environmental and social risk assessment.

SDGs	DSR ACTION/IMPACT
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Supports cordial/peaceful industrial relations in all our facilities • Supports the provision of relief materials for internally displaced persons (IDPs) • Stands against any form of child labour in our value chain • Adopts responsible, fair and transparent procurement policies and practices • Promotes diversity and inclusiveness in our business activities • Implements a recognition, reward and sanction scheme to promote best practices in ESG and health and safety across our value chain
17 PARTNERSHIPS FOR THE GOALS	• Collaborates with organizations, governments and other private sector players to achieve the SDGs • Supports vocational and skills acquisition programmes for youth and women, in conjunction with NGOs and associations • Partners with Government agencies and regulators for the promotion of food safety initiatives and campaign against influx of substandard food products into the market. • Collaborates with relevant agencies locally and internationally for the promotion of skills acquisition in the sugar industry • Partners with the Nigeria Sugar Development Council for the achievement of sugar self-sufficiency in Nigeria

Relevant GRI Benchmark	Institutional Pillar disclosures that are assessed to be material to DSR
GRI 102	102-16: Values, principles, standards, and norms of behavior 102-17: Mechanisms for advice and concerns about ethics 102-19: Delegating authority 102-20: Executive-level responsibility for economic, environmental, and social topics 102-21: Consulting stakeholders on economic, environmental, and social topics 102-26: Role of highest governance body in setting purpose, values, and strategy 102-29: Identifying and managing economic, environmental, and social impacts 102-30: Effectiveness of risk management processes 102-31: Review of economic, environmental, and social topics 102-32: Highest governance body's role in sustainability reporting 102-33: Communicating critical concerns 102-34: Nature and total number of critical concerns 102-35: Remuneration policies 102-36: Process for determining remuneration 102-37: Stakeholders' involvement in remuneration 102-38: Annual total compensation ratio 102-39: Percentage increase in annual total compensation ratio

Instrumental Pillar disclosures that are reported in 2018
Corporate governance Risk management Whistle blowing Board membership and appointment Board remuneration Delegation of authority Board performance evaluation Code of business conduct Sustainability governance

Board commitment to sustainability

At DSR, the tone and agenda for sustainability are defined by top Management and implemented across the various units of the Company. We are committed to the continuous improvement of transparency and accountability in all our business operations.

Operational Management approach

Operational sustainability to us includes optimising raw materials and other resources required in our production processes. It also includes the responsible sourcing of raw materials from various vendors, ensuring best practices in our operations in compliance with the health and safety standard. We have placed Nigeria in the global map of sugar refining and are looking to support food self-sufficiency, innovative product development and operational efficiency.

SDGs	DSR ACTION/IMPACT
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• Concerted efforts are being made to actualize our Sugar Backward Integration Projects • Refinery process improvements are ongoing to reduce energy usage • Construction and repair of roads to improve access to and connectivity with host communities
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Our operations are guided by various ISO Standards (QMS) ISO 9001:2015, Food Safety (FSMS) ISO 22000:2005, (OHSAS) ISO 18001:2007, (FSSC) ISO 22000 and above all, by the Materials Safety Data Sheets (MSDS) • We ensure best quality in our inputs and world class processing of raw sugar, chemicals and packaging of products • We ensure Critical Control Points within the process line to monitor quality and detect any particles in the final product.

Relevant GRI Benchmark	Operational Pillar disclosures that are assessed to be material to DSR
GRI 102 GRI 200 GRI 300 GRI 400	102-9: Supply chain 204: Procurement practices 301: Materials 308: Supplier environmental assessment 403: Occupational Health and Safety 414: Supplier social assessment

Operational Pillar disclosures that are reported in 2018
Compliance with labour laws Labour practices and benefits Employee training and capacity development Diversity Industrial relations Non-discrimination Staff welfare Retirement benefits

Food Safety

The Dangote Sugar Refinery (DSR) Plc Food Safety Policy ensures that its operations in refining, sales and distribution of granulated white sugar meet regulatory and consumer food safety requirements. We achieve this by using the most appropriate food grade production facilities, under hygienic conditions, whilst also maintaining effective communication with stakeholders on food safety issues.

The Company's Food Safety Policy is supported by measurable objectives that are monitored, maintained and continually reviewed with the following objectives:

a. To provide wholesome and nutritious sugar that supports healthy living
b. To achieve 100% compliance with all relevant regulatory food safety and consumer protection requirements.
c. To ensure that all relevant parties in the food production chain are aware of, and comply with the Company's food safety policies and standards.

DSR process is FSSC 22000 (Food Safety System Certification) certified by SGS. The FSSC 22000 system is based on ISO Standards recognised by the Global Food Safety Initiative (GFSI). The FSSC 22000 integrates with other management systems already achieved by the Company as part of the strategic initiative to meet the teeming needs of its customers. This also sustains the DSR frontline position in the Food and Beverage industry, and in line with internationally accepted practices and standards.

After three years of successful surveillance audits, DSR has been recertified for the Food Safety System Certification (ISO 22000:20013), with the latest version 4.1.

Health and Safety

We are committed to complying with global best health and safety practices, to ensure the wellbeing of our workers, visitors, consumers and host communities. We have a robust group HSSE framework that outlines our health and safety policies, risk management procedures, rules of engagement and performance monitoring and reporting. In recent years, we made giant strides in ensuring consumer safety and responsible production through the certification of our products. In the coming years, we intend to consolidate our efforts to achieve zero lost time injuries at our site, and improve compliance with all applicable health and safety laws and regulations.

Operational targets

We are committed to driving continuous improvement in our production processes, including enhanced yields, use of alternative yet environmental friendly materials and recycling of by-products.

Environmental Management Approach

As a player in the agricultural sector, protection of the natural environment is critical for our business and we remain committed to promoting eco-friendliness across our value chain and in our operations. To pre-empt environmental challenges that may stem from unsustainable farming practices and the potential attendant impact on business growth. We seek to source and distribute quality inputs, including fertilizers to farmers through initiatives such as our outgrower scheme, leveraging our suppliers, partners, aggregators and agents. We are committed to enhancing water efficiency and management, while driving up the yield and quality of produce. These commitments are borne out of our interest in supporting the emergence of a cleaner global environment.

SDGs	DSR ACTION/IMPACT
7 AFFORDABLE AND CLEAN ENERGY	• Our goal is to drive power generation using waste to fuel and natural gas which are cleaner and with little or no flue gas that may pollute the atmosphere. • Use of high-quality LPFO as an alternative when gas supply becomes unreliable. • Refinery operation noise level within the acceptable threshold of 85Db, with installation of silencers • Implementation of energy saving practices, including saving steam and increasing condensate return to the boiler house, thus reducing energy consumption. • Giving host communities access to free electricity generated in the sugar factory
13 CLIMATE ACTION	• Committed to reducing our wastes and emissions • Responsible production process that reduces emissions to globally acceptable levels • Recovery of process effluent through use of the brine recovery system to recover and recycle common salt, acid and water • Converting waste to fuel (Circular Economy)
14 LIFE BELOW WATER	• Process effluents are recycled • Minimal water consumption in the sugar production process at the Apapa Refinery • Use of rain water for cooling in the sugar production process at Savannah Sugar
15 LIFE ON LAND	• Minimising adverse impact on the natural environment as much as possible • Adopting policies and procedures that enable us monitor and curtail soot emission, noise pollution, waste water discharge and deforestation in our operations

Environmental Cont'd

Relevant GRI Benchmark	Environmental Pillar disclosures that are assessed to be material to DSR
GRI 300	301: Materials 302: Energy 303: Water 304: Biodiversity 305: Emissions 306: Effluents and waste 307: Environmental compliance 308: Supplier environmental assessment
Environmental Pillar disclosures that are reported in 2018	
Environmental responsibility Pollution management Climate action	

Environmental Responsibility

Our parent company is signatory to the United Nations Global Compact (UNGC). We are therefore committed to complying with its environmental principles. As an environmentally responsible business, we always endeavour to consider the impact that our business operations could have on the physical environment.

Pollution Management

We proactively manage the various type of pollutions that may result from our operations. At the refinery operation, we have installed silencers to manage noise pollution. We also minimise our soot emission, waste water discharge and acts capable of resulting in deforestation. We have a brine recovery system in place to process and recover effluent.

Climate Action

We use alternative energy sources such as natural gas which is cleaner and therefore reduces our greenhouse gas (GHG) emissions.
We plan to implement enhanced environmental management system to ensure that our impacts are within regulatory limits.

Economic Management Approach

The Dangote Economic Pillar guides how we approach value creation for our stakeholders and the larger society and economy. This focus strengthens our economic viability and our commitment to sustainable growth. We drive inclusiveness in our business by creating jobs in the communities where we operate and service quality inputs for our production from local vendors. We fulfil our civic responsibilities by duly paying our taxes and other remittances to support the actualisation of our host country's developmental objectives.

SDGs	DSR ACTION/IMPACT
1 NO POVERTY	• Job creation (over 900 permanent and 6,000 seasonal workers with plans to generate about 75,000 from the Backward Integration Projects • Competitive wage that far exceeds national minimum wage • Support for Small businesses and individual towards developing their businesses; we support the growth of SMEs and expand their markets • Distributing wealth through consistent delivery of returns to stakeholders
2 ZERO HUNGER	• Providing jobs and enhanced income opportunities for indigenes of communities where the Backward Integration Projects are located. • Support for local farmers through our Outgrowers Scheme
10 REDUCED INEQUALITIES	• Implementation of direct economic empowerment initiatives with focus on women and other vulnerable groups • Improved economic activities in host communities due to our operations • Economic empowerment through employment and skills upgrade in host communities • Provision of clean water by sinking boreholes in host communities

Relevant GRI Benchmark	Economic Pillar disclosures that are assessed to be material to DSR
GRI 200	201: Economic performance 202: Market presence 203: Indirect economic impacts 204: Procurement practices 205: Anti-corruption 206: Anti-competitive behaviour
Economic Pillar disclosures that are reported in 2018	
Job creation Sustainable livelihoods	

Job creation

At DSR, we are impacting lives by creating jobs to close the gross unemployment gaps in the country. These jobs have ripple effects on the economy through the spending power of our employees.

Sustainable livelihoods

Wealth is generated for our stakeholders from profits made from our transactions with them. We also support the socioeconomic wellbeing of local communities by providing sustainable investments, infrastructures and social projects. We provide local communities with potable water, electricity and other amenities.

Outgrowers Scheme

The provisions of the Dangote Sugar Master Plan demonstrate our commitment to employment generation, employee empowerment and the development of a robust Outgrowers scheme for local farmers in the communities where our Backward Integration Projects are located.

At Savannah Sugar, we are working closely with the Nigerian Sugar Development Council (NSDC) and the local farmers through our established sugarcane grower development programmes. Our goal is to build better, and more innovative social impact programs that empower our outgrowers and enhance their participation and income.

Savannah Sugar currently has 313 Outgrowers and has mapped out about 313 Ha of its land to local farmers, who farm and sell the sugarcane to the Company. The land is in process of being increased to 5,500 hectares through an outreach, the Special Independent Sugarcane Outgrower's Development Programme, (SIS OGDP), which will see the number of farmers under the scheme increase significantly by year 2023.

The Outgrowers under the scheme are provided with the different types of support that they require for a sustainable scheme that impacts them, the local communities and Dangote Sugar, positively.

TYPE OF SUPPORT	DESCRIPTION
Recruitment	275 outgrowers groups, each with 20 farmers across local communities are to be recruited out of Savannah Owned land holdings within 30 to 40 kms distance from SSCL.
Seed cane incentives	Free seed cane and free transportation by SSCL and NSDC
Training schemes	Weekly in-house and on-the-farm training, with crop monitoring using Good Agricultural Crop Management Practices.
Fertilizers	Provisions of chemicals and fertilizers by SSCL, with costs recoverable from crop proceeds.
Infrastructure	Boreholes to be drilled – 12 inches sedimentary borehole, not less than 100m deep with filtering UPVC slotted screen pipes and packed with pebbles and with water yielding efficiency of 70 – 80M3/hr. Energization by diesel 62.5Kva generator driven with 22KW, 6"/8" submersible pump shall be provided
Guaranteed purchases	SSCL guarantees cane purchase from the farmers, and with good take away profit. This ensures that the scheme is viable and attractive to local farmers.
Payments	Payments shall be made to the bank accounts of the farmers after recovering all output costs.
Land development	Financial support (at current costs) is being proposed towards the bush clearance and land development for the 1 plant + 4 ratoons, [5 years crop].
Financial Support	Crop Working Capital Term loan to be provided to farmers at a single digit rate of 7% [either from NSDC, financial institutions or by SSCL].
Technical assistance	All through the crop life cycle, free training and Agric Extension services to be offered to the farmers.

Social Management Approach

We prioritise the responsibility of continuously ensuring our employees' wellbeing. Beyond our employees, we dedicate substantial resources towards supporting human capital development in our local communities. Through our on-field workers who act as local community engagement organs, we obtain insights into the needs of our stakeholders and engage them on how these needs could be met. We believe in community empowerment as a way of supporting sustainable development in the markets where we operate. This is why we also encourage our employees to volunteer their time and resources towards community development initiatives.

SDGs	DSR ACTION/IMPACT
3 GOOD HEALTH AND WELL-BEING	• Providing fortified products to help address Vitamin A deficiency • Providing healthcare facilities for local communities • Provision of onsite clinics at all our facilities • Provision of above standard Medicare for all employees • Provision of boreholes for clean water • Awareness creation programmes on good housekeeping and healthy habits for employees and the local communities
4 QUALITY EDUCATION	• Providing high quality skilled training through our Skills Acquisition and Transfer Scheme • Providing high quality technical and managerial trainings through our Dangote Academy • Promoting quality education by building classrooms, schools and awarding scholarships to qualified individuals
6 CLEAN WATER AND SANITATION	• Provision of clean water through boreholes. • Water treatment to ensure availability of clean water through boreholes, demineralized and softened water for processing. • Treating effluent from the refinery in the effluent treatment plant before discharging in the sewer in conformity with regulation. • Practicing the principle of Spilt Prevention, Control and Countermeasure (SPCC) in sanitary activities • Daily/Regular cleaning, disinfection and fumigation of environment • Proper waste and scum disposal using government controlled borrow pit • Provision of functional, world class cloak room for staff
11 SUSTAINABLE CITIES AND COMMUNITIES	• Our CSR activities are developed and implemented in line with the needs of our host communities • We provide healthcare facilities and free medical services at Savannah Sugar. • We support the provision of quality education for students in host communities

Relevant GRI Benchmark	Social Pillar disclosures that are assessed to be material to DSR
GRI 102 GRI 400	102-29: Identifying and managing economic, environmental, and social impacts 411: Rights of indigenous peoples
Social Pillar disclosures that are reported in 2018	
Community investments Healthcare Education and skills acquisition	

Community investments

At Dangote Sugar, we consult a broad range of stakeholder groups on our social responsibility projects, community issues and investment programmes. Insights on the needs of the local communities received are taken into consideration in our CSR planning. The key focus of our impact activities cut across infrastructural development, job creation, healthcare, rehabilitation, educational support, potable water provision, road maintenance and reconstruction, among others. Our projects are aimed at promoting wellbeing, people empowerment and sports development at our BIP locations and the society at large. In three years, we intend to report more extensively on our social impact.

Healthcare

Free healthcare services are provided at the Savannah Sugar on site clinic that caters for the medical needs of the seven communities within which it operates in Adamawa State. In addition, we also provide programmes focusing on primary and secondary healthcare, occupational health, HIV and AIDS, malaria, Tuberculosis, among others, in conjunction with HMOs and other health focused NGOs and organisations in our business locations. Awareness sessions and control programmes for non-communicable diseases such as high blood pressure, diabetes and healthy living habits amongst others, are also conducted. Arrangements are underway, as part of the Dangote Sugar Backward Integration Master Plan community development scheme, for the establishment of hospitals and refurbishment of existing ones at our greenfield sites.

Education and skills acquisition

DSR is a strong supporter of education and skills acquisition. We are committed to the development of a skilled workforce in Nigeria. On site and on-the-job trainings on sugarcane husbandry, farm machinery maintenance, among others, are carried out at our BIPs sites. In 2018, we collaborated with the Dangote Academy for the development of skills needed for our operations. The Academy provides trainings for building technical and managerial skills for employees and those wishing to join the Group.

DSR is also a key stakeholder in the newly established Sugar Industry Institute, a National Sugar Development Council initiative to promote skills in the sugar industry in Nigeria.

In addition to the provision of infrastructure and refurbishment of schools in its immediate communities, DSR also supports government and corporate education campaigns in the country. Savannah Sugar is currently renovating three schools. Construction of 12 blocks of classrooms, administrative building, staff rooms among others, are ongoing in the schools. Arrangements have also been finalized to commence the renovation and construction of the first set of schools and classroom blocks by the Nasarawa Sugar Company Limited, Tunga.

In support of the United Nations World Food Day Celebrations, DSR supported the Lagos State Ministry of Agriculture's Schools Quiz Competition. The competition focused on the promotion of Agriculture in our schools. We also leverage this platform to promote agricultural awareness among young adults, healthy uses of sugar; while also supporting the winning students and schools with educational materials and equipment towards enhanced quality of education in the country.

Cultural
Management approach

We are striving to create and imbibe a culture of ethics, product and service excellence, trust and innovation in our workforce. Our aim is to build a workplace that is inclusive, balanced, non-discriminatory and supportive of sustainable growth. Our people are trained to conform to The Dangote Way of professionalism, innovation and integrity. We are developing systems that manage staff performance while also supporting their career growth and wellbeing.

SDGs	DSR ACTION/IMPACT
5 GENDER EQUALITY	• Equal opportunity for qualified male and female gender in our workforce • Fostering business relationship with female owned enterprises, such as distributors and suppliers • Ensuring all-inclusive gender empowerment via the Dangote Women Network
8 DECENT WORK AND ECONOMIC GROWTH	• Compliance with labour laws • Providing safe, conducive and healthy work environment for employees • Upscaling the skills and knowledge base of our employees by leveraging the world class trainings offered by our Dangote Academy • Supporting Nigeria's Sugar Institute to build a skilled workforce for the Nigeria Sugar Industry • Continuous contribution to the economic growth of the Nigerian economy through payment of applicable taxes, employment generation, patronising local vendors and creating economic opportunities for sugar outgrowers in our host communities.

Relevant GRI Benchmark	Cultural Pillar disclosures that are assessed to be material to DSR
GRI 102 GRI 400	102-40: List of stakeholder groups 102-41: Collective bargaining agreements 102-42: Identifying and selecting stakeholders 102-43: Approach to stakeholder engagement 102-44: Key topics and concerns raised 401: Employment 402: Labour/management relations 404: Training and education 405: Diversity and equal opportunity 406: Non-discrimination 407: Freedom of association and collective bargaining 408: Child labour 409: Forced or compulsory labour 412: Human rights assessment 418: Marketing and labeling 419: Socioeconomic compliance

Cultural Pillar disclosures that are reported in 2018
Compliance with labour laws Labour practices and benefits Employee training and capacity development Diversity Industrial relations Non-discrimination Staff welfare Retirement benefits

Compliance with Labour Laws

Our engagement with DSR employees is guided mainly by the provisions of the Nigerian Labour Law and Federal Factory Act. We also have an Employee Handbook used across the DIL Group which outlines the terms of employment. It provides guidance on the conduct of all employees in order to ensure conformity with the corporate culture that we are building called The Dangote Way. This handbook is periodically updated to reflect best practices in human capital management.

