Dangote Sugar Refinery Plc

Annual Report and Financial Statements

for the year ended December 31, 2021

Index

The reports and statements set out below comprise the consolidated and separate financial statements presented to the shareholders:

Contents

General Information

Country of incorporation and domicile	Nigeria
Nature of business and principal activities	Refining of raw sugar into edible sugar and selling of refined sugar
Chairman	Alh. Aliko Dangote (GCON)
Group Managing Director/CEO	Mr. Ravindra Singhvi
Director	Mr. Olakunle Alake
Director	Alh. Sani Dangote (Deceased on 14/11/2021)
Director	Mr. Uzoma Nwankwo
Director	Ms. Bennedikter Molokwu
Director	Dr. Konyinsola Ajayi
Director	Alh. Abdu Dantata
Director	Ms. Maryam Bashir
Registered office	GDNL Administrative Building Terminal E, Shed 20 NPA Apapa Wharf Complex Apapa Lagos
Holding company	Dangote Industries Limited, incorporated in Nigeria
Ultimate holding company	Greenview International Corp. Cayman Island
Auditors	PricewaterhouseCoopers Chartered Accountants Landmark Towers Plot 5B, Water Corporation Road Victoria Island Lagos
Bankers	Access Bank Plc Coronation Merchant Bank Ecobank Plc Fidelity Bank Plc First Bank of Nigeria Limited First City Monument Bank Plc FSDH Merchant Bank Globus Bank Ltd Greenwich Merchant Bank Guaranty Trust Bank Plc Jaiz Bank Plc Rand Merchant Bank Stanbic IBTC Bank Plc Standard Chartered Bank Nigeria Limited Sterling Bank Plc Union Bank of Nigeria Plc Unity Bank Plc United Bank for Africa Plc Wema Bank Plc Zenith Bank Plc
Company Secretary/Legal Adviser	Mrs. Temitope Hassan 3rd Floor, GDNL Administrative Building Terminal E, Shed 20 NPA Apapa Wharf Complex Apapa Lagos
Registrars	Veritas Registrars Limited Plot 89A Ajose Adeogun Street Victoria Island Lagos

Report of the Directors

In compliance with the Companies & Allied Matters Act, 2020, the Directors of Dangote Sugar Refinery PLC (DSR) are pleased to present to members of the Company, the Audited Financial Statements of the Company for the year ended 31st December, 2021.

1 Corporate structure and business

Dangote Sugar Refinery PLC was established in 1999 and commenced its sugar business in the year 2000 as a division within the Dangote Group through its holding company, Dangote Industries Limited (DIL). Following a strategic restructuring within the Dangote Group, DIL decentralized its various operations into Business Units. Consequently, DSR was incorporated as a public limited liability company in 2005 and its restructuring was completed in January 2006, following the court sanction of the scheme of arrangement wherein all the assets, liabilities and undertakings of the erstwhile sugar division of DIL were transferred to DSR.

The principal business activity of DSR is the refining of raw sugar to produce fortified and non-fortified granulated white sugar. The Company distributes refined white sugar to consumers and industrial customers in Nigeria and exports its products to other West African countries, benefitting from the strategic location of its refinery in Apapa near the largest port in Nigeria. DSR has its Headquarters in Lagos, Nigeria and has DSR has its Headquarters in Lagos, Nigeria and has installed capacity of 1.44 million metric tons (MT) per annum with expansion plans in place.

2 Backward Integration Project (BIP)

In alignment with the Federal Government of Nigeria policy guidelines, DSR continues to focus on its Backward Integration Project (BIP) by deploying and reviewing project strategies from time to time. The 10-year sugar development plan to produce 1.5 million MT Sugar per annum from locally grown sugarcane remains a germane roadmap to attainment of the Company's objectives. Currently, the company is channeling resources towards ongoing BIP in Dangote Taraba Sugar Limited, Dangote Adamawa Sugar Limited and Nasarawa Sugar Company Limited. B43

3 Shareholding Structure

DSR was listed on the Nigerian Stock Exchange (now the Nigeria Exchange Group Plc) in March 2007 following an initial public offering of its shares in 2006. Pursuant to obtaining requisite shareholders and regulatory approvals, on September 1, 2020, DSR completed a Scheme of Arrangement, which successfully effected the merger of DSR and its former subsidiary Savannah Sugar Company Limited. In view of the merger, the Company now has about 100,651 Shareholders with a Shareholders' Fund in excess of N129bn.

Below is a summary of the authorised and issued share capital history of the Company since incorporation:

Year	Authorised (N)		Issued & Fully Paid-up (N)		Consideration
Date	Increase	Cumulative	Increase	Cumulative	
2004	50,000,000	50,000,000	500,000	500,000	Cash
2006	-	50,000,000	49,500,000	50,000,000	Scheme Shares
2006	5,950,000,000	6,000,000,000	4,950,000,000	5,000,000,000	Bonus and Stock Split
2008	-	6,000,000,000	1,000,000,000	6,000,000,000	Bonus
2020	1,500,000,000	7,500,000,000	73,439,121	6,073,439,121	Scheme Shares

Analysis of Shareholding as at 31st December 2021

The Authorised Share Capital of the Company as at December 2021 remains N7,500,000,000.00 (Seven Billion, Five Hundred Million Naira). The range of issued share capital is as follows:

Range (Units)			No of Holders	Holders %	Units	
1	-	10,000	85,703	85.15	181,611,631	1.50
10,001	-	50,000	11,404	11.33	235,007,699	1.93
50,001	-	500,000	3,119	3.10	389,083,865	3.20
500,001	-	1,000,000	159	0.16	117,633,289	0.97
1,000,001	-	10,000,000	219	0.22	615,557,229	5.07
10,000,001	-	50,000,000	36	0.04	735,310,274	6.05
50,000,001	-	100,000,000	4	0.00	285,007,688	2.35
100,000,001	-	500,000,000	5	0.00	812,125,271	6.69
500,000,001	-	12,146,878,241	2	0.00	8,775,541,295	72.25
			100,651	**100**	**12,146,878,241**	**100**

Report of the Directors (continued)

As at December 31, 2021, the 12,146,878,241 Ordinary Shares of N0.50 each in the issued Ordinary Share Capital of DSR are beneficially held as follows:

Shareholder	No. of Ordinary Shares	Percentage (%)
Dangote Industries Limited	8,122,446,281	66.87
Alhaji Aliko Dangote	653,095,014	5.38
Other Shareholders	3,371,336,946	27.75
TOTAL	**12,146,878,241**	**100.00**

**Except as stated above, no shareholder holds more than 5% of the issued share capital of the company.*

4 Operating results

The Group and Company's results for the year ended December 31, 2021 are set out on page 26. The profit for the year has been transferred to retained earnings. The summarised results are presented below.

	Group 31-Dec-21 N'000	Group 31-Dec-20 N'000	Company 31-Dec-21 N'000	Company 31-Dec-20 N'000
Gross Profit	50,208,573	57,221,005	50,208,573	56,681,689
Profit before Income Tax	34,021,212	45,622,318	34,629,037	46,038,948
Taxation	(11,968,921)	(15,847,076)	(11,968,921)	(14,668,289)
Profit for the year	22,052,291	29,775,242	22,660,116	31,370,659
Non-controlling interest	(6,078)	10,665	-	-
Profit attributable to owners of the Parent Company	22,058,369	29,764,577	22,660,116	31,370,659

As at the date of approval of the Consolidated Financial Statements of the Company, Dangote Sugar Refinery PLC's outlook for 2022 and beyond shows there is no going concern threat to the enterprise.

Management is confident that the Company will continue operational existence for more years to come.

5 Board of directors

The following were Directors of the Company who served during the period under review:

S/N	Director	Role
1	Alhaji Aliko Dangote (GCON)	Chairman
2	Mr. Ravindra Singhvi	Group Managing Director/CEO
3	Alhaji Sani Dangote*	Non-Executive Director
4	Mr. Olakunle Alake	Non-Executive Director
5	Ms. Bennedikter Molokwu	Non-Executive Director
6	Prof. Konyinsola Ajayi (SAN)	Non-Executive Director
7	Mr. Uzoma Nwankwo	Non-Executive Director
8	Alhaji Abdu Dantata	Non-Executive Director
9	Ms. Maryam Bashir	Independent Non-Executive Director

**Alhaji Sani Dangote passed away on November 14, 2021*

The Directors' biographical details appear on pages 3 & 4 of this report. As at the last Annual General Meeting, there was no new appointment on the Board of the Company. The Company's Articles of Association, the Board Appointment Policy, the Companies and Allied Matters Act, 2020 and any applicable extant Code and Regulation govern the appointment of Directors of this Company.

Death of a Director
We regret to report the passing away of Alhaji Sani Dangote, which sad event occurred on Sunday, November 14, 2021 after a protracted illness. May his gentle soul continue to rest in peace. The material disclosure was published on the Issuer's Portal of the Nigerian Exchange Limited.