Labour Practices and Benefits

We currently have 933 full time staff. In addition to competitive wages, other benefits that we offer our employees include Group Life Insurance and Health and Pension Schemes. We provide conducive working condition for our employees and ensure that they are given opportunities to achieve their full career potentials.

Capacity Building

From the date of resumption and throughout the time of stay of each employee, a growth path is designed to ensure their continuous development. In 2018, trainings were conducted to enhance the skills and capacity of our employees across diverse levels.

Promoting diversity and Women Empowerment

At DSR, we are making concerted efforts, starting with our internal operations and across our value chain, to encourage and support women to play key roles in our business.

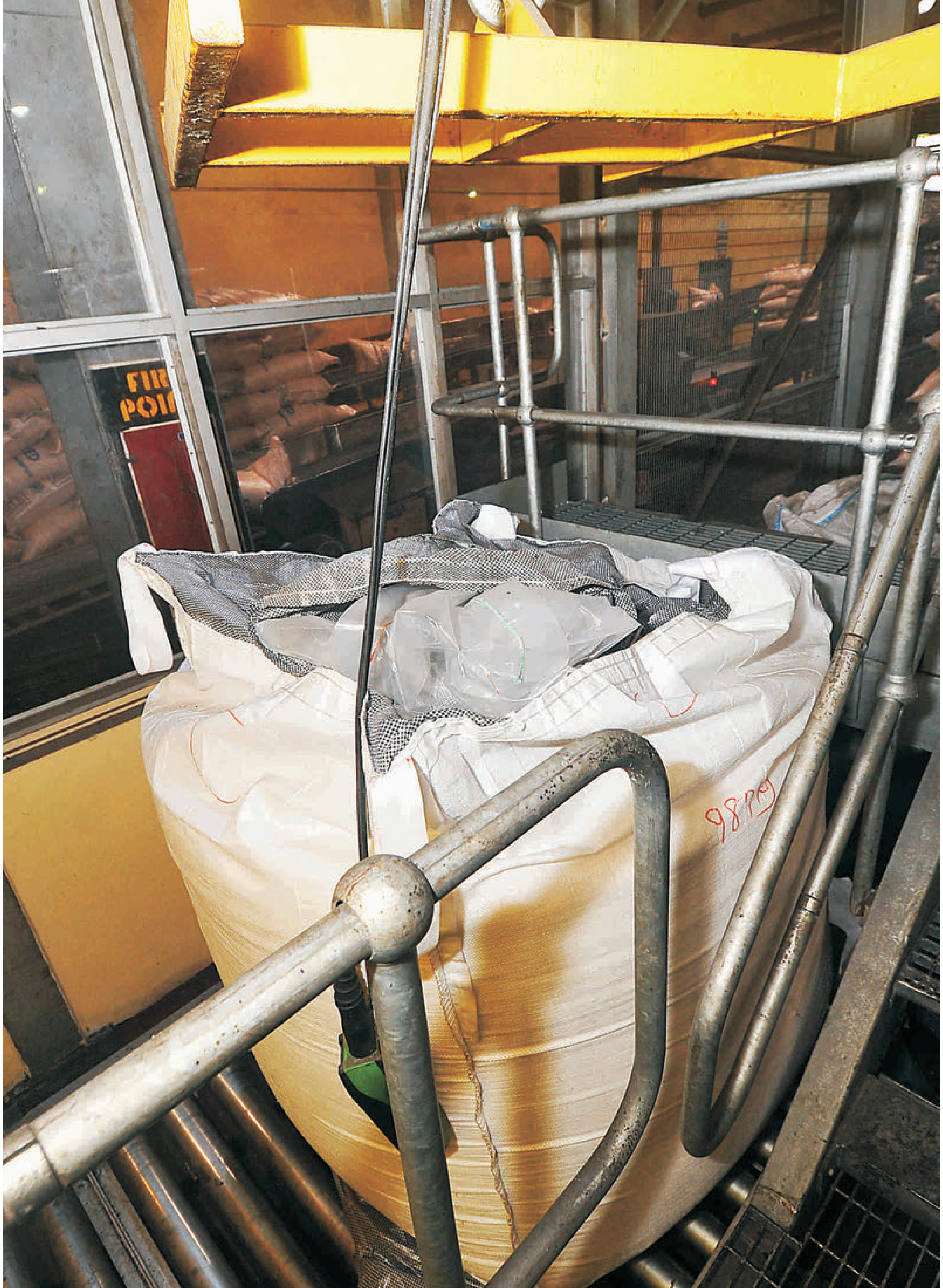
Women are represented across all categories of staff, from the Board to key positions in management. Also, in our supply chain the women distributors play a crucial role in ensuring that our products are available to the end users wherever they are needed. Our effort at fostering the growth of women is further enabled by the Dangote Women Network which acts as a support platform for women employed within the Dangote Group.

Dangote Sugar also partners with the Business Growth Initiative to provide support for small businesses owned by women, particularly in communities where we operate.

Cultural Cont'd

In conjunction with some NGOs, we provided vocational and skills acquisition programmes for women and youth in the year under review. In Nasarawa State, the Aliko Dangote Foundation supported 13,000 vulnerable women with ₦130 Million cash grants.

Our women empowerment initiatives are directly and indirectly in line with goals 1, 2, 3, 5, 8, 10, and 11 of the United Nations Sustainable Development Goals.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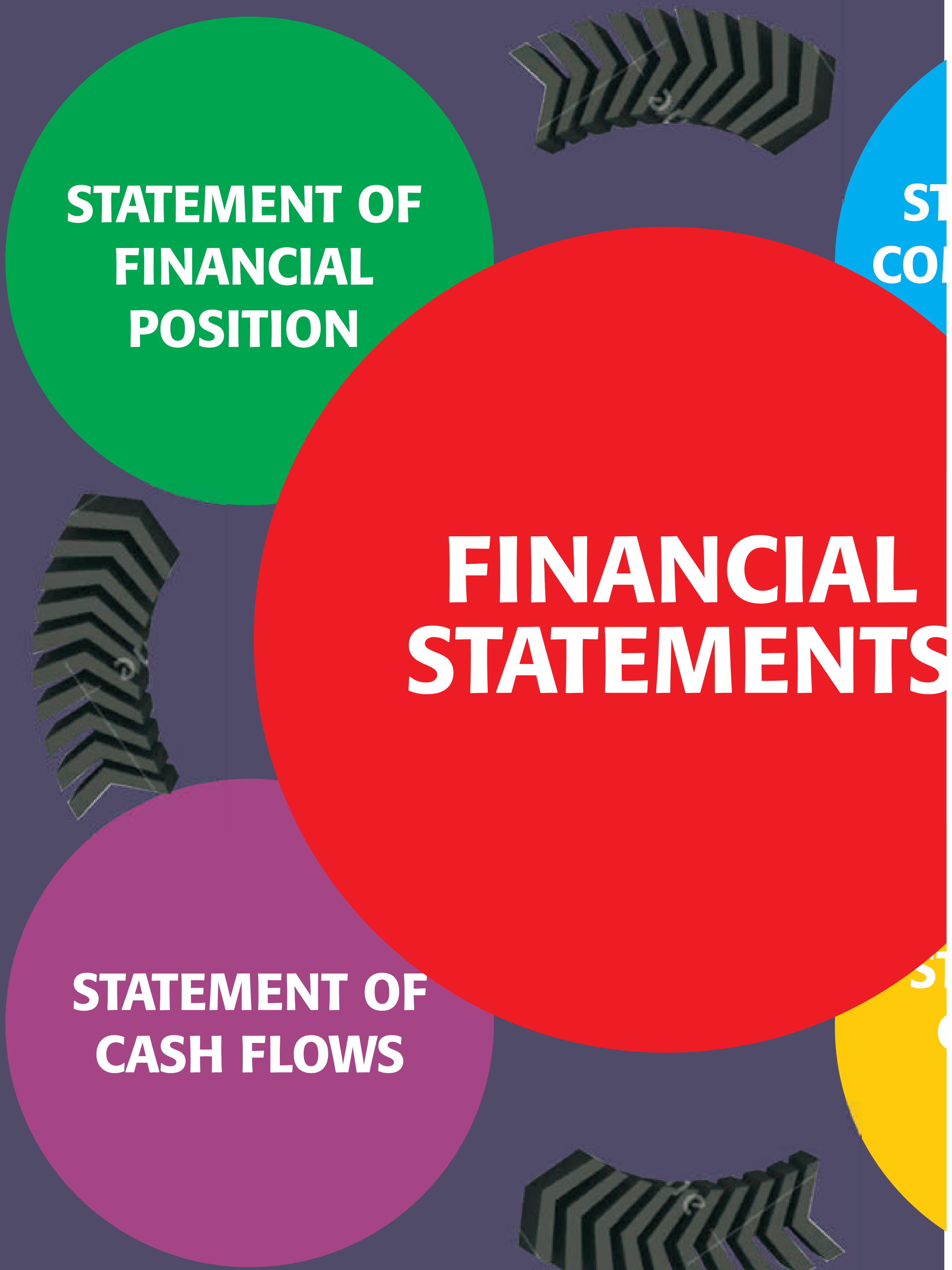
STATEMENT OF FINANCIAL POSITION
FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS

Financial Statements

Statement of Management's Responsibilities for the Preparation and Approval of the Financial Statements

In accordance with the provisions of the Companies and Allied Matters Act of Nigeria, the Directors are responsible for the preparation of annual Financial Statements, which gives a true and fair view of the affairs of the Company at the end of the financial period and of the profit or loss for the year ended. Their responsibilities among others include ensuring that: -

i. The Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with requirements of the Companies and Allied Matters Act of Nigeria;

ii. Appropriate and adequate internal controls are established to safeguard its assets, prevent and detect fraud and other irregularities;

iii. The Company prepares its Financial Statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied;

iv. It is appropriate for the Financial Statements to be prepared on a going concern basis

The Directors accept responsibility for the annual Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Financial Reporting Standard (IFRS) and the requirements of the Companies and Allied Matters Act of Nigeria.

The Directors are of the opinion that the Financial Statements give a true and fair view of the state of the financial affairs of the Company and of its profit.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems internal financial control.

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

SIGNED ON BEHALF OF THE MANAGEMENT OF THE COMPANY

April, 2019

April, 2019

Statement of Directors' Responsibilities in Relation to the Financial Statements for the year ended 31 December 2018

The Directors of Dangote Sugar Refinery Plc are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and Company as at 31 December 2018, and the results of its operations, cash flows and changes in equity for the period ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act Cap C20 LFN 2004, the Financial Reporting Council of Nigeria Act 2011.

In preparing the consolidated Financial Statements, the Directors are responsible for

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

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group and Company;
- maintaining adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company, and which enable them to ensure that the Financial Statements of the Group and Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Group and Company;
- preventing and detecting fraud and other irregularities.

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

The consolidated Financial Statements of the Group and Company for the year ended 31December, 2018 were approved by Directors on April 1st, 2019.

Signed on behalf of the Board of Directors By:

Alh. Aliko Dangote, GCON	**Mr. Olakunle Alake**
Chairman	**Non-Executive Director**
FRC/2013/IODN/0000001766	**FRC 2013/NSE/00000002065**

In compliance with Section 359(6) of the Companies and Allied Matters Act, Cap C20 LFN, 2004, we have reviewed the consolidated and separate Financial Statements of Dangote Sugar Refinery Plc for the year ended 31st December, 2018 and hereby state as follows:

i We have exercised our statutory functions under Section 359(6) of the Companies and Allied Matters Act, Cap C20 LFN,2004;

ii We deliberated with the external Auditors , who confirmed that necessary cooperation was received from Management in the course of their statutory audit and we are satisfied with Management's responses on the Auditors' Memorandum of recommendations, and with the effectiveness of the Company's system of accounting and internal control;

iii The accounting and reporting policies of the Company for the year ended 31st December, 2018 are in accordance with legal requirements and agreed ethical practices, and the scope and planning of both the external and internal audits were adequate in our opinion;

iv In our opinion, the scope and planning of the audit for the year ended 31st December, 2018 were adequate, and the Management Responses to the Auditors ' findings were satisfactory .

Mr. Olusegun Olusanya
Chairman, Audit Committee
FRC/2018/ICAN/00000018192

Dated this 1st day of April, 2019.

Members of the Audit Committee are:
Mallam Dahiru Ado
Hadjia Muheebat Dankaka, OON
Mr. Olakunle Alake
Dr. Konyinsola Ajayi, SAN
Ms. Bennedikter Molokwu

Independent auditor's report

To the Members of Dangote Sugar Refinery Plc

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Dangote Sugar Refinery Plc ("the company") and its subsidiaries (together "the group") as at 31 December 2018, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

What we have audited

Dangote Sugar Refinery Plc's consolidated and separate financial statements comprise:

- the consolidated and separate statements of profit or loss and other comprehensive income for the year ended 31December2018;
- the consolidated and separate statements of financial position as at 31 December 2018;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current 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, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of biological assets (1.8 billion) Biological assets comprise growing sugar cane held for harvesting purposes. In accordance with IAS 41, they are valued at fair value less cost to sell. We focused on the valuation of the biological assets due to the materiality of the balance and the effect the fair value estimate has on results. Furthermore the determination of the fair value estimates are complex and involve a significant amount of judgement. The directors have developed a model using the multi-period excess earnings method (MPEEM) under the income approach for the valuation of sugar cane. In order to generate a stream of cash flows to be used in this model, the directors calculate tonnage using information on hectares of farm land planted, the age of growing cane per hectare and a yield ratio. The cane price is then applied on the tonnage and discounted to arrive at the fair value of the sugar cane. The cane price is based on the industry out-grower price. The directors exercise significant judgement in determining the yield ratio, the discount rate, cost of sales, selling and distribution expenses, administrative expenses and contributory assets charges. This is considered a key audit matter in the consolidated financial statements only. See notes 2.7, 3 and 13 to the consolidated and separate financial statements.	We adopted a substantive approach to testing this balance by obtaining and performing audit procedures on the directors' valuation of the biological assets. We challenged the Group's model for calculating the fair value of biological assets by assessing the model against the criteria in IAS 41, Agriculture and IFRS 13, Fair value measurement. We tested the farm and factory information used in the valuation model (such as the yield ratio, hectare of farm land planted and the age of growing cane per hectare) by comparing with historical information from the farm and factory reports. Furthermore, we challenged information on yield ratio by comparing it against our expectation based on relevant industry data available. We checked the determination of cane price by comparing to the industry out-grower price for the year. We assessed the reasonableness of the discount rate used by the directors by comparing to the independent calculation done by our valuation experts. We assessed the reasonableness of costs of sales, selling and distribution expenses, administrative expenses and contributory assets charges by comparing to historical information and amounts determined based on current work standard. We tested the mathematical accuracy of the valuation model used by the directors and disclosures in the financial statements for reasonableness.

Key audit matter	How our audit addressed the key audit matter
Recoverabilily of deferred tax asset (N7.2 billion) We focused on this area because of the materiality of deferred tax asset and the uncertainty around the directors' judgement in their estimation of the future taxable profit upon which deductible temporary differences or unused tax losses or credits will be applied. This matter is considered a key audit matter in the consolidated financial statements only. See notes 2.7, 3 and 13 to the consolidated and separate financial statements.	We adopted a substantive approach to testing the recoverability of deferred tax asset balance. We obtained the cash flow projections and forecast taxable profits used to support the directors' recognition of the deferred tax asset. We challenged the taxable profits forecasts and deferred tax utilization computation. Specifically we: - tested the taxable profits forecast provided by the directors by challenging the assumptions on the growth rate of taxable and non-taxable transactions income in relation to the historical trends and current business plan; and - used our tax specialists to challenge the directors' assessment of the relative useful lives of the components of the deferred tax asset in line with applicable tax laws. This was done to assess the viability of the director's plan for the recoverability of the deferred tax asset. - Reviewed the disclosures in the financial statements for reasonableness.
Valuation of trade and other reccivables (N25.8 billion) We focused on this area because of the materiality of trade and other receivables and because the directors make significant and subjective judgement over the timing of recognition and amount of the related loss allowance. • The adoption of IFRS 9 "Financial Instruments" introduced the expected credit loss (ECL) model, which requires significant judgement. The directors have adopted the simplified approach in assessing the loss allowance for trade receivables and the general approach for other receivables. Significant judgement exercised by the directors include: • definition of default and significant increase in credit risk adopted by the group. • methodology used to determine the loss rates for the calculation of the lifetime ECL. • Provision matrix adopted in determining the lifetime ECL. • incorporating forward looking information in the ECL model	We adopted a substantive approach to test this balance. Specifically, we: • Checked the reasonableness of the criteria identified in the definition of default and significant increase in credit risk. • Selected a sample of customer accounts to check the sales and settlement pattern used in developing the loss rates. • Examined the appropriateness of the provision matrix approach used to determine the lifetime ECL based on the requirements of IFRS 9. • Checked the forward-looking information used in the ECL model to externally available macroeconomic information and assessed reasonableness of the macroeconomic indices used. • Reviewed the disclosures for reasonableness.

This matter is considered a key audit matter in the consolidated and separate financial statements. See notes 3, 4 and 23 to the consolidated and separate financial statements.

Other information

The directors are responsible for the other information. The other information comprises General Information, Report of the Directors, Corporate Governance Report, Report of the Audit Committee, Chief Financial Officer's Review, Statement of Directors' Responsibilities, Statement of value added and Five Year Financial Summary (but does not include the consolidated and separate financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the Dangote Sugar Refinery Plc 2018 Annual Report, which are expected to be made available to us after that date.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the other sections of the Dangote Sugar Refinery Plc 2018 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the consolidated and separate finan cial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, 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 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 or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate.financial tatements

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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 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 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 to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, 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

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;

iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Edafe Erhie

For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Edafe Erhie
FRC/2013/ICAN/0000001143

1 April 2019

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

	Note(s)	Group 31/12/2018 ₦'000	Group 31/12/2017 ₦'000	Company 31/12/2018 ₦'000	Company 31/12/2017 ₦'000
Continuing operations					
Revenue	5	150,373,083	204.422,379	146,549.176	198, 120.639
Cost of sales	6	(110,687,723)	(153.434,285)	(104,589,978)	(145.582,161)
Gross profit		**39,685,360**	**50,988,094**	**41,959,198**	**52,538.478**
Other income	11	569.237	401.686	234.074	196.233
Selling and distribution expenses	7	(978,159)	(1,132,154)	(969,000)	(954.437)
Administrative expenses	7	(6,793.423)	(6,350,181)	(5,438,193)	(4,766,083)
Impairment gains/(losses) on financial assets	23.3	201,308	(3)	201,308	(3)
Operating profit	14	**32,684,323**	**43,907,442**	**35,987,387**	**47,014,188**
Finance income		-	4,137,194	-	4,532,870
Finance costs	10	(293,243)	(278.436)	(67,127)	(28,332)
Finance income/(costs) - net	10	**(293.243)**	**3,858,758**	**(67,127)**	**4,504.538**
Investment income	8	2,535,271	3.364,257	2,535,270	3,364.257
Change in fair value of biological assets	9	(325,294)	2,468,411	-	-
Profit before tax		**34,601.057**	**53,598,868**	**38.455.530**	**54,882.983**
Taxation	12.1	(12,624,589)	(13,815,263)	(12,624,589)	(17,060,374)
Profit for the year		**21,976,468**	**39,783,605**	**25,830,941**	**37,822,609**
Profit attributable to: Owners of the parent		22.169.191	39,685.555	25.830,941	37.822.609
Non-controlling interest		(192,724)	98,050	-	-
Total comprehensive income for the year		**21,976,467**	**39,783,605**	**25,830,941**	**37,822,609**
Total comprehensive income attributable to:		**21,976,467**	**39,783,605**	**25,830,941**	**37,822,609**
Owners of the parent		22,169.191	39,685,555	25.830.941	37.822,609
Non-controllinq interest		(192,724)	98,050	-	-
Earnings per share		**21,976,467**	**39,783,605**	**25,830,941**	**37,822,609**
Basic and diluted earnings per share (Naira)	15	1.85	3.31	2.15	3.15

The accompanying notes on pages 119 to 165 form an integral part of .the consolidated and separate financial statements

Consolidated and separate statement of financial position as at December 31, 2018

	Note(s)	Group 31/12/2018 ₦'000	Group 31/12/2017 ₦'000	Company 31/12/2018 ₦'000	Company 31/12/2017 ₦'000
Assets					
Non-current assets					
Property, plant and equipment	16	64,256,114	59,413,689	29,963,120	35,594,867
Intangible assets	17	324	2,564	324	2,564
Other assets	19	11,605	3,200	11,605	3,200
Investment in subsidiaries	21			3,610,923	3,214,923
Deferred tax assets	13	7,173,178	7,173,178		
Total non-current assets		71,441,221	66,592,631	33,585,972	38,815,554
Current assets					
Inventories	22	37,676,080	47,655,561	31,499,654	44,779,483
Biological assets	18	1,840,686	2,806,705	-	-
Trade and other receivables	23	41,330,194	35,436,598	91,025,731	70,895,546
Other assets	19	377,510	352,782	375,903	352,781
Asset held for sale	20	868,642	868,642	868,642	868,642
Cash and cash equivalents	24	21,582,294	41,367,530	21,167,809	40,352,658
Total current assets		103,675,406	128,487,818	144,937,739	157,249,110
Total assets		175,116,627	195,080,449	178,523,711	196,064,664
EQUITY					
Attributable to owners of Parent company					
Share capital	25	6,000,000	6,000,000	6,000,000	6,000,000
Share premium	25	6,320,524	6,320,524	6,320,524	6,320,524
Retained earnings	26	87,010,225	80,577,948	94,859,602	86 886 834
		99,330,749	92,898,472	107,180,126	99,207,358
Non-controlling interest	27	(355,561}	(162,837)	-	-
		98,975,188	92,735,635	107,180,126	99,207,358
LIABILITIES					
Non-Current Liabilities	13	5,309,997	5,212,819	5,309,997	5,212,819
Deferred tax liabilities	28	1 425 543	1 467 068		-
Borrowings		6,735,540	6,679,887	5,309,997	5,212,819
Current Liabilities					
Current tax liabilities	12.3	12,373,416	17,717,419	12,341,316	17,685,319
Borrowings	28	45 ,212	71,091	-	-
Trade and other payables	30	54,497,731	75,652,896	51,428,633	71,913,340
Employee benefits	29	969,931	984,475	794,802	806,782
Other liabilities	31	1 519 609	1,239,046	1,468,837	1,239,046
Total current liabilities		69,405,899	95,664,927	66,033,588	91,644,487
Total liabilities		76,141,439	102,344,814	71,343,585	96,857,306
Total equity and liabilities		175,116,627	195,080,449	178,523,711	196,064,664

The consolidated and separate financial statements on pages 115 to 169, were approved by the board on April 1, 2019 and were signed on its behalf by:

Alh. Aliko Dangote, GCON
Chairman
FRC/2013/IODN/00000001766

Mr. Olakunle Alake
Director
FRC/2013/ICAN/00000002214

Mrs. Adebola Falade
Chief Financial Officer
FRC/2016/ICAN/00000015167

The accompanying notes on pages 119 to 165 form an integral part of the consolidated and separate financial statements.

Consolidated and separate statement of changes in equity

Company	Share Capital ₦'000	Share Premium ₦'000	Retained Earnings ₦'000	Total ₦'000
Balance as at 1 Januarv 2017	6,000,000	6,320,524	62.264,226	74.584.750
Profit for the vear	-	-	37,822,608	37.822,608
Total comprehensive income for the vear	-	-	37,822,608	37,822,608
Transaction with owners:				
Dividend paid	-	-	(13,200,000)	(13,200,000)
Balance as at 31 December 2017	6,000,000	6,320,524	86,886,834	99,207,358
Changes on initial application of IFRS 9 (Note 26)	-	-	(2,858,173)	(2.858,173)
Restated balance as at 1 January 2018	6,000,000	6,320,524	84,028,661	96,349,185
Profit for the vear	-	-	25,830,941	25,830,941
Total comprehensive income for the vear	-	-	25,830,941	25,830,941
Transaction with owners:				
Dividend paid	-	-	(15,000,000)	(15,000 ,000)
Balance as at 31 December 2018	6,000,000	6,320,524	94,859,602	107,180,126

Group	Share Capital ₦'000	Share Premium ₦'000	Retained Earnings ₦'000	Attributable to owners of parent comoanv ₦'000	Non-controlling interest ₦'000	Total ₦'000
Balance as at 1 January 2017	6,000,000	6,320,524	54,092,393	66,412,917	(260,887)	66,152,030
Profit for the year	-	-	39,685,555	39,685,555	98,050	39,783,605
Total comprehensive income for the year	-	-	39,685,555	39,685,555	98,050	39,783,605
Transaction with owners:						
Dividend paid	-	-	(13,200,000)	(13,200,000)	-	(13,200,000)
Balance as at 31 December 2017	6,000,000	6,320,524	80,577,948	92,898,472	(162,837)	92,735,635
Changes on initial application of IFRS 9 (Note 26)	-	-	(736,914)	(736,914)	-	(736 ,914)
Restated balance as at 1 January 2018	6,000,000	6,320,524	79,841,034	92,161,558	{162,837)	91,998,721
Profit for the year	-	-	22,169,191	22,169,191	(192,724)	21,976,467
Total comprehensive income for the year	-	-	22,169,191	22,169,191	(192,724)	21 ,976,467
Transaction with owners:						
Dividend paid	-	-	(15,000,000)	(15,000,000)	-	(15,000,000)
Balance as at 31 December 2018	6,000,000	6,320,524	87,010,225	99,330,749	(355,561)	98,975,187

The accompanying notes on pages 119 to 165 form an integral part of the consolidated and separate financial statements.

Consolidated and separate statement of cash flows

	Note(s)	Group 31/12/2018 ₦'000	Group 31/12/2017 ₦'000	Company 31/12/2018 ₦'000	Company 31/12/2017 ₦'000
Cash flows for operating activities					
Profit before taxation		34,601,057	53,598,868	38,455,530	54,882,983
Adjustments for non-cash income and expenses:					
Depreciation of property, plant and equipment	16	5,238,602	5,022,650	3,519,930	3, 136,692
Amortisation of intangible assets	17	2,240	10,189	2,240	10,189
PPE Adjustments	16	684,533	-	684,353	-
(Profit)/loss on sale of assets	11	-	(60)	-	(60)
Interest income	8	(2,535,271)	(3,364,257)	(2,535,270)	(3,364,257)
Finance cost	10	' 258,200	278,436	-	28,332
IFRS 9 impact	23.2 & 26	(923,010)	-	(3,044,269)	-
Fair value loss/(gain) on biological assets	9	325,294	(2,468,411)	-	-
Changes in working capital					
Decrease/(increase) in inventories		9,979,481	(246,519)	13,279,829	869,496
Decrease in biological assets		640,724	2,669,981	-	-
Increase in trade and other receivables		(5,893,595)	(3,173,161)	(20,130,185)	(3,253,764)
Increase in other assets		(33,133)	(5,459,256)	(31,526)	(4,609,030)
Increase/(decrease) in other liabilities		280,563	(1,569,428)	229,791	(1,565,776)
(Decrease) in trade payables		(21,155,164)	(13,158,433)	(20,484,707)	(13,608,102)
Increase in asset held for sale		-	(3,995)	-	(3,995)
Decrease in employee benefits		(14,544)	(46,549	11,980	(8,750)
Cash generated from operations		21,455,977	32,090,053	9,933,736	32,513,956
Tax paid	12.3	(17,685,319)	(6,029,669)	(17,685,319)	(6,029,669)
Net cash generated from /(used in) operating activities		3,770,658	26,060,384	(7,751,583)	26,484,297
Cash flows from investing activities					
Purchase of property, plant and equipment					
Proceeds on disposal of property.plant and equipment	16	(10,765,561)	(9,749,835)	(8,200,357)	(9,171,197)
Investment in subsidiaries		-	116,163	9,627,821	31,522
Interest income received	21	-	-	(396,000)	-
Net cash (used in)/ generated from investing activities	8	2,535,271	3,364,257	2,535,270	3,364,257
		(8,230,290)	(6,269,415)	3,566,735	(5,775,419)
Cash flows from financing activities					
Dividends paid	26	(15,000,000)	(13,200,000)	(15,000,000)	(13,200,000)
Finance cost paid	10	(258,200)	(207,345)	-	(28,332)
Repayment of borrowings	28	(67,404)	-	-	-
Net cash used in financing activities		(15,325,604)	(13,407,345)	(15,000,000)	(13,228,332)
Net (decrease)/ increase in cash and cash equivalents		(19,785,236)	6,383,624	(19, 184,849)	7,480,536
Cash and cash equivalents at beginning of year		41,367,530	34,983,906	40,352,658	32,872,122
Cash and cash equivalents at end of the year	24	**21,582,294**	**41,367,530**	**21, 167,809**	**40,352,658**

The accompanying notes on pages 119 to 165 form an integral part of the consolidated and separate financial statements.

General information
Dangote Sugar Refinery Plc (the Company) was incorporated as a Public Limited Liability company on 4 January 2005, commenced operation on 1 January 2006 and became quoted on the Nigerian Stock Exchange in March 2007. Its current shareholding is 68% by Dangote Industries Limited and 32% by the Nigerian public.

The ultimate controlling party is Dangote Industries Limited.

The registered address of the Company is located at GDNL Administrative Building, Terminal E, Shed 20 NPA Apapa Wharf Complex, Apapa, Lagos.

The consolidated financial statements of the Group for the year ended 31 December 2018 comprise the Company and its subsidiaries- Savannah Sugar Company Limited, Niger Sugar Company Limited, Taraba Sugar Company Limited, Adamawa Sugar Company Limited and Nasarawa Sugar Company Limited.

The separate financial statements for the year ended 31 December 2018 comprise the Company only.

1.1 The principal activity
The principal activity of the Group is the refining of raw sugar into edible sugar and the selling of refined sugar. The Group's products are sold through distributors across the country.

1.2 Going Concern status
The Group has consistently been making profits. The Directors believe that there is no intention or threat from any party to curtail significantly its line of business in the foreseeable future. Thus, these financial statements are prepared on a going concern basis.

1.3 Operating environment
Emerging markets such as Nigeria are subject to different risk than more developed markets, including economic, political and social, and legal legislative risks. As has happened in the past, actual or perceived financial problems or an increase in the perceived risks associated with investing in emerging economies could adversely affect the investment climate in Nigeria and the country's economy in general. The global financial system continues to exhibit signs of deep stress and many economies around the world are experiencing lesser or no growth than in prior years. These conditions could slow or disrupt Nigeria's economy, adversly affecting the Group's access to capital and cost of capital for the Group and more generally, its business, result of operation, financial condition and prospects.

1.4 Financial period
These financial statements cover the financial year from 1 January 2018 to 31 December 2018 with comparatives for the year ended 31 December 2017.

2 Significant Accounting Policies
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of compliance
These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRIC) of IASB (together "IFRS") :that are effective at 31 December 2018 and requirements of the Companies and Allied Matters Act of Nigeria and the Financial, Reporting Council (FRC) Act 2011 of Nigeria.

2.2 Basis of preparation
The consolidated and separate financial statements have been prepared on the historical cost basis except for the revaluation of biological assets and certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The principal accounting policies are set out below:

2.3 Consolidation of subsidiaries
Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are

attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the noncontrolling interests even if this results in the non-controlling interests having a deficit balance.

When necessary adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The results of subsidiaries acquired or disposed of during the year are included in the Group statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal as appropriate.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment that has been recognised in profit or loss.

2.4 Revenue recognition

a) Accounting policy from 1 January 2018

Revenue is measured at the fair value of the consideration received or receivable for goods or services, in the ordinary course of the Group's activities and it is stated net of value added tax (VAT), rebates and returns. A valid contract is recognised as revenue after;

- The contract is approved by the parties.
- Rights and obligations are recognised.
- Collectability is probable.
- The contract has commercial substance.
- The payment terms and consideration are identifiable.

The probability that a customer would make payment is ascertained based on the evaluation done on the customer as stated in the credit management policy at the inception of the contract. The Group is the principal in all of its revenue arrangement since it is the primary obliger in all of the rev4nue arrangements, has inventory risk and determines the pricinq for the qoods and services.

Sale of goods

Revenue is recognised when the control of the goods and service are transferred to the customer. This occurs when the goods are delivered to the customer and customer's acceptance is received or when goods are picked up by the customer.
Revenue from sale of sugar and molasses is recognised based on the price specified in the contract, net of the estimated rebates and returns. Rebates are estimated at the inception of the. contract except where the time lag between the recognition of revenue and granting rebates is within one month. Returns on goods are estimated at the inception of the contract except where the timing between when the revenue· is recognised and when the returns occur is considered immaterial in these instances the return are accounted for when they occur

The delivery service provided by the Group is a sales fulfillment activity and the income earned is recognised at the point in time when the goods are delivered to the customer.

Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and when the customer has accepted the products in accordance with the sales contract, or the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been met.

Contract liability is recognised for consideration received for which the performance obligation has not been met.

Disaggregation of revenue from contract with customers

The Group recognises revenue from the transfer of goods at a point in time in the following product lines. The Group derives revenue from the sale of sugar, molasses and freight services.

	Freight services	Sale of sugar	Sale of molasses	Total
	₦'000	₦'000	₦'000	₦'000
Revenue from contract with customers	3,577,586	146,078,722	716,775	150,373,083

b) Accounting policy as at 31 December 2017

Revenue is derived principally from the sale of goods and is measured at the fair value of consideration received or receivable, after deducting discounts, volume rebates, value added tax and any estimated customer returns. Sales are stated at their invoiced amount which is net of value added taxes and discounts.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

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

Specifically, revenue from the sale of goods is recognised when goods are delivered (or collected, if sold under self collection terms) and legal title is passed. Amount relating to shipping and handling whether included as part of sales is billed separately and recorded as revenue and cost incurred for shipping and handling are classified under cost of sales.

2.5 Interest income Recognition

Interest income from a financial asset as recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that assets's net carrying amount on initial recognition.

2.6 Pensions and Other post-employment benefits

The Group operates a defined contribution based retirement benefit scheme for its staff, in accordance with the amended Pension Reform Act of 2014 with employee contributing 8% and the employer contributing 10% each of the employee's relevant emoluments. Payments to defined contribution retirement benefit plans are recognised as an expense in statement of profit or loss when employees have rendered the service entitling them to the contributions.

2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted. Current income tax is the expected amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA) using statutory tax rates of 30% at the reporting sheet date.
Education tax is calculated at 2% of the assessable profits in accordance with the Tertiary Education Tax Act.

Deferred tax

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are recognised in other comprehensive income or directly in equity respectively.
Where current tax and deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.8 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of comprehensive income

ii. Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

The estimated useful lives for the current and comparative periods are as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Plant and machinery	Straight line	15 years
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	4 years
Tools and equipment	Straight line	4 years
Computer equipment	Straight line	3 years
Aircraft	Straight line	25 years
Bearer plants	Straight line	5 years

Land is not depreciated.
Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

2.9 Leases

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

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

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

Where there are no agreed lease terms, rent payable is recognised as incurred.

2.10 Intangible assets

Intangible assets acquired separately

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

Derecognition of intangible assets

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

2.11 Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating-unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units. or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials, packaging materials, engineering spares and consumable stock is determined on a weighted average basis. Cost of finished goods is determined on the basis of standard costs adjusted for variances. Standard costs are periodically reviewed to approximate actual costs.

Goods in transit are valued at the invoice price. Cost of inventory includes purchase cost, conversion cost (materials, labour and overhead) and other costs incurred to bring inventory to its present location and condition. Finished goods, which include direct labour and factory overheads, are valued at standard cost adjusted at year-end on an actual cost basis.

Costs, including an appropriate portion of fixed and variable dverhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on an average cost basis. Net realizable value represents the estimated selling price for inventories less all e'stimated costs of completion and costs necessary to make the sale.

2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation (when the time value of money is material).

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows

When some or all of the economic benefits required to 'settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.14 Financial instruments

a) Financial instruments accounting policy for 2018 in line with IFRS 9

The Company's accounting policies were changed to comply with IFRS 9. IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 Financial Instruments disclosures.

i) Classification and measurement

Financial assets

It is the Company's policy to initially recognise financial assets at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit or loss.

Classification and subsequent measurement is dependent on the Company's business model for managing the asset and the cashflow characteristics of the asset. On this basis, the Company may classify its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income.

The business models applied to assess the classification of the financial assets held by the company are;

- Hold to collect: Financial assets in this category are held by the Company solely to collect contractual cash flows and these cash flows represents solely payments of principal and interest. Assets held under this business model are measured at amortised cost.
- Fair value through other comprehensive income: Financial assets in this category are held to collect contractual cash flows and sell where there are advantageous opportunities. The cash flows represents solely payment of principal and interest. These financial assets are measured at fair value through other comprehensive income.
- Fair value through profit or loss: This category is the residual category for financial assets that do not meet the criteria described above. Financial assets in this category are managed in order to realise the asset's fair value.

The financial assets of Dangote Sugar are held to collect contractual cashflows that are solely payments of principal (for non interest bearing financial assets) or solely payments of principal and interest (for interest bearing financial assets)

The Company's financial assets include trade and other receivables, cash and cash equivalents. They are included in current assets, except for maturities greater than 12 months after the reporting date. Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in finance income/cost.

Financial liabilities

Financial liabilities of the Company are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and interest bearing loans and borrowings.

Impairment of financial assets

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets measured at amortised cost or at fair value through other comprehensive income (FVOCI).

The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The simplified approach is applied for trade receivables' while the general approach is applied to staff loans, amounts due from related parties that are not trade related, balances with banks.

The simplified approach requires lifetime expected credit losses to be recognised on initial recognition of the receivables.

This involves determining the expected loss rates using a provision matrix that is based on the Company's historical default rates observed over the expected life of the receivable and adjusted for forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each ageing bucket' and : for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable, and assessing the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. The EAD is the total amount outstanding at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as the gross domestic product (GDP) in Nigeria, inflation and exchange rate, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Loss allowances for financial assets measured at amortised ,cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss.

Significant increase in credit risk and default definition

The Company assesses the credit risk of its financial assets based on the information obtained during periodic review of publicly available information, industry trends and payment records. Based on the analysis of the information provided, the Company identifies the assets that require close monitoring.

Furthermore, financial assets that have been identified to be more than 30 days past due on contractual payments are assessed to have experienced significant increase in credit risk. These assets are grouped as part of Stage 2 financial assets where the three-stage approach is applied.

In line with the Company's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least 90 days after the contractual payment period. Subsequent to default, the Company carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Company determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially or in full.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised in profit or loss.