Retirement of Directors
In accordance with the Company's Articles of Association, the Directors retiring by rotation are Prof. Konyinsola Ajayi (SAN), Ms. Maryam Bashir and Mr. Olakunle Alake, and being eligible, offer themselves for re-election.

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

Directors' Fees
The Annual Fees for the Non-Executive Directors is proposed at N4million. Only Non-Executive Directors are entitled to Annual fees. A resolution will be proposed to approve the payment of these amounts for the 2022 Financial Year.

Directors Code of Conduct & Ethics
The Company has a code of conduct and ethics for Director's business, which sets out the standards, that Directors are expected to adhere to while conducting their fiduciary duties.

Report of the Directors (continued)

Dividend
The Directors recommend the payment of a dividend of N1.00 per share from the profit for the year ended 31st December, 2021 on the issued share capital of 12,146,878,241 ordinary shares of 50k each. If the proposed dividend of N1.00 is approved by the shareholders, it will be subject to deduction of withholding tax at the applicable rate.

6 Corporate Governance
The Board of Directors is committed to continually ensure sustainable long-term success and implementation of corporate governance best practices within the Company. Through its oversight functions, the Board is committed to delivering value to all stakeholders in the Company whilst also driving initiative to actualise the Company's sustainability goals.

As a deliberate act, the Company puts forward pragmatic efforts towards ensuring compliance with applicable laws and regulations in Nigeria such as but not limited to the Listing Rules of the Nigerian Exchange Limited, the Securities & Exchange Commission, Code of Corporate Governance for Public Companies in Nigeria 2011, the Nigerian Code of Corporate Governance 2018 and any other applicable corporate governance rules promulgated from time to time.

7 Fixed assets

Details of changes in fixed assets during the year are shown in Note 16 to the financial statements. In the opinion of Directors, the market value of the Company's properties is not less than the value shown in the financial statements.

8 Statement of Directors' responsibilities for financial statements

In compliance with the provisions of Sections 377 and 378 of the Companies and Allied Matters Act 2020, the Directors are responsible for the preparation of the Financial Statements, which give a true and fair view of the state of affairs of the Group and the profit or loss for that year.

In so doing they ensure that:
i. Adequate internal control procedures are instituted to safeguard the assets, prevent and detect frauds and other irregularities
ii. Proper accounting records are maintained
iii. Applicable accounting standards are adhered to.
iv. Suitable accounting policies are adopted and consistently applied.
v. Judgments and estimates made are reasonable and prudent and;
vi. The financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 statement as presented.

9 Direct and Indirect Interest of Directors

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 301 of the Companies and Allied Matters Act (CAMA) 2020* and the listing requirements of The Nigerian Stock Exchange is as follows:

S/N	DIRECTOR	31ST DECEMBER 2021	31ST DECEMBER 2020
1	Alhaji Aliko Dangote (GCON)	653,095,014	653,095,014
2	Mr. Ravindra Singhvi	Nil	Nil
3	Alhaji Sani Dangote (Deceased)	Nil	Nil
4	Mr. Olakunle Alake	7,194,000	7,194,000
5	Ms. Bennedikter Molokwu	1,483,400	1,483,400
6	Prof. Konyinsola Ajayi	Nil	Nil
7	Mr. Uzoma Nwankwo	384,692	384,692
8	Alhaji Abdu Dantata	1,044,000	1,044,000
9	Ms. Maryam Bashir	Nil	Nil

10 Directors' interest in contracts

In compliance with *Section 303 of CAMA* , all contracts with related parties during the year were conducted at arm's length. Information relating to related party transactions are contained in Note 35 of the Financial Statements.

Report of the Directors (continued)

11 Employment and Employee relationship

a. Employment and Employees

Dangote Sugar Refinery PLC had a total of 2,830 staff as at December 31, 2021. The Company reviews its employment policy in line with the needs of business, and 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 in the work environment. It maintains a high standard of hygiene in all its premises by upholding excellent 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. In addition, personal protective equipment (PPE) are provided for individual employee to enhance safety measures while at work.

Health, Safety and Environment workshops and other health awareness programs are organized for all employees from time to time to engender a safety culture on an ongoing basis.

The Company operates Canteen facilities where fully paid nutritionally balanced meals are provided for staff. Following the incident of Covid-19 pandemic, the Company consistently maintained a Covid-19 communication line giving regular updates to staff on current issues relating to the pandemic as well as other diseases including HIV/AIDS, High Blood Pressure and other serious diseases through health talks, health assessments and information sharing.

Through constant awareness from the Company, more employees have embraced the COVID-19 vaccine and have presented themselves for vaccination.

c. Employee Training and Development

The Company remains consistent in its value proposition on human capital development for improved efficiency whilst maintaining 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. Like many others, the Company explored virtually conducted trainings due to the pandemic in compliance with social distancing protocols.

d. Industrial/Employees Relations

The Company places premium on ensuring effective channels of communication with its employees by keeping them informed on matters affecting them and the performance of the Company. To this end, Management maintains an open-door policy whilst also ensuring accurate and timely dissemination of information through all available communication channels within the Company. The relationship between Management and the in-house employee Unions remains very cordial. Regular dialogue takes place at informal and formal levels, and the Unions help to foster employee motivation and welfare initiatives.

e. Employment of Physically Disabled Persons

Dangote Sugar Refinery PLC is an equal opportunity employer. It appreciates the fact that physically challenged people can participate in, and contribute to society in all aspects of life. It provides equal opportunities for disabled persons, ensuring that there is no discrimination against them on recruitment for employment, determination of salaries, promotion and other benefits. The Company also considers of utmost importance, the welfare and rehabilitation of staff members who may unfortunately become disabled during the course of their duties and ensures that in addition to compensation and rehabilitation by the Company, the Nigeria Social Insurance Trust Fund (NSITF) pays a fair, guaranteed and adequate compensation to employees in case of any injury, disease, disability or death arising out of, or in the course of employment. Currently, there are nineteen (19) physically challenged employees in the Company with disabilities such as hearing and speech impairment, and mobility (limb) impairment.

f. Staff Welfare

The Company has retainership agreement with several private hospitals for its employees' health management. It also provides subsidy to employees in respect of transportation, lunch, housing and health care. Incentive schemes include awards, bonuses, promotions and salary/wage review. During the period, the best staff in each Department were given awards of recognition.

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, the scheme is funded by the employees and DSR's contributions of 10% each, of the employees' monthly basic, housing and transport allowances, and remitted monthly to the employee's choice Pension Fund Administrator.

Report of the Directors (continued)

12 Donations and Charitable Gifts

At Dangote Sugar Refinery PLC, we believe our impact in the communities we operate in is as important as our products and the services we render. We are therefore committed to being thoughtful stewards of environment and caring corporate citizen in the communities where we live and work. Consequently, in line with our sustainability goals we are passionate about our support for charitable and worthy causes in the areas of education, health, skills acquisition, poverty alleviation and sports amongst others. During the year under review, the beneficiaries of our CSR were as follows:

S/N	BENEFICIARY	AMOUNT
1	Donation to Nigerian Bar Association, Kano Branch for 2021 Annual Law Week	200,000
2	Maritime Workers Union of Nigeria support for 2021 May Day Celebration	400,000
3	Library Development Support for Paradise Nursery and Primary School, Lagos	300,000
4	Sponsorship of Investiture of 17th President of Institute of Directors	1,000,000
5	Sponsorship of 2021 Lagos State World Food Day Celebration (Quiz Competition for Secondary Schools)	700,000
6	Fund raising for Security Support of CA-COVID Team	1,000,000,000
7	Support for International Federation of Female Lawyer's Conference	250,000
8	Sponsorship of Government Girls School,Dala - Kano - 60th Anniversary Celebration	20,000,000
9	Support for the hosting of Conference of Vice Chancellors of Nigeria	58,480,833
10	Donation of COVID-19 Signage for Wash Hand Basin to Apapa Senior Secondary School	16,500
11	Educational Scholarship Grant, Apapa	570,000
12	Donation of Laptops to Randle High School,Apapa.	376,250
13	Burial Assistance to Hama Batta	200,000
14	Renovation of Bare Community traditional Site,Adamawa.	600,000
15	Sponosrship for Kwete, Homto, Manjauli and Guyuk Annual Festivals in the Numan host communities	1,900,000
16	Donation of electrical poles for Kola Community, Guyuk LGA, Adamawa.	31,000
17	Seasonal Gift Baskets to Tradtional Rulers	190,300
18	Support for Annual Stakeholders Engagement and Community Townhall Meetings at Numan	6,100,000
19	Support for Bare Community Land Development , Adamawa.	300,000
20	Donation and Refurbishment of generators for the paramount rulers in the Bachama Kingdom.	5,756,394
21	Support for Murum Mbula of Mbula Community Coronation Ceremony - Adamawa.	1,300,000
22	Medical Outreach and treaments in DSR Numan Host Communities.	25,462,894
23	Support for Bare Community Student Union Association	150,000
24	Support for Nunguraba Youths Summit, Guyuk LGA	200,000
25	Donation towards key Stakeholders Engagement and Community Development for Gyawana Community	27,000,000
26	Rehabilitation of Boreholes in the DSR Numan Host communities	305,250
	TOTAL	1,151,789,421

**No donation was made to any political party or organization*

13 Post Balance Sheet Events

There are no post Balance Sheet events that could have effect on the state of affairs of the Company as at December 31, 2021 which have not been adequately provided for or disclosed.