Financial liabilities

The Company derecognises a financial liability when it is extinguished i.e. when the obligation specialtied in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recoanition of a new liability. The difference in the respective carrying.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

b) Financial instruments accounting policy adopted in 2017 in line with IAS 39

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of the financial assets and financial, liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

FINANCIAL ASSETS

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss (FVTPL), held-to-maturity, investments, available-for-sale (AFS), financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition . All regular purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. The Group's financial assets comprise other loans and receivables.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on 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 debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition .

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables) are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

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

If the Group 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.

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

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered impaired when there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected

For all categories of financial assets, objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty, or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- It is becoming probable that the owner will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial assets original effective rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Cash and cash equivalents
Cash and cash equivalents consist of cash, highly liquid investments and cash equivalents which are not subject

to significant changes in value and with an original maturity date of generally less than three months from the time of purchase

Financial liabilities and equity instruments issued by the Group

Classification as debt or equity
Debts and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

Financial liabilities
Financial liabilities are classified as either financial liabilities, at fair value through profit or loss (FVTPL) or other liabilities. The Group only operates the category of other financial liability.

Other financial liabilities
Other financial liabilities (including borrowings and trade and other payables) 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 estimates 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 net carrying amount on initial recognition.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when the Group's obligations are discharged, cancelled, or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid, and payable is recognised in profit or loss.

Offsetting of financial assets and financial liabilities
Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts, and there is ·an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.15 Earnings per share
The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own share held if any. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

2.16 Functional and presentation currency
Items included in the consolidated and separate financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).
The consolidated and separate financial statements are presented in Naira which is the Company's functional and presentation currency

Foreign currency transactions and translation
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. 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 statement of profit or loss and other comprehensive income.

Non-monetary assets and liabilities in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the transaction date and are not restated.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates prevailing at the dates the fair value was determined and are not restated.

2.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for' their intended use or sale are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.18 Segment information

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- where operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance;
- for which discrete information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Managing Director of Dangote Sugar Refinery Plc

2.19 Biological assets

A biological asset is defined as a living animal or plant while biological transformation comprises the processes of growth, degeneration, production and procreation that cause qualitative or quantitative changes in biological asset.

Recognition of assets

The Group recognises biological assets or agricultural produce when , and only when, all of the following conditions are met:

- the Group controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the Group; and
- the fair value or cost of the asset can be measured reliably.

Biological asset consists of growing cane which are yet to be havested as at year end, and these are measured at fair value.

The basis of fair value determination of growing canes have been included in Note 18.

3 Significant judgements and sources of estimation uncertainty

In the application of the Group's significant accounting policies. described in note 4, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements and sources of estimation uncertainty

The following are the critical judgements. apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

I) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 32

Sensitivity of estimates used in IFRS 9 ECL

Estimation uncertainty in measuring impairment loss

In establishing sensitivity to ECL estimates for trade receivables, and related parties receivables, two variables (GDP growth rate and Inflation rate) were considered. The Company's receivables. portfolio reflects: greater responsiveness to both variables considered.

The table below shows information on the sensitivity of the carrying amounts of the Company's financial assets to the methods, assumptions and estimates used in calculating impairment losses on those financial assets at the end of the reporting period. These methods, assumptions and estimates have a significant risk of causing material adjustments to the carrying amounts of the Company's financial assets.

Trade receivables

a. Expected cash flow recoverable:

The table below demonstrates the sensitivity to a 20% change in the expected cash flows from trade receivables with all other variables held constant:

		GDP growth rate -10%	Held constant	10%
		₦'000	**₦'000**	**₦'000**
		781	485	242
Inflation	-10%	296	-	(242)
Rate	Held constant	(188)	(485)	(727)

Related parties receivables

Significant unobservable inputs

The table below demonstrates the sensitivity to movements in the following significant unobservable inputs for related parties receivables with all other variables held constant:

Probability of default (PD)

	Effect on profit before tax 2018	Effect on other components of profit before tax 2018
	₦'000	**₦'000**
Increase/decrease in probability of default		
10%	(227)	-
-10%	229	-

Loss Given Default ILGDI

	Effect on profit before tax 2018	Effect on other components of profit before tax 2018
	₦'000	**₦'000**
Increase/decrease in loss given default		
10%	(234)	-
-10%	234	-

Staff Loans

Significant unobservable inputs

Probability of default (PD)

	Effect on profit before tax 2018	Effect on other components of profit before tax 2018
Increase/decrease in probability of default	₦'000	₦'000
10%	(1,250)	–
-10%	1,372	–

Loss Given Default (LGD)	Effect on orofit before	Effect on other components of profit before tax
	₦'000	₦'000
Increase/decrease in loss given default		
10%	–	–
-10%	2.270	–

Forward looking indicators

Forecast Default Rate

	Effect on profit before tax 2018	Effect on other components of profit before tax 2018
	₦'000	₦'000
Increase/decrease in forecast default rate		
10%	(152)	–
-10%	152	–

ii) Fair values of biological assets

The fair value of the biological asset is derived by internal experts using the income approach. Growing cane is valued using the estimated yield in tons of sugarcane expected to be harvested ftom the existing cane roots, less estimated costs of harvest and transport. For this purpose, management is required to assess the estimated selling price. Cane price is determined using a formula that is based on the price of refined sugar. The cashflows are adjusted for time value of money and inflation based on prevailing market and economic conditions.

The carrying value of growing cane is disclosed in Note 18 of the financial statements

iii) Valuation of deferred tax
The recognition of deferred tax assets requires an assessment of future taxable profit. Deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The availability of future taxable profits depends on several factors including the group's future financial performance and if necessary, implementation of tax planning strategies.

4. New Standards and Interpretations

4.1 Standards and interpretations effective and adopted in the current year

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

IFRS 9 - Financial Instruments
The Company has adopted IFRS 9 as issued by the IASB in July, 2014 with a date of transition of 1 January 2018, which resulted in changes in accounting policies and adjustments to the amounts previously recognized in the

financial statements. The Company did not early adopt any part of IFRS 9 in prior years.

As permitted by the transitional provisions of IFRS 9, the Company elected not to restate comparative figures. Any adjustment to the carrying amounts of financial assets and liabilities at the date of transition were recognized in opening retained earnings on 1January 2018 in the statement of changes in equity. Consequently, for notes disclosures, the consequential amendments to IFRS 7 disclosures have also only been applied to the current period. The comparative period notes disclosures repeat those disclosures made in the prior year. The Company has elected to adopt the provision matrix approach as a practical expedient for the calculation of expected credit loss on trade receivables on the adoption of IFRS 9

IFRS 9 Financial instruments - Impact of adoption
The new financial instruments standard, IFRS 9 replaces the provisions of IAS 39. The new standard presents a new model for classification and measurement of assets and liabilities, a new impairment model which replaces the incurred credit loss approach with an expected credit loss approach, and new hedging requirements.

The adoption of IFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in the notes below. In accordance with the transitional provisions in IFRS 9, comparative figures as at 31 December 2017 have not been restated but the impact of adoption has been adjusted through opening retained earnings for the current reporting period.

Classification and measurement

a) Financial assets
On 1 January 2018 (the date of initial application of IFRS 9), the Group's management assessed the classification of its financial assets which is driven by the cash flow characteristics of the instrument and the business model in which the asset is held.

The Group's financial assets include cash and cash equivalents and trade and other receivables. The Group's business model is to hold these financial assets to collect contractual cash flows and to earn contractual interest. For cash and cash equivalents, interest is based on prevailing market rates of the respective bank accounts in which the cash and cash equivalents are domiciled.

Cash and cash equivalents and trade and other receivables that ere previously classified as loans and receivables (L and R) are now classified as financial assets at amortised cost.

The changes in the classification and measurement requirements of IFRS 9 only resulted in a nomenclature change and as a result. this had no effect on the carrying amount of the financial assets (before impairment) as at 1 January 2018.

b) Financial liabilities
The adoption of IFRS 9 requires that for financial liabilities measured using the fair value option, the portion of the fair value change arising from changes in own credit risk should be recognised in other comprehensive income rather than profit or loss.
The Group does not have any financial liabilities measured at fair value. Therefore the adoption of IFRS 9 did not affect the measurement of the Group's financial liabilities. Consequently no retrospective adjustments have been made in relation to this change as at 1 January 2018.

On the date of initial application, 1 January 2018, the financial instruments of the Group were classified as follows:

	Classification &		Group Carrying amount		Company Carrying amount	
	IAS 39	IFRS 9	IAS 39 ₦'000	IFRS 9 ₦'000	IAS 39 ₦'000	IFRS 9 ₦'000
Current financial assets						
Trade and other receivables:						
Trade receivables	Land R	Amortised cost	7,715,495	7,715,495	7,715,495	7,715,495
Amount due from related parties	Land R	Amortised cost	7,928,454	7,928,454	45,008,534	45,008,534
Staff loans	Land R	Amortised cost	19,480	19,480	19,480	19,480
Cash and cash equivalent	Land R	Amortised cost	41,367,530	41,367,530	40,352,658	40,352,658

Current financial liabilities						
Trade and other payables•	Amortised cost	Amortised cost	59,512,971	59,512,971	57,358,800	57,358,800
Amount due to related parties	Amortised cost	Amortised cost	16,139,927	16,139,927	14,554,541	14,554,541

• Trade and other payables exclude non-financial liabilities.

The new carrying amounts in the table above have been determined based on the measurement criteria specified in IFRS 9.

The following table further explain the changes in the gross carrying amount of the financial assets to help explain their significance to the changes in the loss allowance for the same assets as discussed above.

	Trade receivables ₦'000	Amount due from related parties ₦'000	Staff loans ₦'000
Gross carrying amount as at 1 January 2018	7,715,495	45,008,534	19,480
Additions during the year	146,549,176	23,721,426	32,230
Receipts for the year	(146,728,864)	(2,075,860)	(6,088)
Gross carrying amount as at 31 December 2018	7,535,807	66,654,100	45,622

Impairment of financial assets

Under IFRS 9, the Group is required to revise its previous impairment methodology under IAS 39 and adopt the new expected credit loss model for financial assets. Refer to note 23 and 32 for detailed disclosures on impairments of financial assets.

The following tables summarise the impact, net of tax, of transition to IFRS 9 for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. There was no impact on the statement of cash flows as a result of adopting the new standards. The adjustments are explained in more detail in Notes 23 and 26.

Group	**Note**	**31/12/2017 ₦'000**	**Impact of IFRS 9**	**1/1/2018 ₦'000**
ASSETS				
Current assets				
Trade and other receivables	23	29,355,850	(923,010)	28.432,840
EQUITY AND LIABILITIES				
Equity				
Retained earnings	26	80,577,948	(736,914)	79,841,034

Company	**Note**	**31/12/2017 ₦'000**	**Impact of IFRS 9**	**1/1/2018 ₦'000**
ASSETS				
Current assets				
Trade and other receivables	23	66.430,255	(3,044,269)	63,385,986
EQUITY AND LIABILITIES				
Equity				
Retained earnings	23	86,886,834	(2,858,173)	84,028,661

IFRS 15 - Revenue from contracts with customers
The Company has adopted IFRS 15: Revenue from Contracts with Customers using the modified retrospective method, with the effect of applying this standard recognised at the date of initial application (1 January 2018). Accordingly, the information presented for 2017 financial year has not been restated but is presented, as previously reported, under IAS 18 and related interpretations. The adjustments to the carrying amounts as a result of the adoption of IFRS 15 have no impact on the opening retained earnings as at 1 Januarv 2018.

4.2 Standards and interpretations not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

IFRS 16 - Leases
IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The standard will affect primarily the accounting for the group and company's operating leases which includes leases of land, buildings and warehouses. The group has set up a project team to review all of the group's leasing arrangements over the last year in light of the new lease accounting rules in IFRS 16. The standard will affect primarily the accounting for the group's operating leases.

The group's activities as a lessor are not material and hence the group does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

The group will apply the standard from its mandatory adoption date of 1 January 2019. The group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

5 Revenue	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Revenue from the sale of sugar - 50kg	141,862,966	195,753,285	138,267,667	189,678,008
Revenue from the sale of sugar - Retail	4,215,756	4,673,822	4,215,756	4,673,822
Revenue from the sale of molasses	716,775	694,215	488,167	467,752
Freight income	3,577,586	3,301,057	3,577,586	3,301,057
	150,373,083	204,422,379	146,549,176	198,120,639

5.1 Segment information

Segment information is presented in respect of the group's reportable segments. For management purpose, the Group is organised into business units by geographical areas in which the group operates and the locations that comprise such regions represent operating segments.

The Group has 4 reportable segments based on location of the principal operations as follows: Northern Nigeria, Western Nigeria, Eastern Nigeria and Lagos.

5.1.0 Segmental revenue and results

Revenue from external customers by region of operations is listed below.

	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Nigeria:				
Lagos	71,114,850	96,140,557	71,114,850	96,140,557
North	52,795,791	72,507,102	48,971,885	66,205,362
West	18,379,292	24,847,066	18,379,292	24,847,066
East	8,083,149	10,927,654	8,083,149	10.927,654
	150,373,082	204,422,379	146,549,176	198,120,639

Group	Segment Revenue 31/12/2018 ₦'000	Segment Revenue 31/12/2017 ₦'000	Segment Cost of Sales 31/12/2018 ₦'000	Segment Cost of Sales 31/12/2017 ₦'000	Segment Results 31/12/2018 ₦'000	Segment Results 31/12/2017 ₦'000
Nigeria:						
Lagos	71, 114,850	96,140,557	52,624,134	72,881,448	18,490,716	23,259,109
North	52,795,791	72,507,102	38,180,374	50,356,602	14.615,417	22,150,500
West	18,379,292	24,847,066	12,971 ,015	20,834,735	5,408,277	4,012,331
East	8,083,149	10,927,654	6,912,200	9,361 ,500	1,170,950	1,566,154
	150,373,082	204,422,379	110,687,723	153,434,285	39,685,360	50,988,094

Company	Segment Revenue 31/12/2018 ₦'000	Segment Revenue 31/12/2017 ₦'000	Segment Cost of Sales 31/12/2018 ₦'000	Segment Cost of Sales 31/12/2017 ₦'000	Segment Results 31/12/2018 ₦'000	Segment Results 31/12/2017 ₦'000
Nigeria:						
Lagos	71,114,850	96,140,557	50,856,616	69,151,681	20.258,234	26,988,876
North	48,971,885	66,205,362	34,517,977	47,779,561	14,453,908	18,425,801
West	18,379,292	24,847,066	12,535,350	19,768,501	5,843,942	5,078,565
East	8,083,149	10,927,654	6,680,035	8,882,418	1,403,114	2,045.236
	146,549,176	198,120,639	104,589,978	145,582,161	41,959,198	52,538,478

5.1.1 Segment assets and liabilities

The amount provided to the chief operating decision maker with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the of the segment and the physical location of the asset.

Investments in shares held by the Group and deferred tax asset are not considered to be segment assets and are not allocated to segments.

Capital expenditure reflects additionals to non-current assets, other than financial instruments, deferred tax assets, post employment benefit assets and rights arising under insurance contracts.

The amounts provided to the chief operating decision maker with respect to the total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. The Group's interest-bearing liabilities are not considered to be segment liabilities but rather are managed by the Group's treasury function.

The table below provides information on the segment assets and liabilities as well as a reconciliation to total assets and liabilities as per the balance as at 31 December 2018;

Group	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Nigeria:				
Lagos	158,983,986	159,173,015	66,033,588	91,644,487
North	8,959,463	28,734,256	4,797,854	5,487,508
West	-	-	-	-
East	-	-	-	-
Sub-total	167,943,449	187,907,271	70,831,442	97,131,995
Unallocated deferred tax	7,173,178	7,173,178	5,309,997	5,212,819
Total	**175,116,627**	**195,080,449**	**76,141,439**	**102,344,814**

Company	Total Segment Assets 31/12/2018 ₦'000	Total Segment Assets 31/12/2017 ₦'000	Total Segment liabilities 31/12/2018 ₦'000	Total Segment liabilities 31/12/2017 ₦'000
Nigeria:				
Lagos	178,523,711	196,064,664	66,033,588	91,644,487
Sub-total	178,523,711	196,064,664	66,033,588	91,644,486
Unallocated deferred tax	-	-	5,309,997	5,212,819
Total	**178,523,711**	**196,064,664**	**71,343,585**	**96,857,305**

Included in the Lagos segment is asset held for sale of N868.6 million (2017: N864.6 million).

Information about major customers

There are two customers who buy industrial non- fortified sugar that represents more than 10% of total sales during the year. The customers are Nigerian Bottling Company Limited and Seven Up Bottling Company Limited operating from Lagos.

Large Corporate/Industrial Users

These are leading blue chip companies in Nigeria, and they include manufacturers of confectioneries and soft drinks. This group typically accounts for 30% of the Group's sales. They buy Non-Fortified sugar exclusively

Distributors

The Group sells unfortified sugar mainly to pharmaceutical, food and beverage manufacturers, while Vitamin A-fortified sugar is sold to distributors who sell to small wholesalers, confectioners and other smaller value-adding enterprises who provide the distribution network to the Nigerian retail market. The Group sells a small amount of sugar directly to retail customers. Retail packaging comes in various sizes of 250g, 500g, and 1kg under the brand name "Dangote Sugar". Sales to distributors account for 70% of the Group's revenue.

The Group provides a delivery service to customers by transporting refined sugar to other destinations. Freight income represents revenue earned in this respect during the year. The associated cost of providing this service is included in Cost of sales.

6. Cost of sales	**GROUP 31/12/2018 ₦'000**	**GROUP 31/12/2017 ₦'000**	**COMPANY 31/12/2018 ₦'000**	**COMPANY 31/12/2017 ₦'000**
Raw material	78,987,451	123,858,344	77,710,948	120,237,622
Direct Labour cost	4,523,820	4,155,588	3,102,091	2,486,308
Direct overheads	16,584,943	16,598,671	14,976,326	16,218,880
Other overheads	235,557	1,016,224	74,158	29,329
Depreciation	4,949,543	4,238,941	3,353,916	2,930,627
Freight expenses-others	5 406 409	3,566 517	5,372,539	3,679,395
	110.687.723	**153,434,285**	**104,589,978**	**145,582,161**

7. Administrative expenses				
Management fees	1,090,312	687,338	1,090,312	687,338
Assessment rates and munincipal charges	9,589	5,050	8,726	5,050
Auditors remuneration	54,000	52,920	42,000	42,000
Cleaning	84,764	67,207	84,744	67,207
Legal, consulting and professional fees	413,559	275,626	362 ,177	263,539
Consumables	10,185	21,160	4,063	17,439
Depreciation	289,060	783,729	166,016	206,065
Amortisation of intangible assets	2,240	10,189	2,240	10,189
Donations and scholarship	302,061	380,676	302,061	380,676
Employee costs (note 36)	2,364,848	2,057,879	1,722,317	1,533,868
Entertainment	135,287	20,841	135,094	20,841
IT expenses	6,372	42,355	-	-
Insurance	218,049	322,928	117,728	224 ,358
Bank charges	210,021	330,434	203,659	325,490
Rental expenses	24,089	53,638	24,089	51,021
Magazines, books, print and and periodicals	32,200	23 ,336	24,239	18,584
Utilities	127,296	26,126	26,703	26,050
Petrol and oil	66,125	21,104	62,634	20,055
Repairs and maintenance	246,305	150,957	160,759	133,729
Secretarial fees	120,334	42,831	120,334	42,831
Security expense	165,219	286,310	123,244	220,978
Staff welfare	198,232	31,317	182,497	31,317
Subscriptions	9,062	52,840	6,416	8,642
Telephone and fax	176,015	89,112	136,877	66,500
Training	36,125	41,248	34,060	38,219
Travel-local	233,147	306,273	167,291	157,340
Travel-overseas	168 927	166 757	127 913	166 757
	6,793,423	**6,350,181**	**5,438,193**	**4,766,083**
Selling and Distribution expenses	978,159	1,019,276	969,000	954,437
Selling and marketing expenses	-	112 878	-	-
Carriage	**978 159**	**1,132,154**	**969,000**	**954,437**

8 Investment income	**GROUP 31/12/2018 ₦'000**	**GROUP 31/12/2017 ₦'000**	**COMPANY 31/12/2018 ₦'000**	**COMPANY 31/12/2017 ₦'000**
Interest income on bank deposits	2,535,271	3,364,257	2,535,270	3,364,257
	2,535,271	**3,364,257**	**2,535,270**	**3,364,257**

Interest is earned on bank deposits at an average rate of 11.5 % p.a. on short term (30days) bank deposits.

	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
9 Change in fair value of biological assets				
Fair value (loss)/gain on biological assets (Note 18)	(325,294)	2,468,411	-	-
	(325,294)	2,468,411	-	-

10 Net finance (income)/expense

Write back of interest provision no longer required	-	(203,437)	-	(203,437)
Exchange (gain)/loss	35,043	(3,933,757)	67,127	(4,329,433)
Interest on overdraft	-	28,332	-	28,332
Interest on bank loan	258,200	250,104	-	-
	293,243	**(3,858,758)**	**67,127**	**(4,504,538)**

Interest provision no longer required relates to the interest accrued on loan obtained from Dangote Industries Limited totalling N2.5 billion in 2015. The excess interest provision was written to income in 2017 as the loan had been fully repaid .

11 Other income

Insurance claim income	120,541	23,588	43,908	23,588
Sale of scrap	92,182	15,521	35,395	13,213
Bad debt recovered	10,000	-	10,000	-
Haulage income	81,309	180,857	-	84,384
Rental income	92,310	91,665	67,500	67,500
Provision no longer required	65,831	-	52,000	-
Profit(loss)on sale of asset	-	60	-	60
Miscellaneous income	107,954	89,995	25,271	7,488
	569.237	**401,686**	**234,074**	**196,233**

12 Taxation

12.1 Major components of the tax expense

Current Tax				
Income tax based on profit for the year	11,507,625	16,503,259	11,507,625	16,503,259
Education tax expense	833,691	1,182,059	833,691	1,182,059
Prior years over-provision	-	(538,283)		(538,283)
	12,341,316	**17,147,035**	**12,341,316**	**17,147,035**
Deferred tax				
Deferred tax (income)/expense	283 273	(3,331,772)	283 273	(86,661)
	12,624,589	**13,815,263**	**12,624,589**	**17,060,374**

The tax rates used in the above comparative figures are the corporate tax rate of 30% payable by corporate entities in Nigeria. Education tax rate is also payable at 2% of assessable profit.

	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
12.2 Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense				
Accounting profit before tax	34,601,057	53,598,868	38,455,530	54,882,983
Income tax expense calculated at 30%	10,380,317	16,080,027	11,536,658	16,464,895
Education tax expense calculated at 2%	833,691	1, 182,059	833,691	1,182,059
Effect of investment allowance not recognised in accounting	(98,941)	(42,631)	(55,963)	(42,631)
Deferred education tax	-	(22,430)	-	(20,667)
Fines and penalties	18	-	-	-
Donations	1,192	15,000	624	15,000
Capital expenses and repayment	205,306	-	205,306	-
Other tax expense	102,243	-	104,273	-
Bad debt	-	1	-	1
Fair value gain on biological assets and agricultural product	97,588	(740,523)	-	-
Deferred tax assets not recognised in current year	1,103,174	-	-	-
Deferred tax assets not previously recoqnised	-	(2,117,957)	-	-
Prior years income tax over-provision	-	(538,283)	-	(538,283)
Income tax expense recognised in profit or loss	**12,624,588**	**13,815,263**	**12,624,589**	**17,060,374**

12.3 Current tax liabilities	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
At January 1	17,717,419	6,600,053	17,685,319	6,567,952
Charge for the year	12,341,316	17,147,035	12,341,316	17,147,036
Payment made during the year	(17,685,319)	(6,029,669)	(17,685,319)	(6,029,669)
Balance end of the period	**12,373,416**	**17,717,419**	**12,341,316**	**17,685,319**

13. Deferred tax balances

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2016: 30%). The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction and the law allows net settlement.

Deferred tax assets are recognised only to the extent that is probable that future taxable profit will be available against which the temporary differences can be utilised. The Group has not recognised deferred income tax asset relating to tax losses amounting to N1.1billion (2017: Nil).

Deferred tax assets				
Deferred tax assets are attributable to the following :				
Property plant and equipment@ 30%	138,972	138,972	-	-
Provisions	779,808	779,808	-	-
Unrelieved losses @ 30%	6,254,398	6,254,398	-	-
	7,173,178	7,173,178	-	-
Deferred tax liabilities				
Deferred tax liabilities are attributable to the following:				
Property plant and equipment @ 30%	(5,649,279)	(5,763,478)	(5,649,279)	(5,763,478)
Property plant and equipment @ 10%	(121,878)	(121,878)	(121,878)	(121,878)
Exchange difference @ 32%	(205)	335,838	(205)	335,838
Provisions	461,365	336,699	461,365	336,699
	(5,309,997)	(5,212,819)	(5,309,997)	(5,212,819)

13.1 Deferred tax reconciliation

Group as at 31 December 2018	Opening balance ₦'000	Credit to P/L ₦'000	IFRS 9 Retained earning Impact ₦'000	Closing balance ₦'000
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	(5,624,504)	114,199	-	(5,510,305)
Property, plant and equipment@ 10%	(121,878)	-	-	(121,878)
Exchange difference @ 32%	335,837	(336,042)	-	(205)
Provisions	1,116,507	(61,429)	186,096	1,241,174
Unrelieved losses @ 30%	6,254,397	-	-	6,254,397
	1,960,359	(283,273)	186,096	1,863,182

Company as at 31 December 2018				
Deferred tax {liabilities)/assets in relation to:				
Property, plant and equipment@ 30%	(5,763,478)	114.199	-	(5,649,279)
Property, plant and equipment @ 10%	(121.878)	-	-	(121,878)
Exchanqe difference @ 32%	335,838	(336,042)	-	(205)
Provisions	336 699	(61,429)	186,096	461,365
	(5,212,819)	**(283,273)**	**186,096**	**(5,309,996)**

14 Operating profit

Profit for the year is arrived at after charging/(crediting):

	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Depreciation of property, plant and equipment	5,238,602	5,022,650	3,519,930	3,519,930
Profit(loss) on sale of property, plant and equipment	-	(60)	-	(60)
Amortisation of intangible assets	2,240	10,189	2,240	10,189
Impairment loss recognised on trade receivables	-	-	-	-
Defined contribution plans	255,652	22,988	223,919	175.033
Auditors remuneration	54,000	52,920	42,000	42,000
Amortisation of intangible assets	2,240	10,189	2,240	10,189

15 Earnings per share

Basic and diluted earnings per share

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

The weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Profit for the year				
Earnings used in the calculation of basic earnings per share from continuing operations	22.169, 191	39,685,555	25,830,941	37,822,609
Weighted average number of ordinary shares for the purpose of basic earnings per share	12,000,000	12,000,000	12,000,000	12,000,000
Basic and diluted earnings per share from continuing operations (Naira)	1.85	3.31	2.15	3.15

16. Property, Plant and Equipment

Group COST:	Bearer Plant ₦'000	Land ₦'000	Building ₦'000	Plant & Machinery ₦'000	Furniture & Fittings ₦'000	Motor Vehicles ₦'000	Computer Equipment ₦'000	Aircraft ₦'000	Tools & Equipment ₦'000	Capital Work In Progress ₦'000	Total ₦'000
Balance, 1/1/2017	2,387,151	1,848,996	16,650,258	28,402,683	285,573	14,023,499	179,313	899,828	3,980,242	9,254,325	77,911,868
Additions during the year		-	31,505	293,341	7,687	3,041,319	14, 195	-	93,052	6,268,736	9,749,835
Disposal	-	-	-	-	(2,239)	(35,039)	-	-	(1,750) 1,750	(105,097)	(144,125)
Reclassification	535,912	-	-	1,042,310	4,190	211,968	2,291	-	401,298	(2,197,969)	-
Balance, 31/12/2017	2,923,063	1,848,996	16,681,763	29,738,334	295,211	17,241,747	195,799	899,828	4,472,842	13,219,995	**87,517,578**
Additions during the year		-	153,396	915,169	43,576	2,302,997	34,079		2,591,391	4,724,954	10,765,561
Adjustments	-	-	-	(9,209)	-	(669,000)	=	-	-	(6,324)	(684,533)
Reclassifications	1,148,087	3,707,000	217,335	(140,965)	-	503,442	1,099	-	5,826	(5,441,824)	-
Balance, 31/12/2018	4,071,150	5,555,996	17,052,494	30,503,329	338,787	19,379,186	230,977	899,828	7,070,059	12,496,801	97,598,607
ACCUMULATED DEPRECIATION AND IMPAIRMENT											
Balance, 1/1/2017	653,762	-	2,072,834	9,787,063	146,918	7,003,671	128,058	110,938	3,206,020	-	23,109,264
Charge for the year	516,648	-	273,828	1,993,680	43,866	1,645,668	43,826	35,993	467,141	-	5,022,650
Disposal	-	-	-	-	(1,583)	(25,239)	-	-	(1,203)	-	(28,025)
Balance, 31/12/2017	**1,172,410**	**-**	**2,346,662**	**11,780,743**	**189,201**	**8,624,100**	**171,884**	**146,931**	**3,671,958**	**-**	**28,103,889**
Charge for the year	671,265	-	351,759	1,770,306	83,324	1,633,551	17,359	35,993	675,045	-	5,238,602
Balance, 31/12/2018	**1,843,675**	**-**	**2,698,421**	**13,551,049**	**272,525**	**10,257,651**	**189,243**	**182,924**	**4,347,003**	**-**	**33,342,491**
NET BOOK VALUE:											
Balance, 31/12/2017	1,750,653	1,848,996	14,335,101	17,957,591	106,010	8,617,647	23,915	752,897	800,884	13,219,995	59,413,689
Balance, 31/12/2018	2,227,475	5,555,996	14,354,074	16,952,280	66,262	9,121,533	41,735	716,904	2,723,156	12,496,801	64,256,114

Adjustment to Motor Vehiccles relate to the difference between the initial and final invoice received in 2018 for the vehicles purchased in December 2017.

16. Property, Plant and Equipment

company COST:	Land ₦'000	Building ₦'000	Plant & Machinery ₦'000	Furniture & Fittings ₦'000	Motor Vehicles ₦'000	Computer Equipment ₦'000	Aircraft ₦'000	Tools & Equipment ₦'000	Capital Work In Progress ₦'000	Total ₦'000
Balance, 1/1/2017	1,848,996	7,735,647	21,108,186	108,313	7,216,013	142,775	899,828	1,530,073	4,838,417	45,428,248
Additions during the year	-	31,505	180,155	7,687	3,041,319	14,195	-	86,025	5,810,311	9,171,197
Disposal	-	-	-	-	(2,841)	-	-	(1,750)	(30,916)	(35,507)
Reclassification	-	-	915,057	-	-	-	-	225,591	(1,140,648)	-
Balance, 31/12/2017	1,848,996	7,767,152	22,203,398	116,000	10,254,491	156,970	899,828	1,839,939	9,477,164	54,563,938
Additions durinq the year	-	-	535,268	17,724	1,230,341	28 ,353	-	1,765,483	4,623,188	8,200,357
Adjustments	-	-	(9,209)	-	(669,000)	-	-	-	(6,144)	(684,353)
DisposaL of PPE to subsidiaries	1,848,996	-	-	-	-	-	-	-	(8,354,320)	(9,627821)
Reclassifications	-	217,335	(454,478)	-	-	-	-	-	237,143	-
Balance, 31/12/2018	575,495	7,984,487	22,274,979	133,724	10,815,832	185,323	899,828	3,605,422	5,977,031	52,452,121
ACCUMULATED DEPRECIATION AND IMPAIRMENT										
Balance, 1/1/2017	-	1,149,297	8,511,979	69,748	5,349,064	100,380	110,938	545,017	-	15,836,423
Charge for the year	-	155,335	1,464,450	15,309	1,103,643	35,977	35,993	325,985	-	3,136,692
Disposal	-	-	-	-	(2,841)	-	-	(1,203)	-	(4,044)
Balance, 31/12/2017	-	1,304,632	9,976,429	85,057	6,449,866	136,357	146,931	869,799	-	18,969,071
Charge for the year	-	157,164	1,511,520	15,239	1,366,649	14,821	35,993	418,544	-	3,519,930
Balance, 31/12/2018	-	1,461,796	11,487,949	100,296	7,816,515	151,178	182,924	1,288,343	-	22,489,001
NET BOOK VALUE:										
Balance, 31/12/2017	1,848,996	6,462,520	12,226,969	30,943	3,804,625	20,613	752,897	970,140	9,477,164	35,594,867
Balance, 31/12/2018	575,495	6,522,691	10,787,030	33,428	2,999,317	34,145	716,904	2,317,079	5,977,031	29,963,120

Adjustment to Motor Vehiccles relate to the difference between the initial and final invoice received in 2018 for the vehicles purchased in December 2017.

	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
17 Intangible assets				
Computer software :				
Cost				
At 1 January	379,590	379,590	289,390	289,390
At 31 December	**379,590**	**379,590**	**289,390**	**289,390**
Amortisation				
At 1 January	377,026	366,837	286,826	276,637
Charge for the year	2,240	10,189	2,240	10,189
At 31 December	379,266	377,026	289,066	286,826
Carrying amount at the end of the year	**324**	**2,564**	**324**	**2,564**
18 Biological assets				
Cost				
Carrying value at the beginning of the period	2,806,705	3,008,277	-	-
Net usage	(640,725)	(2,669,983)	-	-
Fair value adjustments	(325,294)	2,468,411	-	-
Carrying value at the end of the period	**1,840,686**	**2,806,705**	**-**	**-**
Current	1,840,686	2,806,705	-	-
	1,840,686	**2,806,705**	**-**	**-**

Description of biological assets and activities
Biological assets comprise of growing cane. The growing cane represents biological assets which are expected to be harvested as agricultural produce, intended for production of sugar. The biological assets have been measured at fair value less cost to sell.

Basis for measurement of fair value
The Group adopted the multi-period excess earnings method (MPEEM) under the income approach to estimating the fair value of the Biological Assets. The MPEEM estimates the fair value of an asset based on the cash flows attributable to the asset after deducting the cash flows attributable to other assets (contributory assets). This approach is commonly used for sugarcane considering that land, plant and machinery and the bearer plant are accounted as PPE in line with IAS 16 and considered as contributorv assets for the purpose of MPEEM valuation.

The fair value of biological assets are determined based on unobservable inputs, using the best information available in the circumstances and therefore falls within the level 3 fair value category. Growing cane were valued using the income approach.

Key assumptions and inputs

Industry out-grower price. (N)	8,610
Yield per hectare (tonnes)	46
Discount rate(%)	12.09%

Changes in fair value of the biological asset are recognised in the statement of profit and loss.

Sensitivity to changes in key assumptions and inputs
Reasonably possible changes at the reporting date to one of the key assumptions, holding other assumptions constant, would have affected the biological assets valuation by the amount shown tjelow

Discount rate		31/12/2018 ₦'000
	13.09%	1.834
	11.09%	1.847
Industry out-grower price	N9.210	2.025
	N8.010	1.656

The Company currently does not have biological assets with restricted titles

	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
19 Other assets				
Prepaid rent	167,503	181,927	165,896	181,927
Prepaid insurance	2,697	2,124	2,697	2,124
Prepaid housing allowances	8,302	3,925	8,302	3,925
Prepaid lease NPA	167,480	159,505	167,480	159,505
Prepaid medicals	41,904	8,501	41,904	8,501
Others	1,229		1,229	-
	389,115	355,982	387,508	355,982
Current				
Non-current portion	377,510	352,782	375,903	352,782
	11,605	3,200	11,605	3,200
	389,115	355,982	387,508	355,982

GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
868,642	868,642	868,642	868,642

20 Asset held for sale

This represents land held for sale. There are several interested parties and the sale is expected to be completed before the end of December 2019.

21 Investment in subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

Company

Name of Company	Held by	Carrying amount December 2018 ₦'000	Carrying amount December 2017 ₦'000
Savannah Sugar Company Limited	Dangote Sugar Refinery Plc	3,214,923	3,214,923
Taraba Sugar Company Limited	Dangote Sugar Refinery Plc	99 ,000	-
Adamawa Sugar Company Limited	Dangote Sugar Refinery Plc	99 ,000	-
Niger Sugar Company Limited	Dangote Sugar Refinery Plc	99,000	-
Nassarawa Sugar Company Limited	Dangote Sugar Refinery Plc	99,000	-
		3,610,923	**3,214,923**

The Company owns 95% shareholding in Savannah Sugar Company Limited. The principal activities of Savannah Sugar Company Limited are planting of sugar cane, processing, packaging and selling of refined sugar and molasses. The registered address of Savannah Sugar Company Limited is Km 81, Yola Gombe Road (near Numan) Adamawa State. The company also owns 99% shareholding in Taraba Sugar Company Limited, Adamawa Sugar Company Limited, Niger Sugar Company Limited and Nassarawa Sugar Company Limited which were fully incorporated in current year.

There are no significant restrictions on the use of the subsidiary assets.

Dangote Sugar Refinery Plc provides financial support to Savannah Sugar Company Limited in terms of payment of salaries and wages, purchase of assets and settlement of liabilities.

22 Inventories	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Raw materials				
Raw material in transit	12,399,951	10,878,442	12,383,330	9,899,990
Work-in-process	5,385,269	17,927,007	5,385,269	17,927,007
Finished goods	346,551	432,585	224,459	432,585
Production supplies	7,281,860	11,060,993	7,079,103	10,793,965
Chemicals and consumables	9,480,304	7,401,226	5,163,280	3,553,265
Packaging materials	2,752,155	1,981,824	1,055,743	1,981,824
	374,066	190,847	208,470	190,847
Allowance for obsolete inventory	**38,020,156**	**49,872,924**	**31,499,654**	**44,779,483**
	(344,076)	(2,217,363)	-	-
No inventory was pledged as security for any liability	**37,676,080**	**47,655,561**	**31,499,654**	**44,779,483**

23 Trade and other receivables

	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Trade receivables	7,535,807	7,715,495	7,535,807	7,715,495
Allowance for doubtful debts and impairments	(646,964)	(262,623)	(646,964)	(245,401)
	6,888,843	**7,452,872**	**6,888,843**	**7,470,094**
Staff loans and advances	166,149	189,367	138,013	166,481
Other financial assets	15,549,298	13,012,871	15,549,298	13,012,871
Advance payment to contractors	5,455,123	4,186,312	1,802,584	2,669,633
VAT receivable	-	1,088,753	-	989,976
Insurance claim receivable	361,998	361,998	361,998	361,998
Negotiable Duty Credit Certificates (Note 23.1)	805,683	805,683	805,683	805,683
Other receivables	1,042,894	608,950	1,346,705	490,371
Allowance for impaired other receivables	(198,662)	(198,662)	(80,095)	(80,095)
Allowance for impaired staff loans (Note 23.2)	(22,875)	-	(22,875)	-
Amount due from related parties (Note 35)	11,579,007	7,928,454	66,654,100	45,008,534
Allowance for impaired -related parties Trade(Note 23.2)	(56,528)	-	(56,528)	-
Allowance for impaired -related parties Non-Trade(Note 23.2)	(240,736)	-	(2,361,995)	-
	41,330,194	**35,436,598**	**91,025,731**	**70,895,546**

Other financial asset is in respect of the deposit for open Letters of Credit with the banks.