14 Auditors

The Auditors, Messrs. PricewaterhouseCoopers (PwC), having indicated their willingness to continue in office, will do so in accordance with Section 401 of the Companies & Allied Matters Act, 2020, a resolution will be proposed at the Annual General Meeting to authorize the Directors to determine their remuneration.
A resolution will be proposed at the Annual General Meeting to authorize the Directors to determine their remuneration.

By Order of the Board

TEMITOPE HASSAN,
Company Secretary/Legal Adviser
FRC/2017/NBA/00000016669
3rd Floor, Greenview Development Nigeria Ltd Building
Terminal "E" NPA Complex, Apapa
Lagos, Nigeria

Dated February, 2022

Corporate Governance Report

Board Structure & Composition

The Board of Directors of the Company was composed of the following members during the 2021 Financial Year:

S/N	Director	Role
1	Alhaji Aliko Dangote (GCON)	Chairman
2	Mr. Ravindra Singhvi	Group Managing Director/CEO
3	Alhaji Sani Dangote*	Non-Executive Director
4	Mr. Olakunle Alake	Non-Executive Director
5	Ms. Maryam Bashir	Independent Non-Executive Director
6	Ms. Bennedikter Molokwu	Non-Executive Director
7	Prof. Konyinsola Ajayi, SAN	Non-Executive Director
8	Mr. Uzoma Nwankwo	Non-Executive Director
9	Alhaji Abdu Dantata	Non-Executive Director

**Alhaji Sani Dangote sadly passed away on November 15, 2021*

Board Characteristics & Skill Sets

Changes in the Structure & Composition of Board

The Board exercises leadership, enterprise, integrity and judgment in its oversight and control of the Company. No member has unfettered powers of decision making and there is no cross-membership on the Board of competing companies.

The Board is moving closer to a gender balance with 25% of the members being female; no member of the Board has attained 70years of age.

During the review period the following changes were made to the structure and composition of the Board:

•Prof. Konyinsola Ajayi was admitted to the Board Finance Committee on July 28, 2021.

•Alhaji Dantata was admitted to the Board Risk Management & Assurance Committee on July 28, 2021.

• We regret to report that Alhaji Sani Dangote passed away on November 15, 2021 in the United Stated of America after a protracted illness.

Corporate Governance Report (continued)

Board of Directors

The Roles & Responsibilities of the Board
The Board is the highest governing body in the Company with oversight of the strategic goals of the Company. The Board considers the long-term and short-term strategies of the Company and monitors the implementation by Management.

The primary responsibilities of the Board are the performance, oversight of affairs and direction of the Company. It is responsible for defining the Company's strategic goals and deploying the relevant personnel for the attainment of these goals. In addition, the Board has supervisory oversight in ensuring that the Company's affairs are run in compliance with the law, its Articles of Association and principles of good corporate governance.

The Board defines the vision, goals, objectives and strategic priorities of the Company, monitors the integrity of financial and internal control policies and management information systems. It presents the audited financial statements to the Shareholders and ensures the accuracy and efficiency of the accounting and financial management.

The Roles of the Officers of the Board

CHAIRMAN
Aliko Dangote (GCON)
The Chairman provides overall leadership and direction to the Board. His primary responsibility is to ensure effective operation of the Board such that it works towards achieving the Company's strategic objectives and enhancing shareholder value.

GROUP MANAGING DIRECTOR/CEO
Ravindra Singhvi
The Group Managing Director/CEO is the Head of Management and is responsible for the day-to-day operations of the Company. He has a broad understanding of the Company's business and delegates duties to Management and Management Committees to ensure the achievement of the Company's goals and strategic objectives.

COMPANY SECRETARY
Temitope Hassan (FCIS)
The Company Secretary is accountable to the Board as a whole and advises the Board through the Chairman and the Group Managing Director on all matters of governance and ethics, including their duties and responsibilities.

The Role of the INED, NED & ED

INDEPENDENT NONEXECUTIVE DIRECTOR (INED)
- The Independent Director provides objective and independent advice and guidance to the Board on various issues, and ensures that the interests of all stakeholders, including those of minority shareholders, are well considered in decisions taken by the Board.

NON-EXECUTIVE DIRECTOR (NED)
- The Non-Executive Directors bring to bear their knowledge and expertise on issues of strategy and performance on the Board. The Non-Executive Directors are not involved in the day-to-day management of the Company, but have unfettered access to the Company Secretary, the Internal Auditor, and other senior Management Staff.

EXECUTIVE DIRECTOR (ED)
- Executive Directors support the Chief Executive Officer in the operations and management of the Company. Executive Directors have a broad understanding of the Company's business in addition to having the requisite skills, knowledge, experience and qualification required for their specific roles and responsibilities

Appointment to the Board
The Board Governance Committee (BGC) has the primary responsibility for initiating Board appointments. The criteria for the appointment of members to the Board are laid down in the Board Succession Planning Policy which is through a formal, transparent and rigorous process.

New members to the Board are selected based on their wealth of experience, relevant leadership skills, and competence amongst others. The process of Board appointments is well defined and helps to ensure continuity in the operations of the Company thereby enhancing stakeholders' confidence. The process is concluded when the nominees are duly approved by Shareholders at the Annual General Meeting.

Induction of New Board Members
The Company has in place a robust Induction and Onboarding Programme to familiarize newly appointed Directors with their role, duties and responsibilities; the Company's business and operations; and the nature of the sugar refinery industry amongst others. The Induction programme includes meetings with key officers of the Company, and a tour of the Refinery, Backward Integration Project sites, and the Subsidiaries. Newly appointed Directors are also provided with a library of useful reports, policies, and relevant extant laws and regulations amongst others to help them in their new roles.

Corporate Governance Report (continued)

Continuing Education for Directors

The Board of Directors participated in a training titled 'Repositioning the Board for a Strategic Role in a Turbulent Environment' facilitated by the Lagos Business School (LBS) on August 24th and 25th, 2021. The focus areas of the training were Market Insights, Key Business Risks, Economic Outlook and the Board, Effective Leadership, Organizational Culture & Succession Planning in Uncertain Times, and the Key Governance Changes in the Companies & Allied Matters Act 2020. Directors gave good feedback on the Training.

DCSL Corporate Services Limited partnering with Hawkamah Institute for Corporate Governance, Dubai UAE invited Board members to join the Institute's global virtual conference themed "ESG, Disruption and Investment" which was held on September 27th and 28th 2021.

The key take-aways form the Conference were guidance to the Board in the areas of Board Process, Risk Management, Employee Welfare, Collaboration Between Board & Management, Industry Advocacy, Digitalization, Board Diversity and Seamless Governance Framework.

The importance of the key take-aways from the Hawkamah Conference were noted as best governance practice for a dynamic Board.

The Annual General Meeting of the Company

The Annual General Meeting (AGM) to consider the Annual Report and the Financial Statements for the year ended December 31, 2020 was held on May 27, 2021 at the Eko Hotel and Suites, Victoria Island, Lagos.

In the interest of public safety and having regard to the Nigerian Centre for Disease Control (NCDC) COVID-19 Guidance for Safe Mass Gatherings in Nigeria, and the restrictions on public gatherings by the Lagos State Government, attendance at the General Meetings was by Proxy only.

The Company by announcement requested that the duly executed Proxy Form should be lodged at the office of the Company's Registrars, Veritas Registrars Limited, or sent to the Registrars by email not later than 48hours before the time appointed for the AGM while the Company made arrangements at its cost, for the stamping of the duly executed Proxy Forms submitted to the Company's Registrars within the stipulated time.

To ensure a robust selection of Proxies, twelve (12) persons were approved as Proxies for Shareholders of the Company and were empowered to vote on behalf of Shareholders subject to their consent. The list of designated Proxies was communicated to the Shareholders in the Notice of the Meeting.

The Meetings were streamed live online to enable shareholders and other stakeholders who were unable to physically attend the meetings to follow the proceedings. The link for the live streaming of the Meeting was made available on the Company's website at www.dangotesugar.com.ng. Shareholders were given the opportunity to submit their questions to the Company prior to the date of the Meetings.

The approval of the Corporate Affairs Commission (CAC) was sought and obtained to hold the Annual General Meeting in line with the guidelines on holding of General Meetings of public companies using proxies.

Shareholder's Rights & Investor Relations

General Meetings are important platforms for the Board to engage shareholders to facilitate greater understanding of the Company's business, governance and performance. However, given the COVID-19 pandemic, the platform for the engagement was limited to the electronic platform at the Company's AGM held on May 27, 2021, while some representatives of shareholders (Proxies) attended the AGM on behalf of other members.

The AGM was conducted in the best manner possible taking cognizance of the restrictions by the pandemic. Shareholders were encouraged to send their comments and questions to the Company Secretary ahead of the AGM, and responses were provided to every question received. Although not all the Directors were physically present at the Meeting, the Chairman of the Statutory Audit Committee was present, and another member of the Committee, Hadjia Muheebat Dankaka was a Proxy, representing several members and casting their vote as instructed.

The AGM was conducted in an open manner and sufficient time was allocated to shareholders present as they participated fully and contributed effectively at the Meeting. The venue of the Meeting was accessible to shareholders, and the Notice of Meeting was published on April 26, 2021, more than 21 days before the Meeting. Copies of the Annual Reports, Audited Financial Statements and all other information pertaining to the resolutions to be voted upon; including voting or proxy instructions and relevant papers were dispatched to shareholders along with the Notice of Meeting. All relevant information about the Meeting and the Audited Financial Statements were also hoisted on the Company's website.

The Board ensured that dealings of the Company with Shareholder Associations are transparent and in the best interest of the Company and that all shareholders are treated fairly and equitably, and adequate information is provided to shareholders to facilitate their investment decisions.

Update on Industry Advocacy - Inauguration of the Securities Issuers

The GMD/CEO, Mr. Ravindra Singhvi was invited to join an Advisory Committee made up of CEOs of select public companies and the Principal Officers of the Nigeria Employers' Consultative Association (NECA). A meeting of the Committee was held in September 2021 with the Board of the Securities & Exchanges Commission (SEC) to consider how they could work together towards developing a more robust capital market.

The issues deliberated upon at the meeting were the mandatory filing of Q4 Accounts, disclosure of penalties, the timeline for compliance with Sections 60 to 63 of the Investment & Securities Act (ISA), liaison with other Regulators and the holding of Annual General Meetings of public companies electronically. Other issues discussions which could increase market activities were the challenges faced by Issuers which included foreign exchange risk, regulator issues, access to capital and unstable policies amongst others.

We are pleased that the SEC has reverted to the previous financial statement filing regime such that public companies which wished to dispense with the requirement to file their Q4 Accounts may do so if they commit to filing their audited financial statement for the year within 60days of their year-end. We are also pleased that the SEC has granted public companies an extension till December 31, 2023 for compliance with the implementation of *Sections 60 to 63 of the ISA.*

Corporate Governance Report (continued)

Investor Relations
The Company publishes investor newsletters and its annual results, quarterly forecasts and interim results on its website at www.dangotesugar.com.ng Other relevant investor information such as questions about shareholding or share certificates, (including the replacement of lost certificates or the consolidation of several certificates into one), or guidance to notify a change of address or to mandate dividend) are provided by the Company's Investor Relations Team. Investors are encouraged to send emails to InvestorRelationsDSR@dangote.com or contact our Registrars for answers to their enquiries.

Retirement of the Engagement Partner, PricewaterhouseCoopers (PwC)
Mr. Edafe Erhie will retire as the Engagement Partner upon the conclusion of the audit of the Company's Financial Statements for the year ended December 31, 2021. His retirement after 5 years as Audit Partner is in compliance S.20.5 of the Nigerian Code of Corporate Governance 2018, to preserve independence.

The Board has the assurance that the in-coming Engagement Partner has the requisite, skills and experience for the role. Mr. Erhie is wished every success in his future endeavours.

Conflict of Interest & Insider Related Transactions
The Board has a policy of openness and transparency. Conflict of Interest situations are well addressed by the Conflict of Interest and Related Party Transaction Policy. Insiders are precluded from buying and selling any security in breach of their fiduciary duty and other relationship of trust and confidence while in possession of material, privileged, non-public and price-sensitive information about the Company.

• The Company's 'Closed Periods' are triggered in compliance with the Rules of the Nigerian Exchange Limited.

• Insiders are precluded from engaging in unlawful or improper transfers of assets and profits for their personal benefits or for the benefit of related parties.
• Disclosure of all transactions between related parties, (natural persons or company) are made to the Board, and controls triggered to ensure that the transactions are carried out at arms-length and on normal market terms.

Whistle Blowing Policy
The Company has an effective whistle-blowing framework pursuant to which its employees and stakeholders can raise their concerns relating to any illegality or unethical behavior, fraud, malpractice or any other activity or event which is against the interest of the Company or society as a whole. The Statutory Audit Committee at its quarterly meetings reviews the whistle-blowing reports and procedure in line with the approved Whistle-Blowing Policy.

The whistle-blowing facility is managed by an independent Ethics Line Provider, Messrs. KPMG and has the assurance of confidentiality which is required to protect the identity and interest of the Whistle-blower. The Board ensures that the Whistle-blower is not subject to any detriment on the grounds of the disclosure made in good faith.

Information on the whistle blowing procedure is available to staff and stakeholders and is published in conspicuous places in the Company's premises and circulated to staff online via the Company's intranet.

Information on the whistle blowing procedure is available to staff and stakeholders and is published in conspicuous places in the Company's premises and circulated to staff online via the Company's intranet.

Code of Conduct & Ethics
The Company's Code of Business Conduct and Ethics commits the Board, Management, employees, contractors, suppliers and the Company's controlled entities to the highest standards of professional and ethical behaviour, business conduct and sustainable business practices.

The Board is responsible for monitoring adherence to the Code of Business Conduct and Ethics to ensure that breaches are effectively sanctioned. The Directors annually attest to the Code of Conduct for Directors and the Anti-Bribery & Corruption Policy which has a zero tolerance for all forms of fraud including but not limited to bribery and corruption, asset misappropriation and financial statements fraud.

Annual Board Evaluation & Corporate Governance Evaluation
The Board is required to establish a system to undertake a formal and rigorous evaluation of its own performance, that of its Committees, and individual Directors. The aim of the assessment is to provide the Board with the opportunity to reflect and obtain feedback on its performance.

In line with the provisions of the Nigerian Code of Corporate Governance 2018 (NCCG), the Company elected to conduct its Annual Board Evaluation and Corporate Governance Evaluation internally. This was conducted by the Company Secretariat Team using a platform via online questionnaires for anonymously obtaining the opinion of Directors on the performance of the Board, its Committees, a peer assessment, and the Company's Corporate Governance practices. The assessment was conducted in line with the extant Codes of Corporate Governance.

Corporate Governance Report (continued)

COVID-19 Strategies at Dangote Sugar Refinery PLC

The effect of the year of the COVID-19 pandemic was felt in 2021; it had a massive adverse impact on all spheres of human life – secular, social-cultural, economic, health and more. Like many other industries the world over, The Dangote Group has had to deal with these challenges to ensure the protection of the health of its staff members while maintaining business continuity.

The Dangote Group launched a multi-faceted approach to manage the COVID-19 pandemic. Some of the strategies adopted during the year were assistance with obtaining COVID-19 vaccinations, the issuance of travel advisory, COVID-19 testing, aftercare program which caters for members of staff who tested positive to COVID-19, awareness campaigns and the use of infrared thermometers at all access points, provision of hand sanitizers, hand washing facilities, and the mandatory use of facemasks.

COVID-19 vulnerable groups were identified and deployed to work remotely while non-essential workers were also advised to work from home to reduce exposure. All meetings were held virtually, gatherings were discouraged, and social distancing maintained within the work environment as much as reasonably practicable.

Our Approach to Sustainability - Environmental, Social & Governance (ESG)

The Company launched a 3-year Sustainability Implementation & Performance Enhancement Roadmap for 2021-2023. The baseline year (2020) was for setting up building block for the Company's sustainability vision while the Year 1 (2021) was for solidifying the sustainability vision. The Year 2 (2022) is for entrenching our sustainability vision while the Year 3 (2023) is for consolidating the Sustainability journey by embracing five of the United Nation's Sustainable Development Goals.

The Company recently added SDG 13 (Climate Action) to the list of Sustainable Development Goals (SDGs) that the Company had adopted. This brings to 6 the total number of Goals it intends to accomplish.

The Company is currently on track in its 3-year Sustainability Implementation & Performance Enhancement Roadmap. Steps have been taken to develop the Company's 2021 Sustainability Report based on identified material indicators – recognize the data to be collected, efficiently collect it, and properly report it in Global Reporting Initiative (GRI) standards in order to be GRI certified. To do this, a GRI certification is required for the Sustainability Reporting and an external Consultant has been engaged to assist the Company in its preparations for the certification. The certification would be completed before the end of March 2022.

Board Meetings

The Board of Directors held five (5) meetings during the period. At Board meetings, the Board received reports on the implementation of its strategic initiatives and the financial performance of the Company and its subsidiaries and other matters for the Board's notification and/or approval. The agenda for each meeting and the supporting Board papers are sent to Directors at least seven (7) days before the meeting to give them sufficient time to review the Papers and request for additional information, where necessary.

Directors had access to Management through the Company Secretariat and obtained independent advice from Consultants at the expense of the Company where required.

During the period, the Board reviewed and approved thirty (30) Manuals/Standard Operating Procedures (SOPs), the Board Remuneration Policy and the Claw-Back Policy for Executive Directors and Senior Executives. At the commencement of the year, Board Members attested to their compliance with the various governance codes and policies and updated the Company Secretariat with information on changes to their shareholding and membership of other Boards.