Trade receivables disclosed above include amounts (see note 32 for aged analysis) that are past due more than 30 days as at the reporting date for which the company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

23.1 Negotiable duty credit certificate

The Company has received certificates for N805.7 million termed as Negotiable Duty Credit Certificate (NDCC). The NDCC is an instrument of the government for settling of the EEG receivables. The NDCC is used for the payment of Import and Excise duties in lieu of cash. For more than one year, the Company and other industry players have not been able to use the certificates in settlement of customs duties.

Though, a significant component of the NDDC/EEG receivable have been outstanding for more than one year, no impairment charge has been recognised by the Company in the current year because they are regarded as sovereign debt since it is owed by the government. Moreover, the government has not communicated or indicated unwillingness to honour the obligations. On the contrary, the government has announced a resumption of the scheme in 2017. Thus, the outstanding balances are classified as current assets accordingly.

23.2 Allowance for impairment of financial assets

	Impairment losses				
	Trade	Related party Trade-related	Related party Non Trade-related	Staff loans	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Balance as at 1/1/2018	245,401	-	-	-	245,401
Allowance for credit losses on receivables on transition to IFRS 9	581,549	83,223	2,367,822	11,675	3,044,269
Restated Balance as at 1 /1 /2018	826,950	83,223	2,367,822	11,675	3,289,670
Increase/(decrease) in allowance for credit losses for the year	(179,986)	(26,695)	(5,827)	11,200	(201,308)
Balance as at 31/1212018	646,964	56,528	2,361,995	22,875	3,088,362
Net impact on retained earnings in current year	401,563	56,528	2,361,995	22,875	2,842,961

	₦'000
Deferred Tax impact on opening retained earning	186,096

23.3 Provision for impairment gain/loss on financial assets

	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
At 31 December - calculated under IAS 39	245,401	270,656	245,401	253,434
Increase in impairment losses on transition (adoptopn of IFRS 9)	3,044,269	-	3,044,269	-
At 1 January (2018 restated)	3,289,670	270,656	3,289,670	253,434
Impairment (gain)/loss recognised in profit or loss	(201,308)	3	(201,308)	3
	3,088,362	270,659	3,088,362	253,437
Receivables written off as uncollectible	-	(8,036)	-	(8.036)
At 31 December	3,088,362	262,623	3,088,362	245,401

24 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and short term deposits with 30 days tenure. cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Cash in hand	4,780	15,766	4,630	15,616
Bank balances	8,416,238	11,780,341	8,001,986	10,765,619
Short term deposits	13,161,276	29,571,423	13,161,193	29,571,423
Bank overdraft	-	-	-	-
	21,582,294	41,367,530	21,167,809	40,352,658

25 Share capital and Premium

The balance in the share capital account was as follows:

	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Authorised: 12,000,000,000 Ordinary shares of 50k each	6,000,000	6,000,000	6,000,000	6,000,000
Allotted, called up issued and fully paid: 12,000,000,000 Ordinary shares of 50k each	6,000,000	6,000,000	6,000,000	6,000,000

Share premium				
Authorised: 12,000,000,000 ordinary shares of 50k each issued at 52.67k premium	6,320,524	6,320,524	6,320,524	6,320,524

Share premium represents the excess of the shareholders' value over over the nominal share capital at the point of the commencement of operations in January 2006.

26 Retained earnings

	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Balance at January 1	80,577,948	54,092,393	86,886,834	62,264,226
Impact of IFRS transition (Note 23.2)	(736,914)	-	(2,858,173)	-
Balance restated	**79,841,034**	**54,092,393**	**84,028,661**	**62,264,226**
Profit for the year	22,169,191	39,685,555	25,830,941	37,822,608
Payment of dividend	(15,000,000)	(13,200,000)	(15,000,000)	(13,200,000)
Balance at December 31	**87,010,225**	**80,577,948**	**94,859,602**	**86,886,834**

27 Non-controlling interest

Balance brought forward	(162,837)	(260,887)	-	-
Share of profit	(192,724)	98,050	-	-
Total	**(355,561)**	**(162,837)**	-	-

28 Borrowings

	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Held at amortised cost	1,470,755	1,538,159	-	-
Bank loan	1,470,755	1,538,159	-	-
Non-current liabilities	1.425,543	1.467,068	-	-
Current liabilities	45 212	71,091	-	-
	1,470,755	1,538,159	-	-
Movement of borrowings				
Balance brought forward	1,538, 159	1,467,068	-	-
Accrued interest	-	71 ,091	-	-
Payments	(67,404)	-	-	-
	1,470,755	1,538,159	-	-

In 2016, the Group received a 10-year loan of N2 Billion from Zenith Bank Plc, with two years moratorium on principal, at an interest of 9% per annum payable quarterly. It is secured on fixed and floating assets of Savannah Sugar Limited.

29 Employee benefits

Defined benefit plan

The Group operated a defined benefit plan for all qualifying employees up till 30 September 2013. Under the plan, the employees were entitled to retirement benefits which vary according to length of service. At the date of discontinuation, qualified staff as at this date are to be paid their retirement benefit at the point of exit hence the recognition as a current liability as it is payable on demand. The amounts stated in the financial statement as at 2013 are based on actuarial valuation carried out in 2013. For the purpose of comparison the present value of the defined benefit obligation and the related current service cost and past service cost stated in the books up till 30 September 2013 was measured using the Project Unit credit Method.

Movement in gratuity	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Balance as at 1 January	984,475	1,031,024	806,782	815,532
Benefits paid from plan	(14,544)	(46,549)	(11,980)	(8,750)
	969,931	984,475	794,802	806,782

As at the date of the valuation, no fund has been set up from which payments can be disbursed. Dangote Sugar Refinery expects to settle its obligations out of its existing reserves. The contribution into the gratuity scheme was discontinued in 2013.

Defined contribution plan.

The Group operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plans are held separately from those of the Group in funds under the control of trustees.

The employees contribute 8% of their gross salary (basic, housing and transport) while the Group contributes 10% on behalf of the employees to the same plan.

30 Trade and other payables

	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Trade payables	30,734,474	33,593,048	30,414,713	33,015,665
Dividend Payable	1,513,781	439,594	1,513,781	439,594
Accruals and sundry creditors	11,206,070	24,716,194	10,230,759	23,601,248
Other credit balances	802,416	764,133	697,881	302,292
Due to related parties (Note 35)	10,240,990	16,139,927	8,571,499	14,554,541
	54,497,731	75,652,896	51,428,633	71,913,340

The average credit period on purchases of goods from suppliers is 90days. No interest is charged on the trade payables.

31 Other Liabilities

	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Advance payment for goods	1,519,609	1 239,046	1,468,837	1,239,046

32 Risk management

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group is made up of equity comprising issued capital, share premium and retained earnings. The Group is not subject to any externally imposed capital requirements.

The Group's risk management committee reviews the capital structure of the Group on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group is not geared as at 31 December 2018 (see below).

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial pbsition as at 31 December 2018) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position as at 31 December 2018 plus net debt.

	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Total borrowings				
Borrowings (Note 28)	1,470,755	1,538,159	-	-
Less: Cash and cash equivalent (Note 24)	21,582,294	41,367,530	21,167,809	40,352,658
Net Cash	20,111,539	39,829,371	21,167,809	40,352,658
Total Equity	98,975,188	92,735,635	107,180,126	99,207,358
Gearing ratio	-	-	-	-

Financial risk management
The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fa ir value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the board. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk management
The Company monitors its risk to a shortage of funds by maintaining a balance between continuity of funding and by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. To manage liquidity risk, our allocation of Letters of Credit on raw sugar and spares/chemicals are spread over dedicated banks. Therefore, the establishment of these Letters of Credit which are commitments by the banks provide security to our funds placed on deposit accounts. In other words our funds placed are substantially tied to our obligations on raw sugar and spares.

Group **At 31 December 2018**	**Less than one year**	**More than one year**	**Total**
	₦'000	**₦'000**	**₦'000**
Borrowings	45,212	1,425,543	1,470,755
Trade and other payables	52,181,534	-	52181,534
	52,226,746	1,425,543	53,652,289
At 31 December 2017			
Borrowings	71,091	1,467,068	1,538,159
Trade and other payables	74,888,762	-	74,888,762
	74,959,853	1,467,068	76,426,921

Company **At 31 December 2018**	**Less than one year**	**More than one year**	**Total**
	₦'000	**₦'000**	**₦'000**
Borrowings	-	-	-
Trade and other payables	49,216,971	-	49,216,971
	49,216,971	-	49,216,971
At 31 December 2017			
Borrowings	-	–	-
Trade and other payables	71,611,048	–	71,611,048
Borrowings	71,611,048	–	71,611,048

Financial liabilities that can be repaid at any time have been assigned to the earliest possible time period. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss exposed to credit risk from its investing activities (primarily for trade receivables) and from its financing activities, including deposits with banks and other financial institutions.

The Group, has a credit management committee that is responsible for carrying out preliminary credit checks, review and approval of bank guarantee to credit customers. A credit controller also monitors trade receivable balances and resolves credit related matters.

Before accepting any new customer to buy on credit, the customer must have purchased goods on cash basis for a minimum period of six months in order to test the financial capability of the customer. Based on good credit rating by the credit committee of the Company, the customer may be allowed to migrate to credit purchases after the presentation of an acceptable bank guarantee which must be valid for one year.

Concentration of risk

About 32% of the trade receivables are due from a single. customer whose credit history is good. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are otherwise diverse including both corporate entities and lots of individual end users. The requirement for impairment is analysed at each reporting date on an individual basis for corporate and individual customers.

Deposits with banks and other financial institutions

Credit risk from balance with banks and financial institutions is managed by the Group's treasury department in accordance with its corporate treasury policy that spells out counterparty limits, lists of financial institutions that the Group deals with and the maximum tenure of fixed term funds. Surplus funds are spread amongst these institutions and funds must be within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Corporate Treasurer periodically and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through the potential Counterparty's failure.

Maximum exposure to credit risks

The carrying value of the Group's financial assets represents its maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

Financial instrument	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Trade receivables	6,888,843	7,452,872	6,888,843	7,470,094
Other receivables	832,276	961,653	1,226,518	938,756
Deposit for open Letters of Credit with the banks.	15,549,298	13,012,871	15,549,298	13,012,871
Amount due from related party	11,281,743	7,928,454	64,235,577	45,008,534
Cash and cash equivalents	21,582,294	41,367,530	21,167,809	40,352,658
	56,134,454	**70,723,380**	**109,068,045**	**106,782,913**

Excluded from the other receivables balance shown above are the VAT, advance to vendors, Withholding tax receivable and NDCC receivables, these are not financial instruments.

Impairment of financial assets

Under IFRS 9, the Company is required to revise its previous impairment methodology under IAS 39 and adopt the new expected credit loss model for financial assets (See Note 2.13 for accounting policies on financial instruments). The company's financial assets that are subject to IFRS 9's new expected credit loss model are:

Trade receivables
- Amount due from related parties
- Staff loans and;
- Cash and cash equivalent.
- Deposit for Open Letters of Credit with the banks

The impact of the change in impairment methodology on the Company's retained earnings as at 1 January 2018 is disclosed in the table below:

	Notes	₦'OOO
		86,886,834
Closing retained earnings as at 31 December 2017- IAS 39		
Increase in provision for trade receivables	(a)	(581,549)
Increase in provision for amount due from related parties	(b)	(2,451,045)
Increase in provision for staff loans	(c)	(11,675)
		186,096
Total transition adjustments		(2,858,173)
Opening retained earnings as at 1 January 2018 on adoption of IFRS 9		84,028,661

a) Trade receivables

The Company applies the IFRS 9 simplified approach in measuring the expected credit losses (ECL) which calculates a lifetime expected loss allowarlte (ECL) for all trade receivables. Trade receivables represent the amount receivable from third-party

The provision matrix approach is based on the historical credit loss experience observed according to the behavior of customers over the expected life of the receivable and adjusted for forward-lookinq estimates of relevant macroeconomic variables.

The expected loss rates as at 1 January 2018 are as follows:

Age of trade receivables	0-30 days	31-60 days	61-90 days	91-365 days	Over 365 davs	Total
	₦'OOO	₦'OOO	₦'OOO	₦'OOO	₦'OOO	₦'OOO
Gross carrying amount	5,118,729	1,491,230	784,212	1,418	319,906	7,715,495
Default rate	4.1%	10.10%	18.60%	33.30%	100.00%	-
Lifetime ECL	(210,726)	(150,184)	(145,661)	(473)	(319,906)	(826,950)
Total	**4,908,003**	**1,341,046**	**638,551**	**945**	**9,894**	**6,888,545**

The expected loss rates as at 31 December 2018 are as follows:

Age of trade receivables	0-30 days	31-60 days	61-90 days	91-365 days	Over 365 davs	Total
	₦'OOO	₦'OOO	₦'OOO	₦'OOO	₦'OOO	₦'OOO
Gross carrying amount	4,997,238	1,532,281	805,853	1,735	218,600	7,555,807
Default rate	2.82%	9.90%	17.30%	22.60%	98.50%	
Lifetime ECL	(140,132)	(151,706)	(139,413)	(392)	(215,321)	(646,964)
Total	**4,857,106**	**1,380,676**	**666,440**	**1,343**	**3,279**	**6,908,843**

Revenue is measured at the fair value of the consideration received or receivable for goods or services, in the ordinary course of the Company's activities and it is stated net of value added tax (VAT), rebates and returns.
A valid contract is recognised as revenue after;

- The contract is approved by the parties
- Collectability is probable.

b) Amounts due from related parties

Amounts due from related parties arises from both sales made to sister companies and expenses incurred on behalf of related parties that are expected to be reimbursed.

Amounts due from related parties that are related to trade have no significant financing component, therefore, the provision matrix approach has been applied in determining the expected credit loss on these receivables.

The general approach has been adopted for recognizing expected credit loss on amounts due from related parties that arise as a result of expense incurred on behalf of related parties that are expected to be reimbursed as they do not meet the criteria for applying the simplified approach.

I) Amounts due from related parties (trade related)

The provision matrix approach is based on the historical credit loss experience observed according to the behavior of customers over the expected life of the receivable and adjusted for forward-looking estimates of relevant macroeconomic variables.
The macroeconomic variables considered include inflation, gross domestic product (GDP) and exchange rate.

The expected loss rates as at 1 January 2018 are as follows:

Age of trade receivables	0-30 days	31-60 days	61-90 days	91-365 days	Over 365 davs	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Gross carrying amount	524,765	8,670	162,420	-	36,240	732,095
Default rate	3.20%	10.10%	18.60%	33.30%	97.00%	
Lifetime ECL	(17,029)	(873)	(30,168)	-	(35,153)	(83,223)
Total	507 736	7,797	132,252	-	1,087	648 872

The expected loss rates as at 31 December 2018 are as follows

Age of trade receivables	0-30 days	31-60 days	61-90 days	91-365 days	Over 365 davs	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Gross carrying amount	10,787	-	165,017	5,097	27,007	207,907
Default rate	2.10%	9.90%	17.30%	22.60%	98.50%	
Lifetime ECL	(227)	-	(28,548)	(1,152)	(26,602)	(56,528)
Total	10,560	-	136,469	3 945	405	151,379

ii) Amounts due from related parties (non-trade related)

This requires a three-stage approach in recognising the expected loss allqwance for amounts due from related parties. The ECL recognised for the period is a probability-weighted estimate of credit losses discounted at the effective interest rate of the financial asset. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the case flows that the Company expects to receive).

Janary 1 2018	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	₦'000	₦'000	₦'000	₦'000
Gross EAD*	41,390,734	-	-	41,390,734
Loss allowance as at 1 January 2018	(2,367,822)	-	-	(2,367,822)
Net EAD	39,022,912	-	-	39,022,912

December 31 2018	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	₦'000	₦'000	₦'000	₦'000
Gross EAD*	60,360,761	-	-	60,360,761
Loss allowance as at 1 January 2018	(2,361,995)	-	-	(2,361,995)
Net EAD	57,998,766	-	-	57,998,766

The parameters used to determine impairment for amounts due from related parties that are not related to trade are shown below. For all receivables presented in the table, the respective 12-month Probability of Default (PD) equate the Lifetime PD for stage 2 as the maximum contractual period over which the Company is exposed to credit risk arising from the receivables is less than 12 months.

	Amounts due from related parties (non-trade related)
Probability of Default (PD)	The rating of each related party receivable is used to determine the PD. All facilities except Dangote Cement have been assigned a 8- rating with an associbted year 1 PD of 0.64%. Dangote Cements rating of AA+ ratihg as mapped to Fitch's rating of B with an associated year 1 PD of 0.43%
Loss Given Default (LGD)	The LGD was applied on unsecured exposures. The LGD was determined using the Moody's average corporate senior bond recovery rate of 37%.
Exposure at Default (EAD)	EAD is an estimation of the extent to which a financial entity may be exposed to a counterparty in the event of a default and at the time of the counterparty's default. The EAD at every point in time is the balance from the previous month accumulated with interest and deducted for contractual repayments.
Forward Looking Information	In incorporating forward looking information, various macroeconomic variables such as GDP, Exchange rate, inflation rate, have been considered to determine how default rates should move over time. No significant relationship was identified.
Probability weightings	The Z score was used to calculate the probability of having a best, downturn and optimistic scenarios by comparing Nigeria GDP historical experience from 2006 - 2016. 89% weight was assigned to best case, 2% for optimistic and for downturn

The Company considers both quantitative and qualitative indicators (staging criteria) in classifying its related party receivables into the relevant stages for impairment calculation.

Impairment of related party receivables are recognised in three stages based on certain criteria such as:

1. Days past due
2. Credit rating at origination
3. Current credit rating

- Stage 1: This stage includes receivables at origination and receivables that do not have indications of a significant increase in credit risk.

- Stage 2: This stage includes receivables that have been assessed to have a significant increase in credit risk using the above mentioned criteria and other qualitative indicators such as the increase in political risk concerns or other micro-economic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance.

- Stage 3: This stage includes financial assets that have been assessed as being in default (e.g. receivables that are more than 90 days past due) or that have a clear indication that the imposition of financial or legal penalties and/or sanctions will make the full recovery of indebtedness highly improbable.

c) Staff loans

The company provides interest free loans to its employees. The Company applies the IFRS 9 general model for measuring ECL expected credit losses (ECL). This requires a three-stage approach in recognising the expected loss allowance for staff loans.

The ECL recognised for the period is a probability-weighted estimate of credit losses discounted at the effective interest rate of the financial asset. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flow due to the Company in accordance with the contract and the cash flows that the Company expects to recieve) The ECL was calculated based on actual credit loss experience from 2014, which is the date the Company initially became a party to the contract. The following analysis provides further detail about the calculation of ECLs related to these assets.

The Company considers the model and the assumptions used in calculating these ECLs as key sources of estimation uncertainty.

See notes 4 and 23.2 for further details.

January 1 2018	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	₦'000	₦'000	₦'000	₦'000
Gross EAD*	-	19,480	-	19,480
Loss allowance as at 1 January 2018	-	(11,675)	-	(11,675)
NetEAD	-	7,805	-	7,805

December 31 2018	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	₦'000	₦'000	₦'000	₦'000
Gross EAD*	-	45,623	-	45,623
Loss allowance as at 1 January 2018	-	(22,875)	-	(22,875)
Net EAD	-	22,748	-	22 748

The parameters used to determine impairment for employee loan and advances are shown below.

	Staff Loans
Probability of Default (PD)	The rating of each staff is used to determine the PD. All facilities except for expired facilities have been assigned a C rating with an associated year 1 PD of 3.35%. Expired staff loans has been assigned a rating of D with an associated vear 1 PD of 100%.
Loss Given Default (LGD)	The LGD was applied on unsecured exposures. The LGD was determined as 100% for all staff loans.
Exposure at Default (EAD)	EAD is an estimation of the extent to which a financial entity may be exposed to a counterparty in the event of a default and at the time of the counterparty's default. The EAD at every point in time is the balance from the previous month accumulated with interest and deducted for contractual repayments.
Forward Looking Information	In incorporating forward looking information, the staff attrition rate was used as a proxy for the default rate. The attrition rate was forecasted by growing the attrition rate for the last historical point with the average growth rate for the historical period.
Probability weightings	The Z score was used to calculate the probability of having a best, downturn and optimistic scenarios by comparing Nigeria GDP historical experience from 2006 - 2016. 89% weight was assigned to best case, 2% for ootimistic and 9% for downturn.

d) Cash and cash equivalents

The Company also assessed the cash and cash equivalents to determine their expected credit losses. Based on this assessment, they identified the expected losses on cash as at 1 January 2018 and 31 December 2018 to be insignificant, as the loss rate is deemed immaterial. Cash are assessed to be in stage 1.

e) Deposit for Open Letters of Credit with the banks

The Company also assessed its deposits for open letters of credit with banks to determine their expected credit losses. Based on this assessment, they identified the expected losses on this financial asset as at 1 January 2018 and 31 December 2018 to be insignificant, as the loss rate is deemed immaterial. Deposit for open Letters of Credit with the banks are assessed to be in stage 1.

Reconciliation of impairment loss on financial assets

Movements in the provision for impairment of trade, related party and employee receivables that are assessed for impairment are as follows:

	2018 ₦'000	2017 ₦'000
At 1 January	3,289,670	245,401
Impact on initial applicatlon of IFRS 9	-	3,044,269
Adjusted balance at 1 January	3,289,670	3,289,670
Allowance for impairment recognised during the year	(201,309)	-
At 31 December	**3,088,361**	**3,289,670**

The balances classified as past due but not impaired relate to trade and other receivables aged between 31 and 60 days.

Cash at bank and short-term bank deposits

Counterparties with external credit rating (Fitch)****

B-	17,943,347	17,941,441	10,701,223	10,699,317
B	3,720,224	3,720,223	369,884	369,884
B+	14,144,840	13,623,614	8,632,881	6,599,582
BBB	2,126	2,126	-	-
A+	2,891,938	2,400,349	799,478	686,656
A	833,779	833,779	9,715,550	9,715,550
AAA	1,797,335	1,797,335	4,728,931	4,728,931
No rating	18, 175	18, 175	57,727	57,727
	41,351,764	40,337,042	35,005,674	32,857,647

****B+, B and B-: Highly speculative, indicate that material default risk is present, but a limited margin of safety remains.
Financial commitment are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.
BBB: Good credit quality, denotes expectations of default risk are currently low, The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

A & A-: High credit quality, denotes expectations of low default risk, capacity for payment of financial commitments is considered strong, but may be more vulnerable to adverse business or economic conditions than is the case for higher ratings. AAA: Highest credit quality, denotes the lowest expectations of default risk, exceptionally strong capacity for payment of financial commitments.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to fluctuations in interest rates on its borrowings. The Group pays fixed/floating rate interest on its borrowings. The company actively monitors interest rate exposures on its investment portfolio and borrowings so as to minimise the effect of interest rate fluctuations on the incq/ne statement. The risk on. borrqwings is managed by the company by maintaining an appropriate mix between fixed and floating .rate borrowings. All loans, cash and cash equivalent are fixed interest based and therefore the company does not have any exposure to the risk of changes in market rates.

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for related party loan at the prevailing market interest rate of 13.5% at the end of the reporting period. A 250 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. A 250 basis points reflects a N50 million impact on finance cost. A positive number below indicates an increase in profit or equity for a 250 basis points change in the finance cost. A negative number below indicates a decrease in profit or equity for a 250 basis points change in the finance cost.

Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates is limited to foreign currency purchases of operating materials (e.g. finished equipment and other inventory items) and trade receivables that are denominated in foreign currencies. Foreign exchange exposure is monitored by the Group's treasury unit.

The Naira carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

Company	Euro(€) ₦'000	GBP(£) ₦'000	USO($) ₦'000	Euro(€) ₦'000	GBP(£) ₦'000	USO($) ₦'000
Cash and cash equivalents	-	-	2,619	-	-	1,709
Trade payables	-	-	(29,731,873)	-	-	(32,141,758)
Amount due from/(to) related parties	(51,833)	713,121	344,329	112,175	(46,136)	1,627,319
Net exposure	**(51,833)**	**713,121**	**(29,384,925)**	**112,175**	**(46,136)**	**(30,512,730)**
Group						
Cash and cash equivalents	-	-	2,619	-	-	1,709
Trade payables	-	-	(29,731,873)	-	-	(32,141,758)
Amount due from/(to) related parties	(51,833)	713,121	344,329	112,175	(46,136)	1,627,319
Net exposure	**(51,833)**	**713,121**	**(29,384,925)**	**112,175**	**(46,136)**	**(30,512,730)**

The Group reviews its foreign currency exposure, including commitments on an ongoing basis. The Company expects its foreign exchange contracts to hedge foreign exchange exposure.

The following significant exchange rates applied during the year:

	31/12/2018 ₦	31/12/2017 ₦	31/12/2018 ₦	31/12/2017 ₦
Euro(€)	375.00	350.95	410.00	366.86
GBP (£)	429.00	400.09	448.00	413.65
USD($)	338.50	307.55	357.00	306.00

Sensitivity analysis on foreign currency

A fifteen percent (15%) strengthening of the Naira, against the Euro, Dollar and GBP at 31 December would have increased/(decreased) income statement and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period and has no impact on equity. The analysis assumes that all other variables, in particular interest rates, remain constant exchange contracts.

	(Decrease)/increase in income statement			
	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Euro(€)	(7,775)	16,826	(7,775)	16,826
GBP (£)	106,968	(6,920)	106,968	(6,920)
USD($)	(4,407,739)	(4,576,910)	(4,407,739)	(4,576,910)

A fifteen percent (15%) weakening of the Naira against the above currencies would have had the equal but opposite effect on the above currencies to the magnitude of the amounts shown above, on the basis that all other variables remain constant.

33 Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

Assets	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Trade and other receivables	34,552,160	29,355,850	87,900,236	66,430,255
Cash and cash equivalents	21,582,294	41,367,530	21,167,809	40,352,658
	56,134,454	70,723,380	109,068,045	106,782,913

34 Financial liabilities by category

Liabilities	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Borrowings	1,470,755	1,538,159	-	-
Trade and other payables	54,497,731	75,652,896	51,428,633	71,913,340
	55,968,486	**77,191,055**	**51,428,633**	**71,913,340**

35 Related party information

Related parties	Nature of relationship and transactions
Dansa Foods Limited	An entity controlled by key management personnel of the Company that has trading relationship with the Company.
NASCON Allied Industries PLC	Fellow subsidiary from which the Company purchases raw salt as input in the production process
Bluestar services Limited	Fellow subsidiary Company that provides clearing
Savannah Sugar Company Limited	Subsidiary- Backward integrated project
Taraba Sugar Company Limited	Subsidiary- Backward integrated project
Adamawa SugarCompany Limited	Subsidiary- Backward integrated project
Nassarawa Sugar Company Limited	Subsidiary- Backward integrated project
Niger Sugar project Limited	Subsidiary- Backward integrated project
Dangote Global Services Limited (UK)	Subsidiary- Payment for foreign procurements
Dangote Oil and Gas Company Limited	Fellow subsidiary - Supply of AGO and LPFO
Dangote Industries Limited	Parent company that provides management support and receives 7.5% of total reimbursables as management fees
Dancom Technologies Limited	Fellow subsidiary - Supply of IT services
MHF Properties Limited	Fellow subsidiary - Property rentals.
Greenview Development Company Limited	Fellow subsidiary - Property rentals.
Kura Holdings Limited	Fellow subsidiary - Travel services
Dangote Sinotrucks west Africa Limited	Fellow subsidiary- Supply of fleet trucks
Dangote Cement Plc	Fellow subsidiary - exchange of diesel and LPFO
Dangote Flour Mills Plc	Fellow subsidiary -Supplies of power
Dangote Pasta Limited	Fellow subsidiary -Exchange of AGO LPFO
Dangote Noodles Limited	Fellow subsidiary- Exchange of AGO LPFO and sometimes buys sugar.
Dangote Agrosacks Nigeria Limited	Fellow subsidiary- Supplies empty for bagging of finished sugar.

	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Sales of goods and services				
Dansa Foods Limited	-	315,960	-	315,960
Dangote Flour Mills PLC	599,267	-	599,267	-
Dangote Industries Limited	168,821	107,977	168,821	107,977
Dangote Pasta	4,520		4,520	
Dangote Noodles Limited	-	15,795		15,795
NASCON Allied Industries PLC	13,824	1,207	13,824	1,207
Greenview Development Company Limited	67,964	-	67,964	-
Dangote Foundation	36,420	14,559	36,420	14,559
Dangote Cement PLC Ibeshe	921	630	921	630
	891,737	456,128	891,737	456,128
Purchase of goods and services				
Dansa Foods Limited	-	1,036	-	1,036
Dangote Cement PLC	3,647,822	1,044,396	3,647,822	1,008,126
Greenview Development Company Limited	3,317,856	2,115,731	3,317,856	2,115,731
Dangote Agrosacks Nigeria Limited	2,333,539	2,055,632	2,333,539	2,017,254
Dangote Flour Mills PLC	866,529	537,238	866,529	537,238
Kura Holdings Limited	72,757	23,790	72,757	23,790
Dangote Oil and Gas Company Limited	2,833,844	-	2,833,844	-
OIL Strategic Supplies Limited	-	665,431		665,431
Dangote Cement PLC Ibeshe	111,644	630	111,644	630
Bluestar Shipping Services Limited	127,008	400,507	127,008	400,507
Dangote Global Services Limited (UK)	1,029,725	-	1,029,725	
NASCON Allied Indsutries PLC	241,600	346,705	241,600	346,145
Dancom Technologies Limited	88,526	142,466	88,526	121,538
Dangote Nigeria Clearing Limited	-	85,887		85,887
MHF Properties	11,244		11,244	
Dangote Nigeria Limited	-	-		-
Dangote Sinotrucks	2,331,000		2,331,000	
Central transport stores	-		-	
Bluestar Clearing Limited	411,693	-	411,693	-
Dangote Industries Limited	1,139,593	251,360	1,139,593	251,360
	18,564,380	7,670,809	18,564,380	7,574,673
Management fees	1,090,312	687,338	1,090,312	687,338
Dangote Industries Limited	1,090,312	687,338	1,090,312	687,338

Amount owed by related parties	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Taraba Sugar Company Limited	-	-	1,832,392	-
Adamawa SugarCompany Limited	58,849	-	846,626	-
Nassarawa Sugar Company Limited	-	-	6,731,213	-
Savannah Sugar Company Limited	-	-	45,719,711	37,080,680
Dansa Foods Limited	28,997	28,997	28,997	28,997
Dangote Global Services Limited (UK)	1,005,617	1,693,359	1,005,617	1,693,359
Dangote Flour Mills PLC	851,334	1,311,684	851,334	1,311,684
Dangote Pasta Limited	56,918	56,153	56,918	56,153
Dangote Noodles Limited	11,800	11,800	11,800	11,800
NASCON Allied Industries PLC	116,457	95,480	116,457	94,881
Dangote Oil and Gas Company Limited	930,874	1,011,316	930,874	1,011,316
Dangote Sinotrucks Limited	-	6,098		6,098
Greenview Development Company Limited	1,586,115	-	1,586,115	-
Dangote Fertiliser Limited	1,229,573	1,229,573	1,229,573	1,229,573
Dancom Technologies Limited	-	6,995	-	6,995
AG Dangote Construction Limited	829,823	1,537,930	829,823	1,537,930
MHF Properties Limited	3,036	3,036	3,036	3,036
Dangote Nigeria Clearing Limited	-	12,265	-	12,265
Dangote Cement Limited Ghana	-	6,643	-	6,643
Bluestar Clearing	10,819	-	10,819	-
Dangote Rice Limited	3,029,311	4,000	3,029,311	4,000
Dangote Cement PLC	805,907	913,125	805,907	913,125
Dangote Industries Limited	1,023,577	-	1,027,577	-
Gross amount due from related parties (Note 23)	**11,579,007**	**7,928,454**	**66,654,100**	**45,008,534**
Allowance for impaired -related parties Trade(Note 23.2)	(56,528)	-	(56,528)	-
Allowance for impaired -related parties Non-Trade(Note 23.2	(240,736)	-	(2,361,995)	-
Net amount due from related parties	**11,281,743**	**7,928,454**	**64,235,577**	**45,008,534**

Amount owed to related parties

Dangote Cement PLC	7,357,033	9,348,823	5,774,880	7,959,194
Greenview Development Company Limited	694	1,075,794	-	1,075,794
Niger Sugar project Limited	-	-	46,843	-
Dangote Agrosacks Nigeria Limited	448,120	333,864	388,918	237,466
Kura Holdings Limited	5,056	2,677	5,056	2,677
OIL Strategic Supplies Limited	39,609	109,308	39,609	39,609
Bluestar Shipping Services Limited	156, 188	198,182	156,188	198,182
NASCON Allied Industries PLC	-	20	-	-
Dancom Technologies Limited	53,123	20,547	61,967	-
Dangote Nigeria Clearing Limited	30,542	31,235	30,542	30,542
Dangote Nigeria Limited	-	440	-	440
Dangote Foundation	9,468	2,904	9,468	2,903
Dangote Sinotrucks west Africa Limited 8	2,058,028	-	2,058,028	-
Dangote Industries Limited	83,128	5,016,133	-	5,007,734
	10,240,989	**16,139,927**	**8,571,499**	**14,554,541**

35.3 Sales of goods to related parties were made at the Company's usual market price without any discount to reflect the quantity of goods sold to related parties. Purchases were made at market price and there was no discount on all purchases.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

Dangote Industries Limited (OIL) in recognition of the requirement of transfer pricing regulations that all transactions between connected taxable persons shall be carried out in a manner that is consistent with arm's length principle has come up with basis of computing its management fees and royalty taking into cognizance certain principles.

Royalty payment shall be made in addition to management fees payable from 1 January 2015 at the rate of 0.5% of the total revenue.

35.4 Loans to and from related parties

There are no related party loans as at 31 December 2018.

35.5 Key Management Personnel

List of Directors of Dangote Sugar Refinery Pie

1 Alh. Aliko Dangote (GCON)	Chairman
2 Alh . Sani Dangote	Board Member
3 Mr. Olakunle Alake	Board Member
4 Engr. Abdullahi Sule	Board Member (resigned August 1st , 2018)
5 Mr. Uzoma Nwankwo	Board Member
6 Ms. Bennedikter Molokwu	Board Member
7 Dr. Konyinsola Ajayi (SAN)	Board Member
8 Alh. Abdu Dantata	Board Member
9 Ms. Maryam Bashir	Board Member
Chioma Madubuko	Company Secretary/Legal Adviser

List of key management staff

1 Mr. Ravindra Singhvi	Chief Operating Officer
2 Mrs. Debola Falade	Chief Financial officer
3 Chioma Madubuko	Company Secretary/Legal Adviser
4 Engr. Braimah Ogunwale	General Manager, Refinery
5 Mr. Idowu Adenopo	Chief Internal Auditor
6 Mr. Nseobot Ekpe	General Manager, Supply Chain
7 Mr. Saddiq Bello	General Manager, Sales and Marketing
8 Mr. Hassan Salisu	Head, Human Resources and Admin
9 Mr. Fatay Olamilekan Jimoh	Head, Risk Management

35.6 Compensation to directors and other key management

	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Short-term employee benefits	145,582	145,582	137,257	137,257
	145,582	**145,582**	**137,257**	**137,257**

36 Employee costs

The following items are included within employee benefits expenses:

Direct employee costs	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Basic	1,198,393	1,772,304	995,733	741,451
Bonus	82,565	86,862	82,565	60,496
Medical claims	25,684	56,916	6,273	30,423
Leave allowance	143,567	102,843	124,871	72,004
Short term benefits	2,506,358	1,529,268	1,569,043	1,024,579
Other short term costs	388,402	448,093	176,411	448,093
Pension	178,928	159,217	147,195	109,262
Termination benefits	24	85	-	-
	4,523,921	**4,155,588**	**3,102,091**	**2,486,308**

Indirect employee costs	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Basic	1,179,759	742,644	521,296	441,132
Bonus	36,130	79,033	12,710	70,208
Medical claims and allowance	2,191	16,496	2,191	11,918
NSITF and ITF levies	8,598	23,241	78,598	6,868
Short term benefits	605,212	703,217	778,887	561,385
Other short term costs	419,531	426,082	251,911	376,586
Pension	76,724	65,771	76,724	65,771
Termination benefits	-	1,395	-	-
	2,398,145	**2,057,879**	**1,722,317**	**1,533,868**

36 Employee costs

The following items are included within employee benefits expenses:

Total employee costs	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000
Direct employee cost	4,523,921	4,155,588	3,102,091	2,486,308
Indirect employee cost	2,398,145	2,057,879	1,722,317	1,533,868
	6,922,066	**6,213,467**	**4,824,408**	**4,020,176**

Average number of persons employed during the year was:

	31/12/2018 Number	31/12/2017 Number	31/12/2018 Number	31/12/2017 Number
Management	94	82	86	78
Senior Staff	494	427	342	304
Junior Staff	1,820	1485	1,164	899
	2,408	1,994	1,592	1,281

	GROUP 2018 Number	GROUP 2017 Number	COMPANY 2018 Number	COMPANY 2017 Number
N200,000 - N600,000	539	297	539	296
N600,001 - N700,000	8	211	8	141
N700,001 - N800,000	9	214	3	36
N800,001 - N900,000	219	163	19	56
N900,001 - N1 ,000,000	323	108	185	36
N1,000,001 - N2,000,000	786	674	398	399
N2,000,001 - N3,000,000	257	136	205	112
N3,000,001 - N4,000,000	77	82	60	66
N4,000,001 - N5,000,000	46	68	39	68
N5,000,001 - N6,000,000	68	22	63	22
N6,000,001 - N7,000,000	25	19	24	19
N7,000,001 - N8,000,000	16	8	16	8
N8,000,001 - N9,000,000	5	3	4	3
N9,000,001 - N10,000,000	9	6	9	6
N10,000,001 and above	21	13	20	13
	2,408	2,024	1,592	1,281

37 Directors' emoluments

	31/12/2018 ₦'000	31/12/2017 ₦'000	31/12/2018 ₦'000	31/12/2017 ₦'000
Fees	24,500	24,500	24,500	24,500
Salaries	37,812	64,365	37,812	64,365
Others	126 682	175,913	126,682	175,913
	188,994	264,778	188,994	264,778
Emoluments of the highest paid Director	37,812	64,365	37,812	64,365

The number of Directors excluding the chairman with gross emoluments within the bands stated below were:

₦'000	31/12/2018 Number	31/12/2017 Number	31/12/2018 Number	31/12/2017 Number
0 - 19,000	8	8	8	8
32,000 and above	1	1	1	1
	9	9	9	9

38 Events after the reporting period

There were no events after the reporting period that could have had material effect on the financial statements of the Company as at 31 December 2018 that have not been taken into account in these financial statements

39 Capital Commitment

As at 31 December, 2018, there were capital commitments in respect of the Lagos factory expansion which amounted to N388.6 million (2017: N335 million)

40 Contingent assets and Contingent liabilities

There were no contingent assets and liabilities as at 31 December 2018 (2017: Nil)

GROUP

	Note	2018 ₦'000	2018 %	2017 ₦'000	2017 %
Value Added					
Revenue		150,373,083		204,422,379	
Bought - in materials and services		(106,095,089)		(149,670,316)	
Fair Value adjustment		(325,294)		2,468,411	
Other income		3 104 508		3,765,943	
		47,057,208	100	**60,986,417**	100
Value Distributed					
To Pay Employees					
Salaries, wages, medical and other benefits		6,922,066		6,213,467	
		6,922,066	15	**6,213,467**	10
To Pay Providers of Capital		293,243		(3,858,758)	
Finance costs		**293,243**	1	**(3,858,758)**	(6)
To Pay Government	12	12,341,316		17,147,035	
Income tax		**12,341,316**	26	**17,147,035**	28
To be retained in the business for expansion and future wealth creation:					
Value reinvested					
Depreciation, amortisation and impairments		5,240,842		5,032,839	
Deferred tax	12	283,273		(3,331,772)	
		5.524,115	12	1,701,067	3
Value retained					
Retained profit		22,169,191		39,685,555	
Non-controlling interest		(192,724)		98.050	
		21,976,467	47	**39,783,605**	65
Total Value Distributed		47,057,208	100	60,986,416	100

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

"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 Group for the replacement of assets and the further development of operations.