Corporate Governance Report (continued)

1 Board of Directors Meetings Attendance (5 meetings)

S/N	DIRECTORS	ATTENDANCE					
		Feb 24	April 28	July 28	Oct 27	Dec 17	%
1	Alhaji Aliko Dangote, GCON (Chairman)	√	√	√	√	√	100
2	Alhaji Sani Dangote	√	*	*	*	*	*
3	Mr. Olakunle Alake	√	√	√	√	√	100
4	Alhaji Abdu Dantata	√	√	√	√	√	100
5	Ms. Bennedikter Molokwu	√	√	√	√	√	100
6	Ms. Maryam Bashir	√	√	√	√	√	100
7	Prof. Konyinsola Ajayi, SAN	√	√	√	√	√	100
8	Mr. Uzoma Nwankwo	√	√	√	√	√	100
9	Mr. Ravindra Singhvi	√	√	√	√	√	100

**Alhaji Sani Dangote passed away on November 15, 2021*

Board Committees

The Committees of the Board as at December 31, 2021 were as follows:
- Board Governance Committee
- Board Finance Committee
- Board Risk Management & Assurance Committee

Board Governance Committee (BGC)

The primary purpose of the Governance Committee is to exercise oversight on all governance matters and to ensure that the procedures for appointments to the Board are formal and transparent.

During the period, the Committee carried out its role and duties including the review of the Board and Committees composition, governance policies and practices, and oversight of the human resources strategy amongst others. At each meeting of the Committee, the Company's compliance with governance codes and best practices was reviewed. The main functions of the Governance Committee are:

The schedule of the composition of the Committee and meeting attendance is as follows:

2 Board Governance Committee Composition & Meeting Attendance (4 Meetings)

S/N	DIRECTORS	ATTENDANCE				
		Feb 16	April 1	July 15	Oct 18	%
1	Ms. Bennedikter Molokwu (Chairman)	√	√	√	√	100
2	Prof. Konyinsola Ajayi (SAN)	√	√	√	√	100
3	Mr. Uzoma Nwankwo	√	√	√	√	100
4	Ms. Maryam Bashir	√	√	√	√	100
5	Mr. Olakunle Alake	√	√	√	√	100

Board Finance Committee (BFC)

The Board Finance Committee is established to assist the Board in fulfilling its oversight responsibilities with respect to strategic, financial and corporate development matters. The Committee's key performance indicators include monitoring capital projects, capital expenditures and the Company's major investments and subsidiaries. During the year, the Committee extensively reviewed the Backward Integration Projects and the on-going expansions projects and monitored the Capital Expenditure Budget to ensure efficient deployment of resources. The Committee's major terms of reference include the following:

Corporate Governance Report (continued)

The schedule of the composition of the Committee and meeting attendance is as follows:

3 Board Finance Committee Composition & Meeting Attendance (5 Meetings)

S/N	Directors	Attendance					
		Feb 17	April 20	July 26	Oct 25	Dec 14	%
1	Mr. Uzoma Nwankwo (Chairman)	√	√	√	√	√	100
2	Ms. Bennedikter Molokwu	√	√	√	√	√	100
3	Mr. Olakunle Alake	√	√	√	√	√	100
4	Alhaji Abdu Dantata	√	√	√	√	√	100
5	Ms. Maryam Bashir	√	√	√	√	√	100
6	Mr. Ravindra Singhvi	√	√	√	√	√	100
7	prof. Konyinsola Ajayi, SAN	*	*	*	√	√	100

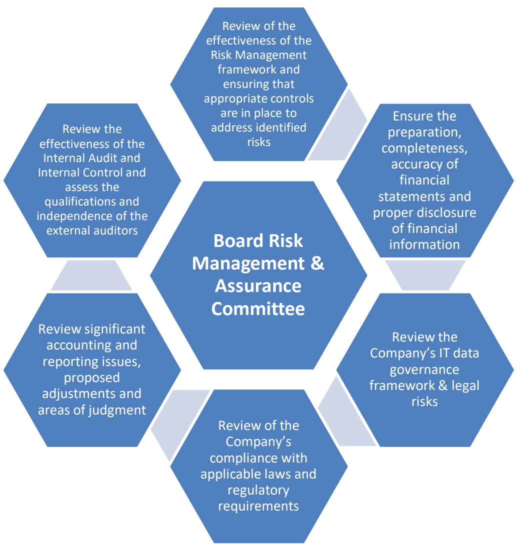
**Prof. Ajayi was admitted to the Committee on July 28, 2021*

Board Risk Management & Assurance Committee (BRMAC)

The Board Risk Management and Assurance Committee is established to ensure oversight by the Board of Directors regarding the risk appetite and risk tolerance levels of the Company and provide assurance of the process and system of internal control.

During the period, the Committee reviewed the recommendations of the external Consultant, Messrs. Deloitte on the quality assurance review of the Internal Audit and Internal Control functions and monitored the implementation of the key recommendations. It requested Management to conduct special reviews where required and considered the legal risks faced in the Company's day-to-day operations.

The Committee also reviewed thirty (30) Manuals/Standard Operating Procedures (SOPs) and recommended them to the Board for approval. Its major terms of reference include the following:



Corporate Governance Report (continued)

The schedule of the composition of the Committee and meeting attendance is as follows:

4 Board Risk Management & Assurance Committee - Composition & Meetings (4 Meetings)

S/N	Directors	Attendance				
		Feb 18	April 21	July 26	Oct 25	%
1	Ms. Maryam Bashir (Chairman)	√	√	√	√	100
2	Mr. Uzoma Nwankwo	√	√	√	√	100
3	Ms. Bennedikter Molokwu	√	√	√	√	100
4	Mr. Olakunle Alake	√	√	√	√	100
5	Prof. Konyinsola Ajayi, SAN	*	√	√	√	75
6	Alhaji Abdu Dantata	*	*	*	√	100

**Alhaji Abdu Dantata was admitted to the Committee on July 28, 2021*

Statutory Audit Committee (SAC)

The Statutory Audit Committee was established in accordance with the provisions of the Companies & Allied Matters Act 2000 (CAMA) and its functions are as prescribed under Section 404(7) of the Act. The Statutory Audit Committee has responsibility for the following:

• Ascertain whether the accounting and reporting policies of the Company are in accordance with the legal requirements and agreed ethical practices.

• Review the scope and planning of audit requirements.

• Review the findings on management matters in conjunction with the external auditors and Management responses thereon.

• Keep under review the effectiveness of the Company's system of accounting and internal control.

• Make recommendations to the Board in regard to the appointment, removal and remuneration of the external auditors of the Company.

• Authorize the internal auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee.

The Committee is composed of two (2) Non-Executive Directors and three (3) Ordinary Shareholders elected at the Company's Annual General Meeting in line with CAMA. The Chairman of the Committee is an Ordinary Shareholder.

In line with S.11.4.8 of the Nigerian Code of Corporate Governance 2018, the Statutory Audit Committee invited the External Auditors and the Head of Internal Audit for discussions (without the presence of Management), to facilitate an exchange of views and concerns that may not be appropriate for open discussion. The exchange was useful for the Committee's oversight role.

In furtherance of our continuous capacity enhancement for the Statutory Audit Committee, it participated in a Risk Management & Audit Workshop facilitated by H. Pierson & Associates Limited on November 23rd and 24th, 2021. Members of the Board also attended the Training. The key highlights of the workshop were Internal Audit Challenges, Identifying and Setting Controls to Mitigate Inherent Business Risks, The Relevance of Cyber Security Risks for Financial & Non-Financial Auditing and Board Evaluation and Board Effectiveness.

The schedule of the Committee composition and meeting attendance is as follows:

Statutory Audit Committee - Composition & Meetings Attendance (4 meetings)

S/N	Members	Attendance				
		Feb 18	**April 23**	**July 27**	**Oct 26**	**%**
1	Mr. Olusegun Olusanya (Chairman)	√	√	√	√	100
2	Hadjia Muheebat Dankaka	√	√	√	√	100
3	Mallam Dahiru Ado	√	√	√	√	100
4	Prof. Konyinsola Ajayi, SAN	√	√	*	*	100
5	Ms. Bennedikter Molokwu	√	√	*	*	100
6	Mr. Olakunle Alake	√	√	*	*	100
7	Mr. Uzoma Nwankwo	*	*	√	√	100
8	Ms. Maryam Bashir	*	*	√	√	100

**Prof. Ajayi, Ms. Molokwu and Mr. Alake retired from the Committee on May 27, 2021; and Ms. Bashir and Mr. Nwankwo were appointed as the Non-Executive Directors representatives on the Committee*

Remuneration of Directors

The Board ensures that the Company remunerates fairly, responsibly, and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. Only Non-Executive Directors are paid Annual Fees as well as Sitting Allowances for attendance at Board and Committee meetings, they are however not entitled to be paid performance-based compensation. The schedule of Annual Fees and Sitting Allowances payable to Non-Executive Directors for the year ended December 31, 2021 is as follows:

S/N	ANNUAL FEES	N
1	Non-Executive Directors	4,000,000
2	Independent Non-Executive Directors	4,000,000

S/N	SITTING ALLOWANCES	N
1	Board of Director's Meetings (for NEDs)	400,000
2	Board Committee Meetings (for NEDs)	400,000

Corporate Governance Report (continued)

Statement on Compliance with the Securities & Exchange Commission's Code of Corporate Governance for Public Companies, 2011 & Nigerian Code of Corporate Governance 2018

The Directors are responsible for ensuring compliance with the extant Codes of Corporate Governance. The Board has reviewed both the Nigerian Code of Corporate Governance 2018 and the Securities & Exchange Commissions' Code of Corporate Governance for Public Companies 2011 and is satisfied that the Company has achieved significant improvement in its compliance with their provisions.

Dangote Sugar Refinery Plc. is a good corporate citizen and strives to comply with its regulatory obligations. It is not surprising that the Company emerged winner of the SERAS CSR Awards Africa 2021 'Best Company in Good Health & Wellbeing'.
The Board will continue to closely monitor the Company's compliance with best governance practices with a view to improving its governance practices.

There were no regulatory sanction, fines or penalties on the Company during the period.

By Order of the Board

TEMITOPE HASSAN,
Company Secretary/Legal Adviser
FRC/2017/NBA/00000016669
3rd Floor, Greenview Development Nigeria Ltd Building
Terminal "E" NPA Complex, Apapa
Lagos, Nigeria

Lagos, February 2022

Report of the Audit Committee for the Year Ended December 31, 2021

To the Members of Dangote Sugar Refinery Plc,

In compliance with *Section 404(7) of the Companies and Allied Matters Act, 2020*, we have reviewed the consolidated and separate Financial Statements of Dangote Sugar Refinery PLC for the year ended 31st December, 2021 and hereby state as follows:

a We have exercised our statutory functions under *Section 404(7) of the Companies and Allied Matters Act, 2020;*

b 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;

c The accounting and reporting policies of the Company for the year ended 31st December, 2021 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

d In our opinion, the scope and planning of the audit for the year ended 31st December, 2021 were adequate, and the Management Responses to the Auditors ' findings were satisfactory.

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

Dated this 25th day of February, 2022

Members of the Audit Committee are:

1 Mr. Olusegun Olusanya – Chairman/Shareholder
2 Mallam Dahiru Ado - Shareholder
3 Hadjia Muheebat Dankaka (OON) - Shareholder
4 Ms Maryam Bashir – Independent Non-Executive Director
5 Mr. Uzoma Nwankwo – Non-Executive Director

Statement of Directors' Responsibilities

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

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and Company and comply with the requirements of the Companies and Allied Matters Act;

b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other regularities; and

c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.

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

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 Group and Company and of their 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 of internal financial control.

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 for at least twelve months from the date of this statement..

The consolidated and separate financial statements of the Group and Company for the year ended December 31, 2021 were approved by the Directors on February 28, 2022.

Signed on behalf of the Board of Directors By:

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

Mr. Ravindra Singh Singhvi
Group Managing Director/CEO
FRC/2021/003/000000/22565

Statement of Corporate Responsibility for the Financial Statements

In compliance with Sections 405 of the Companies and Allied Matters Act (CAMA) 2020, we certify that:

a) we have reviewed the audited financial statements, and based on our knowledge:

i) the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading;

ii) the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the periods covered by the audited financial statements.

b) We are responsible for establishing and maintaining internal controls and we have:

i) designed internal controls to ensure that material information relating to company and its subsidiary is made known to us during the year ended 31 December 2021;

ii) evaluated the effectiveness of the company's internal controls within 90 days prior to the date of the audited financial statements; and

iii) we certify that the company's internal controls are effective of that date.

c) We disclosed to the auditors and audit committee:

i) that there are no significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data; and has identified for the company's auditors, any material weaknesses in internal controls; and

ii) that there are no fraud that involves management or other employees who have a significant role in company's internal control; and

d) That there are no significant changes in internal controls or in other factors that significantly affected internal controls subsequent to the date of evaluation, including any corrective actions with regard to significant deficiencies and material weakness.

Mr. Ravindra Singh Singhvi
Group Managing Director/CEO
FRC/2021/003/000000/22565

Dated this 28th day of February, 2022

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

Dated this 28th day of February, 2022

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 2021, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with 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 31 December 2021;
- the consolidated and separate statements of financial position as at 31 December 2021;
- 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 Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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 (N4.7 billion) Biological assets comprise growing sugar cane held for harvesting purposes. In accordance with IAS 41 - Agriculture, 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. Furthermore, the determination of the fair value estimates is complex and involves 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 farmland planted, the age of growing cane per hectare and the yield rate per hectare. 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 rate per hectare, 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 and separate financial statements. See notes 2.18, 3 and 17 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 reviewed 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 information used in the valuation model (such as the yield rate per hectare, hectare of farmland planted and age of growing cane per hectare) by comparing with data from the farm and factory reports. Furthermore, we assessed information on yield rate by comparing it against our expectation based on relevant industry data available. We tested the tonnage used in the valuation model by applying the yield rate per hectare on the hectare of farmland planted. 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 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. We assessed the reasonableness of disclosures in the consolidated and separate financial statements for reasonableness.

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, Statement of Directors' Responsibilities, Statement of Corporate Responsibility for the Financial Statements, 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 2021 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 2021 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 financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, 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 statements

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

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

1 March 2022

Engagement Partner: Edafe Erhie
FRC/2013/ICAN/00000001143

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

	Note(s)	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Continuing operations					
Revenue	5	276,054,781	214,297,747	276,054,781	206,360,656
Cost of sales	6	(225,846,208)	(157,076,742)	(225,846,208)	(149,678,967)
Gross profit		**50,208,573**	**57,221,005**	**50,208,573**	**56,681,689**
Other income	11	333,142	906,929	332,142	815,299
Selling and distribution expenses	7	(906,496)	(676,938)	(906,496)	(667,056)
Administrative expenses	7	(10,630,962)	(9,010,569)	(9,970,729)	(7,517,640)
Impairment of investment in Niger Sugar	20.1	-	(99,000)	-	(99,000)
Impairment (losses)/gains on financial assets	23.3	15,323	(430,857)	15,323	581,855
Operating profit	14	**39,019,580**	**47,910,570**	**39,678,813**	**49,795,147**
Finance income	8	1,419,193	684,786	1,419,191	684,453
Finance cost	10	(6,629,734)	(5,390,105)	(6,681,140)	(4,999,939)
Finance costs - net		**(5,210,541)**	**(4,705,319)**	**(5,261,949)**	**(4,315,486)**
Change in fair value of biological assets	9	212,173	2,417,067	212,173	559,287
Profit before tax		**34,021,212**	**45,622,318**	**34,629,037**	**46,038,948**
Taxation	12.1	(11,968,921)	(15,847,076)	(11,968,921)	(14,668,289)
Profit for the year		**22,052,291**	**29,775,242**	**22,660,116**	**31,370,659**
Profit attributable to:					
Owners of the parent		22,058,369	29,764,577	22,660,116	31,370,659
Non-controlling interest		(6,078)	10,665	-	-
		22,052,291	**29,775,242**	**22,660,116**	**31,370,659**
Total comprehensive income for the period		**22,052,291**	**29,775,242**	**22,660,116**	**31,370,659**
Total comprehensive income attributable to:					
Owners of the parent		22,058,369	29,764,577	22,660,116	31,370,659
Non-controlling interest		(6,078)	10,665	-	-
		22,052,291	**29,775,242**	**22,660,116**	**31,370,659**
Earnings per share					
Basic and diluted earnings per share (Naira)	15	**1.82**	**2.45**	**1.87**	**2.58**

The accompanying notes on pages 28 to 72 form an integral part of the consolidated and separate financial statements.