COMPANY

	2018 ₦'000	2018 %	2017 ₦'000	2017 %
Value Added				
Revenue	146,549,176		198,120,639	
Bought - in materials and services	(102,449,285)		(144,135,627)	
Fair Value adjustment	-		-	
Other income	12,769,344		3,560,490	
	46,869,235	100	**57,545,502**	100

Value Added Statement Cont'd

Value Distributed

	Note	2018 ₦'000	2018 %	2017 ₦'000	2017 %
To Pay Employees					
Salaries, wages, medical and other benefits		4,824,408		4,020,176	
		4,824,408	10	4,020,176	7

	Note	2018 ₦'000	2018 %	2017 ₦'000	2017 %
To Pay Providers of Capital					
Finance costs		67,127		(4,504,538)	
		67,127	0	(4,504,538)	(8)

	Note	2018 ₦'000	2018 %	2017 ₦'000	2017 %
To Pay Government					
Income tax	12	12,341,316		17,147,035	
		12,341,316	26	17,147,035	30

To be retained in the business for expansion and future wealth creation:

	Note	2018 ₦'000	2018 %	2017 ₦'000	2017 %
Value reinvested					
Depreciation, amortisation and impairments	12	3,522,170		3,146,881	
Deferred tax		283,273		(86,661)	
		3,805,443	8	3,060,220	5

	2018 ₦'000	2018 %	2017 ₦'000	2017 %
Value retained				
Retained profit	25,830,941		37,822,609	
Non-controlling interest	-		-	
	25,830,941	55	37,822,609	66
Total Value Distributed	46,869,235	100	57,545,502	100

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

"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 Group for the replacement of assets and the further development of operations.

Five Year Financial Summary

Group as at December 31, 2018	GROUP 31/12/2018 ₦'000	GROUP 31/12/2017 ₦'000	GROUP 31/12/2016 ₦'000	GROUP 31/12/2015 ₦'000	GROUP 31/12/2014 ₦'000
Assets					
Non-current assets	71,441,221	66,592,631	58,743,476	59,065,376	54,537,443
Current assets	102,806,764	127,619,175	112,561,335	42,302,121	37,399,211
Assets of disposal groups held for sale	868,642	868,642	864 647	864,647	864.647
Total assets	**175,116,627**	**195,080,449**	**172,169,458**	**102,232,144**	**92,801,301**
Liabilities					
Non-current liabilities	6,735,540	6,679,887	6,766,548	5,150,119	4,611,315
Current liabilities	69,405,899	95,664,927	99,250,880	39,325,933	36,776,266
Total liabilities	**76,141,440**	**102,344,814**	**106,017,428**	**44,476,052**	**41,387,581**
Equity					
Share capital and premium	12,320,524	12,320,524	12,320,524	12,320,524	12,320,524
Retained income	87,010,225	80,577,948	54,092,393	45,706,317	39,288,074
Non-controlling interest	(355,561)	(162,837)	(260,887)	(270,749)	(194,878)
Total equity	98,975,188	92,735,635	66,152,030	57,756,092	51,413,720
Total equity and liabilities	**175,116,628**	**195,080,449**	**172,169,458**	**102,232,144**	**92,801,301**
Profit and loss account					
Revenue	150,373,083	204,422,379	169,724,936	101,057,905	94,855,203
Profit before taxation	34,601,057	53,598,868	19,614,434	16,155,609	15,273,152
Profit for the year	**21,976,467**	**39,783,605**	**14,395,938**	**11,142,372**	**11,635,779**
Per share data (Naira)					
Earnings per share (Basic and diluted)	1.85	3.31	1.20	0.93	0.97
Net assets per share	8.25	7.73	5.51	4.81	4.28

Earnings per share are based on profit after tax and the weighted number of issued and fully paid ordinary shares at the end of each financial year.

Five Year Financial Summary *Cont'd*

Company as at December 31, 2018	COMPANY 31/12/2018 ₦'000	COMPANY 31/12/2017 ₦'000	COMPANY 31/12/2016 ₦'000	COMPANY 31/12/2015 ₦'000	COMPANY 31/12/2014 ₦'000
Assets					
Non-current assets	33,585,972	38,815,554	32,819,554	33,394,366	32,765,392
Current assets	144,069,097	156,380,468	141,909,778	72,412,320	63,657,765
Assets of disposal groups held for sale	868.642	868,642	864,647	864,647	864,647
Total assets	**178,523,711**	**196,064,664**	**175,593,979**	**106,671,333**	**97,287,804**
Liabilities					
Non-current liabilities	5,309,997	5,212,819	5,299,480	4,768,318	4,229,514
Current liabilities	66,033,588	91,644,487	95,709,749	35,516,958	34,532,088
Total liabilities	**71,343,585**	**96,857,306**	**101,009,229**	**40,285,276**	**38,761,602**
Equity					
Share capital and premium	12,320,524	12,320,524	12,320,524	12,320,524	12,320,524
Retained income	94,859,602	86,886,834	62,264,226	54,065,533	46,205,678
Total equity	107,180,126	99,207,358	74,584,750	66,386,057	58,526,202
Total equity and liabilities	**178,523,711**	**196,064,664**	**175,593,979**	**106,671,333**	**97,287,804**
Profit and loss account					
Revenue	146,549,176	198,120,639	167,409,161	100,092,221	94,103,677
Profit before taxation	38,455,530	54,882,983	20,759,524	18,144,955	17,472,841
Profit for the year	**25,830,941**	**37,822,609**	**14,198,693**	**12,659,855**	**11,908,690**
Per share data (Naira)					
Earnings per share (Basic and diluted)	2.15	3.15	1.18	1.05	0.90
Net assets per share	8.93	8.27	6.22	5.53	4.88

Earnings per share are based on profit after tax and the weighted number of issued and fully paid ordinary shares at the end of each financial year.

Shareholding & Other Information

Year	Authorized [N'000]		Authorised ['000]	Issued & Fully Paid Up [N'000]		Issued & Fully Paid up ['000]	Consideration
	Increase	Cumulative	No. of Shares	Increase	Cumulative	No. of Shares	
27-12-04	50,000	50,000	50,000	500	500	500	Cash
30-06-06	0	50,000	50,000	49,500	50,000	50,000	Scheme Shares
26-07-06	5,950,000	5,000,000	12,000,000	4,950,000	5,000,000	10,000,000	Bonus & Stock Split from N1.00 to 50k
27-03-08	0	5,000,000	12,000,000	1,000,000	6,000,000	12,000,000	Bonus

Shareholding Information

Your shareholding in Dangote Sugar Refinery Plc entitles you, as a part owner of the company, to certain rights including the right: -

- To attend, speak, vote at general meetings either in person or by proxy.
- To receive dividends when declared/approved on your ordinary shares
- To receive certain company documents, e.g the annual reports and accounts/the Annual General Meeting documents where applicable each year.

If you do not have your name on the shareholder register because you hold your sharesthrough a nominee, your nominee will receive any company documents sent to shareholders. Please arrange with your nominee if you wish to receive such documents and to be able to attend and, on a poll, vote at general meetings.

Financial Reports
Any shareholder has the right to be furnished, on demand, free of charge, a copy of the company's financial statements. The annual report and financial statement is available for download on our website, www.dangotesugar.com.ng, or the Registrars' website www.veritasregistrars.com.

E-Report
To improve delivery of our Annual Report, a detachable Form has been inserted in the Annual Report, and hereby request Shareholders who wish to receive the Annual Report of the Company in an electronic format to complete and return the Form to the Registrars for further processing.

Share Certificates
Your Dangote Sugar Refinery Plc Share certificate is evidence of your shareholding in the company and should be kept in a safe place. If you hold your shares through a nominee account or through the Central Securities Clearing System (CSCS) you will not have a share certificate. The nominal or 'par' value of a Company's shares is shown on the share certificate. The current nominal value of Dangote Sugar Refinery Plc's one ordinary shares is 50k each.

Shareholder Queries
If you have any questions about your shareholding or share certificates, (including the replacement of lost certificates or the consolidation of several certificates into one); or if you require any other guidance (e.g. to notify a change of address or to give dividend instructions to a bank account), please contact our Registrars at: -

VERITAS Registrars Limited
Plot 89A Ajose Adeogun Street,
P. O Box 75315
Victoria Island
Lagos

Unclaimed Dividends and Share Certificates
Shareholders have been informed that some dividend warrants and share certificates
have been returned to the Registrars' office unclaimed, because the addresses could not be traced. The unclaimed dividend list is published on the website, www.dangotesugar.com.ng, for the shareholders attention. Affected shareholders should please contact the Registrars at the address indicated above in respect of the share certificates, and unclaimed dividends.

CHANGES IN PERSONAL CIRCUMSTANCES

All shareholders should advise the Registrars in writing of any of the following: -

- Change of address
- Change of name
- Change in bank details if your dividends are mandated
- If a shareholder dies

SHAREHOLDER RELATIONS/CORPORATE CONTACTS

Registrars
VERITAS REGISTRARS LIMITED
PLOT 89A, AJOSE ADEOGUN STREET,
VICTORIA ISLAND,
LAGOS

Company Secretary and Registered Office
Dangote Sugar Refinery Plc
3rd Floor, GDNL Building
Terminal E, Shed 20
NPA Wharf Port Complex
Apapa, Lagos
mydsr.shares@dangote.com
srefinery@dangote.com
www.dangotesugar.com.ng

CORPORATE COMMUNICATIONS CONTACT

Ngozi Ngene
+234 80714 90714
+234 81509 83259
ngozi.ngene@dangote.com
dangotesugar@dangotesugar.com.ng

E-REPORTS

DANGOTE
SUGAR

I/we hereby request that we recieve the Annual Report of the Company in electronic format through:

E-mail address

Surname/Company's name

Other name

Address

Date

Shareholder's Signature/Thumbprint

Affix Current Passport
(To be Stamped by Bankers)

Please write your name at the back of your passport photograph

VERITAS REGISTRARS
(formerly Zenith Registrars) RC: 510155

e-DIVIDEND MANDATE FORM

INSTRUCTION
Please complete all sections of this form to make it eligible for processing and return to the address below:

The Registrar
Veritas Registrars Limited
89, Ajose Adeogun Street
Victoria Island
Lagos.

I/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 the right hand column be credited directly to my/our bank detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

SHAREHOLDER ACCOUNT INFORMATION

Surname/Company Name **First Name** **Other Names**

Address:

City **State** **Country**

Previous Address (if any)

CHN(if any)

Mobile Telephone 1 **Mobile Telephone 2**

E-mail Address

Please note that **Only Clearing Banks** are acceptable

TICK	NAME OF COMPANY	SHAREHOLDER'S ACCOUNT No.
	DANGOTE SUGAR REFINERY PLC	
	FORTE OIL PLC	
	GUINNESS NIG. PLC	
	MAY & BAKER NIG. PLC	
	ZENITH BANK PLC	
	OSUN STATE BOND S1	
	OSUN STATE BOND S2	
	FLOUR MILLS BOND	

Shareholder's Signature or Thumbprint

Shareholder's Signature or Thumbprint

▯ompan▯ Seal▯▯n▯orporation ▯o▯ ▯▯orporate Shareholder▯

VERITAS REGISTRARS LIMITED. Plot 89A, Ajose Adeogun Street, P.O. Box 75315, Victoria Island, Lagos
Telephone: (01) 27089304, 2784167–8; Fax:(01)2704085
enquiry@veritasregistrars.com
www.veritasregistrars.com

The Registrars
VERITAS Registrars Limited
Plot 89A Ajose Adeogun Street,
P. O Box 75315
Victoria Island
Lagos

UNCLAIMED DIVIDEND POSITION AS AT DECEMBER 31, 2018

The Company has been declaring Dividend since it became a public Company in March 2007. Currently, the dividend account indicates that some dividend warrants have not been presented to the Bank for payment, while others were returned to the Registrar unclaimed, because the addresses have changed or could not be traced.

FINANCIAL YEAR	DIVIDEND NO.	FINAL/INTERIM	TOTAL DIVIDEND (N)	NET AMOUNT UNCLAIMED AS AT 31/12/2018
31/12/2006	1	FINAL	11,388,819,816.78	62,242.97
31/12/2007	2	INTERIM 1	3,433,139,219.03	69,796.41
31/12/2007	3	INTERIM 2	3,257,223,236.85	225,119.44
31/12/2007	4	INTERIM 3	3,192,370,844.23	173,635.35
31/12/2007	5	FINAL	5,000,000,000.00	88,741.01
31/12/2008	6	INTERIM	10,200,000,000.00	147,090.16
31/12/2008	7	FINAL	3,780,813,535.25	1,519,962.86
31/12/2009	8	FINAL	10,800,000,000.00	5,066,134.04
31/12/2010	9	FINAL	6,480,000,000.00	233,781.67
31/12/2011	10	FINAL	3,240,000,000.00	9,449,871.92
31/12/2012	11	FINAL	7,200,000,000.00	8,902,498.61
31/12/2013	12	FINAL	7,200,000,000.00	26,551,987.53
31/12/2014	13	FINAL	4,800,000,000.00	16,839,635.17
31/12/2015	14	FINAL	6,000,000,000.00	31,117,919.44
31/12/2016	15	FINAL	7,200,000,000.00	137,152,701.67
31/12/2017	16	INTERIM	6,000,000,000.00	18,298,321.55
31/12/2017	17	FINAL	15,000,000,000.00	519,364,094.31

All affected shareholders are requested to update their details and fill the mandate for e-dividend payment in the annual report or please contact: -

THE REGISTRAR
VERITAS Registrars Limited
PLOT 89A, AJOSE ADEOGUN STREET
VICTORIA ISLAND

Proxy Form

DANGOTE SUGAR REFINERY PLC. RC: 613748

THIRTEENTH ANNUAL GENERAL MEETING TO BE HELD AT ORCHID HALL, EKO HOTEL & SUITES, VICTORIA ISLAND, LAGOS, ON TUESDAY, THE 18TH DAY OF JUNE 2019, AT 1O A.M PROMPT.

I/WE………………of ……………………….being a shareholder of Dangote Sugar Refinery Plc. hereby appoint…………………….. or failing him/her/it ……………or ……………….. as my/our Proxy to act and vote for me/us on my/our behalf at the 13th Annual General Meeting to be held on Tuesday, the 18th day of June, 2019, and at any adjournment thereof.

DATED THIS .... DAY OF .... 2019 SHAREHOLDER'S SIGNATURE ....

	NO.	ORDINARY BUSINESS	FOR	AGAINST
I/We desire this proxy to be used in favour of/or against the resolution as indicated alongside (strike out whichever is not required).	1.	To receive the audited Financial Statements for the year ended 31st December, 2018, the Reports of Directors, Auditors, and the Audit Committee thereon;		
	2.	To declare a dividend		
	3.	To re-elect the following retiring Directors • Alhaji Sani Dangote • Mr. Uzoma Nwankwo		
	4.	To authorize the Directors to fix the remuneration of the Auditors.		
	5.	To elect the members of the Audit Committee		
	6.	**SPECIAL BUSINESS** To fix the remuneration of the Directors		

Please indicate with an **"X"** in the appropriate column, how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her discretion.

This proxy form should **NOT** be completed and sent to the registered office if the member will be attending the meeting

NOTE

I. A member (shareholder) entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy in his stead. All proxy forms should be deposited at the registered office of the Registrar (as in notice) not later than 48 hours before the meeting.
ii. In the case of Joint Shareholders, any of them may complete the form, but the names of all Joint Shareholders must be stated.
iii. If the shareholder is a Corporation, this form must be executed under its Common Seal or under the hand of some officers or an attorney duly authorised.
iv. The Proxy must produce the Admission Card sent with the Notice of the meeting to gain entrance to the meeting.
v. It is a legal requirement that all instruments of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of the shareholders must bear appropriate stamp duty from the Stamp Duties office (not adhesive postage stamps).

Before posting this form, please tear off this part and retain it for admission to the meeting.

ADMISSION CARD

NAME AND ADDRESS OF SHAREHOLDER(S):

NUMBER OF SHARES HELD

Please admit……………………………….. …………………….. to the 13th Annual General Meeting of Dangote Sugar Refinery Plc, to be held at Latana Hall, Eko Hotel & Suites, Victoria Island, Lagos, on Tuesday, the 18th day of June, 2019, at 10 a.m prompt.

Signature of person attending: …………………………………………..

- The Shareholder or his /her proxy should produce this admission card in order to obtain entrance to the Annual General Meeting.
- You are requested to sign this card at the entrance in the presence of the Company Secretary or her Nominee on the day of the Annual General Meeting.

Please be advised that to enable a Proxy gain entrance to the meeting, the Proxy Form should be duly completed and delivered to the Company Secretary not later than 48 hours before the time fixed for the meeting.

COMPANY SECRETARY

The Registrars
VERITAS Registrars Limited
Plot 89A Ajose Adeogun Street,
P. O Box 75315
Victoria Island
Lagos

DANGOTE SUGAR

HEAD OFFICE:

3rd Floor, GDNL Administrative Building, Terminal E Shed 20 NPA Wharf Complex, Apapa, Lagos
Tel:+ 234 7064768860; 7039588474
Email: Srefinery@dangote.com, dangotesugar@dangotesugar.com.ng
Website: www.dangotesugar.com.ng

FACTORY/REFINERY:

Shed 20, Apapa Wharf, Lagos

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