Consolidated and separate statements of financial position as at December 31, 2021

	Note	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Assets					
Non-current assets					
Property, plant and equipment	16	144,678,056	101,733,526	83,829,184	76,698,057
Investment in subsidiaries	20	-	-	297,000	297,000
Deposit for shares	21	-	-	57,084,152	41,574,737
Total non-current assets		**144,678,056**	**101,733,526**	**141,210,336**	**118,569,794**
Current assets					
Inventories	22	55,999,543	63,000,300	54,153,133	51,568,627
Biological assets	17	4,655,554	4,462,449	4,655,554	4,462,449
Trade and other receivables	23	50,155,533	63,060,342	46,302,270	39,371,894
Other assets	18	138,633	46,689	137,151	44,617
Asset held for sale	19	868,642	868,642	868,642	868,642
Cash and cash equivalents	24	103,009,804	44,860,441	102,055,783	44,394,521
Total current assets		**214,827,709**	**176,298,863**	**208,172,533**	**140,710,750**
Total assets		**359,505,765**	**278,032,389**	**349,382,869**	**259,280,544**
Equity					
Attributable to owners of Parent company					
Share capital	25	6,073,439	6,073,439	6,073,439	6,073,439
Share premium	25	6,320,524	6,320,524	6,320,524	6,320,524
Retained earnings	26	116,253,934	112,328,413	117,436,206	112,908,937
		128,647,897	**124,722,376**	**129,830,169**	**125,302,900**
Non-controlling interest	27	(16,747)	(10,669)	-	-
		128,631,150	**124,711,707**	**129,830,169**	**125,302,900**
Liabilities					
Non-Current Liabilities					
Deferred tax liabilities	13	10,431,964	8,903,802	10,431,964	8,903,802
Lease liability	31.1	1,134,857	1,383,100	1,134,857	1,337,081
Borrowings	28	764,448	984,487	764,448	984,487
		12,331,269	11,271,389	12,331,269	11,225,370
Current Liabilities					
Current tax liabilities	12.3	10,449,071	1,554,841	10,449,071	1,554,841
Lease liability	31.1	1,220,023	1,050,534	1,171,582	1,043,658
Borrowings	28	220,039	194,651	220,039	194,651
Trade and other payables	30	201,382,133	135,518,093	190,108,668	116,227,957
Employee benefits	29	766,265	969,591	766,265	969,591
Other liabilities	31	4,505,815	2,761,583	4,505,806	2,761,576
Total current liabilities		**218,543,346**	**142,049,293**	**207,221,431**	**122,752,274**
Total liabilities		**230,874,615**	**153,320,682**	**219,552,700**	**133,977,644**
Total equity and liabilities		**359,505,765**	**278,032,389**	**349,382,869**	**259,280,544**

The consolidated and separate financial statements on pages 24 to 72, and other national disclosure ~~on pages~~ 73 to 76 were approved by the board on February 28, 2022 and were signed on its behalf by:

Alh. Aliko Dangote, GCON	**Mr. Ravindra Singh Singhvi**	**Mrs. Adebola Falade**
Chairman	Group Managing Director/CEO	Chief Finance Officer
FRC/2013/IODN/00000001766	FRC/2021/003/000000/22565	FRC/2016/ICAN/00000015167

The accompanying notes on pages 28 to 72 form an integral part of the consolidated and separate financial statements.

Consolidated and separate statements of changes in equity

Company	Note	Share Capital	Share Premium	Retained Earnings	Total
		N'000	N'000	N'000	N'000
Balance as at 1 January 2020		**6,000,000**	**6,320,524**	**105,762,418**	**118,082,942**
- changes in share capital	25	73,439	-	(73,439)	-
- net difference arising on merger	43			(10,950,701)	(10,950,701)
Profit for the year		-	-	31,370,659	31,370,659
Total comprehensive income for the year		**6,073,439**	**6,320,524**	**126,108,937**	**138,502,900**
Transaction with owners:					
Dividend paid		-	-	(13,200,000)	(13,200,000)
Balance as at 31 December 2020		**6,073,439**	**6,320,524**	**112,908,937**	**125,302,900**
Profit for the year		-	-	22,660,116	22,660,116
Adjustment to the net difference arising on merger	26	-	-	87,469	87,469
		6,073,439	**6,320,524**	**135,656,523**	**148,050,486**
Transaction with owners:					
Dividend paid		-	-	(18,220,317)	(18,220,317)
Balance as at 31 December 2021		**6,073,439**	**6,320,524**	**117,436,206**	**129,830,169**

Group	Note	Share Capital	Share Premium	Retained Earnings	Attributable to owners of parent company	Non-controlling interest	Total
		N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January 2020		**6,000,000**	**6,320,524**	**96,258,578**	**108,579,102**	**(442,638)**	**108,136,464**
Profit for the year		-	-	29,764,577	29,764,577	10,665	29,775,242
Total comprehensive income for the year		**-**	**-**	**29,764,577**	**29,764,577**	**10,665**	**29,775,242**
Transaction with owners:							
Share issued		73,439	-	(73,439)	-	-	-
Disposal of SSCL's non controlling interest	27	-	-	(421,304)	(421,304)	421,304	-
Dividend paid		-	-	(13,200,000)	(13,200,000)	-	(13,200,000)
Balance as at 31 December 2020		**6,073,439**	**6,320,524**	**112,328,414**	**124,722,377**	**(10,669)**	**124,711,708**
						-	-
Profit for the year		-	-	22,058,369	22,058,369	(6,078)	22,052,291
Adjustment to the net difference arising on merger	26	-	-	87,469	87,469	-	87,469
Total comprehensive income for the year		**-**	**-**	**22,145,838**	**22,145,838**	**(6,078)**	**22,139,760**
Transaction with owners:							
Dividend paid		-	-	(18,220,317)	(18,220,317)	-	(18,220,317)
Balance as at 31 December 2021		**6,073,439**	**6,320,524**	**116,253,935**	**128,647,898**	**(16,747)**	**128,631,151**

The accompanying notes on pages 28 to 72 form an integral part of the consolidated and separate financial statements.

Dangote Sugar Refinery Plc.
Annual Report and Financial Statements for the Year Ended December 31, 2021

Consolidated and separate statements of cash flows

	Note(s)	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Cash flows for operating activities					
Profit before taxation		**34,021,212**	**45,622,318**	**34,629,037**	**46,038,948**
Adjustments for non-cash income and expenses:					
Depreciation of property, plant and equipment	16	9,271,973	7,699,160	8,624,547	5,198,055
Impairment of financial assets	23.3	(15,323)	430,857	(15,323)	(581,855)
Impairment of Investment in Niger	20.1	-	-	-	99,000
Government grant	11	(75,403)	(81,286)	(75,403)	(26,881)
Provision and release of gratuity	29	(1,118)	121,183	(1,118)	121,183
(Profit)/loss on sale of assets	11	16,162	(7,218)	16,162	(7,218)
Property, plant and equipment impaired and written off	16	14,175	456,694	14,175	403,537
Interest income	8	-	(684,786)	-	(684,453)
Interest expense	10	320,809	340,049	317,082	208,962
Exchange loss	31.1	211,741	421,704	211,741	421,704
Fair value gain on biological assets	9	(212,173)	(2,417,067)	(212,173)	(559,287)
Changes in working capital					
(Increase)/decrease in Inventory		7,000,757	(24,136,571)	(2,584,506)	(12,919,985)
Net usage of biological assets		19,068	23,610	19,068	153,106
(Increase)/decrease in trade and other receivables		12,920,132	(29,711,821)	(6,915,053)	(35,580,451)
(Increase)/decrease in other assets		(91,944)	29,079	(92,534)	26,258
Increase/(decrease) in other liabilities		1,655,895	935,082	1,655,893	903,385
Increase/(decrease) in trade payables		65,939,443	72,375,527	73,956,114	51,552,554
Cash generated from operations		**130,995,406**	**71,416,514**	**109,547,708**	**54,766,562**
Tax paid	12.3	(1,546,529)	(11,084,421)	(1,546,529)	(11,084,421)
Gratuity paid	29	(202,208)	(132,022)	(202,208)	(128,900)
Net cash generated from operating activities		**129,246,669**	**60,200,071**	**107,798,971**	**43,553,241**
Cash flows from investing activities					
Purchase of property, plant and equipment		(51,347,183)	(26,860,078)	(14,889,515)	(9,924,506)
Proceeds on disposal of property, plant and equipment	11.1	55,646	7,258	55,646	7,258
Interest received	8	-	684,786	-	684,453
Net cash used in investing activities		**(51,291,536)**	**(26,168,034)**	**(14,833,869)**	**(9,232,795)**
Cash flows from financing activities					
Dividends paid	26	(18,220,317)	(13,200,000)	(18,220,317)	(13,200,000)
Unclaimed dividend received		88,337	265,154	88,337	265,154
Deposit for shares		-	-	(15,509,415)	-
Interest paid	28	(64,906)	(94,388)	(64,906)	(37,578)
Lease Liabilities paid - Interest	31.1	(182,969)	(164,374)	(179,242)	(157,297)
Lease Liabilities paid - Principal	31.1	(1,158,330)	(342,142)	(1,150,712)	(330,937)
Repayment of borrowings	28	(267,584)	(247,374)	(267,584)	(128,671)
Net cash used in financing activities		**(19,805,770)**	**(13,783,124)**	**(35,303,840)**	**(13,589,329)**
Net increase in cash and cash equivalents		58,149,363	20,248,913	57,661,262	20,731,117
Cash and cash equivalents at beginning of year		44,860,441	24,611,528	44,394,521	23,663,403
Cash and cash equivalents at end of the year	24	**103,009,804**	**44,860,441**	**102,055,783**	**44,394,521**

The accompanying notes on pages 28 to 72 form an integral part of the consolidated and separate financial statements.

1 General information

Dangote Sugar Refinery Plc (the Company) (DSR) 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 67% by Dangote Industries Limited and 33% by the Nigerian public.

The ultimate controlling party is Greenview International Corporation, Cayman Island

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 2021 comprise the Company and its subsidiaries - Dangote Taraba Sugar Ltd, Dangote Adamawa Sugar Ltd and Nasarawa Sugar Company Limited.

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.

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 risks 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, adversely 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 period from 1 January 2021 to 31 December 2021 with comparative for the year ended 31 December 2020.

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 (IFRS IC) of IASB (together "IFRS") that are effective at 31 December 2021 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 biological assets which is measured at fair value less cost to sell. Historical cost is generally based on the fair value of the consideration given in exchange for assets. All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand Naira unless otherwise stated. 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 non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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 obligor in all of the revenue arrangements, has inventory risk and determines the pricing for the goods 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 customers.

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 returns are accounted for when they occur.

The delivery service provided by the Group is a sales fulfilment 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 satisfied.

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

Revenue recognition (continued)

Disaggregation of revenue from contract with customers

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

2.5 Interest income Recognition

Interest income from a financial asset is 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 asset's to that asset's net carrying amount on initial recognition.

2.6 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 2.5% of the assessable profits in accordance with the Tertiary Education Tax Act.

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.

2.6 Taxation (continued)

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 basis 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.

2.7 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 of an assets starts when the asset is available for use. 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 -50 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

2.7 Property, plant and equipment (continued)

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.

2.8 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.

2.8.1 Employee benefits

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

Short-term employee benefits

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

Long-term employee benefits (Defined contribution plan)

Employees are members of defined contribution plans. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

2.9 Government grants

Government grants are recognised when there is reasonable assurance that:

i) the group will comply with the conditions attaching to them; and
ii) the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate. Grants related to income are presented as a credit in the profit or loss (separately).

2.10 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

– the contract involves the use of an identified asset – this may be specified explicitly or implicitly. If the supplier has a substantive substitution right, then the asset is not identified;
– the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
– the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

The Group primarily leases land and building (used as office space, outlets, warehouse and residential use). The lease terms are typically for fixed periods ranging from 2 years to 25 years but may have extension options. On renewal of a lease, the terms may be renegotiated.

Contracts may contain both lease and non-lease components. The Group has elected to separate lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension and termination options. The lease agreements do not impose any covenants, however, leased assets may not be used as security for borrowing purposes.

Leases in which the Group is a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Leases in which the Group is a Lessor

(i) Operating lease
When assets are subject to an operating lease, the assets continue to be recognised as property and equipment based on the nature of the asset. Lease income is recognised on a straight line basis over the lease term.

Lease incentives are recognised as a reduction of rental income on a straight-line basis over the lease term.

(ii) Finance lease
When assets are held subject to a finance lease, the related asset is derecognised and the present value of the lease payments (discounted at the interest rate implicit in the lease) is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

2.11 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 overhead 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 estimated costs of completion and costs necessary to make the sale.

2.12 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.

2.13 Financial instruments

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)

2.13 Financial instruments (continued)

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.

2.13 Financial instruments (continued)

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 specified 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 recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of 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.

2.14 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 shares 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.

2.15 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.

2.16 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.

Interest 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.

2.17 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

2.18 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 harvested as at year end, and these are measured at fair value less cost to sell.

The basis of fair value determination of growing canes have been included in Note 17.

2.2 Business combination under common control

Business combinations under common control occur when combining entities/businesses are ultimately controlled by the same party(ies) both before and after the business combination, and that control is not transitory.

The Group applies the “predecessor method” of accounting for business combinations under common control because such transactions are outside the scope of the reporting standard on Business Combinations (IFRS 3). The assets and the liabilities of the acquiree are recorded at the predecessor carrying values from the financial statements of the highest entity that has common control for which financial statements are prepared. Therefore, no goodwill is recorded in the consolidated financial statements of the acquirer.

Any difference arising between the acquirer’s cost of investment and the acquiree’s net assets is recorded directly in equity. Any non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities. Comparative amounts are not restated but the transaction is accounted for prospectively, i.e., from the effective date of the transaction (transfer of control). Any expenses incurred as a result of the combination are written off immediately in the statement of profit or loss and other comprehensive income.

3 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.

3 Critical judgements and sources of estimation uncertainty (continued)

i) Significant estimates

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:

			GDP growth rate	
		-10%	Held constant	10%
		N'000	**N'000**	**N'000**
Inflation Rate	-10%	987	601	310
	Held constant	394	0	(394)
	10%	(299)	(601)	(954)

Related parties receivables

Significant unobservable inputs

Probability of default (PD)	Effect on profit before tax 2021 **N'000**
Increase/decrease in probability of default	
10%	(301)
-10%	301

Loss Given Default (LGD)	Effect on profit before tax 2021 **N'000**
Increase/decrease in loss given default	
10%	(385)
-10%	385

Staff Loans

Significant unobservable inputs

Probability of default (PD)	Effect on profit before tax 2021 **N'000**
Increase/decrease in probability of default	
10%	(2,261)
-10%	2,450

3 Significant judgements and sources of estimation uncertainty (continued)

Loss Given Default (LGD)

	Effect on profit before tax 2021 **N'000**
Increase/decrease in loss given default	
10%	-
-10%	2,880

Forward looking indicators

Forecast Default Rate	Effect on profit before tax 2021 **N'000**
Increase/decrease in forecast default rate	
10%	(152)
-10%	152

ii) Critical judgements

Fair values of biological assets

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 farmland planted, the age of growing cane per hectare and the yield rate per hectare.

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 rate per hectare, the discount rate, cost of sales, selling and distribution expenses, administrative expenses and contributory assets charges. See note 17.

4 New Standards and Interpretations

i) Standards and interpretations effective and adopted in the current year

There are no new standards applicable to annual reporting period commencing 1 January 2021 which are expected to have a material impact on the group:

ii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

5 Revenue

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Revenue from the sale of sugar - 50kg	269,058,884	206,444,363	269,058,884	198,824,291
Revenue from the sale of sugar - Retail	4,753,693	5,786,447	4,753,693	5,786,447
Revenue from the sale of molasses	1,190,464	826,749	1,190,464	509,730
Freight income	1,051,740	1,240,188	1,051,740	1,240,188
	276,054,781	**214,297,747**	**276,054,781**	**206,360,656**

All revenue is earned at a point in time.

5.1.1 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.

Segmental revenue and results

Revenue from external customers by region of operations is listed below.

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Nigeria:				
Lagos	126,605,319	104,874,684	126,605,319	104,983,951
North	113,152,624	79,251,161	113,152,624	71,173,367
West	25,330,695	20,344,122	25,330,695	20,365,318
East	10,966,143	9,827,780	10,966,143	9,838,020
	276,054,781	**214,297,747**	**276,054,781**	**206,360,656**

Group	Segment Revenue 31/12/2021 N'000	Segment Revenue 31/12/2020 N'000	Segment Cost of Sales 31/12/2021 N'000	Segment Cost of Sales 31/12/2020 N'000	Segment Gross Profit 31/12/2021 N'000	Segment Gross Profit 31/12/2020 N'000
Nigeria:						
Lagos	126,605,319	104,874,684	(98,885,081)	(75,097,276)	27,720,238	29,777,408
North	113,152,624	79,251,161	(96,110,175)	(59,374,758)	17,042,449	19,876,403
West	25,330,695	20,344,122	(20,627,319)	(15,241,762)	4,703,376	5,102,360
East	10,966,143	9,827,780	(10,223,633)	(7,362,947)	742,510	2,464,833
	276,054,781	**214,297,747**	**(225,846,208)**	**(157,076,742)**	**50,208,573**	**57,221,005**

Company	Segment Revenue 31/12/2021 N'000	Segment Revenue 31/12/2020 N'000	Segment Cost of Sales 31/12/2021 N'000	Segment Cost of Sales 31/12/2020 N'000	Segment Gross Profit 31/12/2021 N'000	Segment Gross Profit 31/12/2020 N'000
Nigeria:						
Lagos	126,605,319	104,983,951	(98,885,082)	(74,440,790)	27,720,237	30,543,161
North	113,152,624	71,173,367	(96,110,175)	(52,822,336)	17,042,449	18,351,031
West	25,330,695	20,365,318	(20,627,319)	(15,114,413)	4,703,377	5,250,905
East	10,966,143	9,838,020	(10,223,633)	(7,301,428)	742,510	2,536,592
	276,054,781	**206,360,656**	**(225,846,208)**	**(149,678,967)**	**50,208,573**	**56,681,689**

5.1 Segment information (Continued)

5.1.2 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 segment and the physical location of the asset.

Investments in shares held by the Group and deferred taxes are not considered to be segment assets and are not allocated to segments.

Capital expenditure reflects addition 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 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 2021;

	Total Segment Assets		Total Segment liabilities	
	31/12/2021 N'000	31/12/2020 N'000	31/12/2021 N'000	31/12/2020 N'000
Group				
Nigeria:				
Lagos	212,241,053	212,561,967	111,674,586	76,041,063
North	147,264,712	65,470,422	108,768,065	68,375,817
Sub-total	**359,505,765**	**278,032,389**	**220,442,651**	**144,416,880**
Unallocated deferred tax	-	-	10,431,964	8,903,802
Total	**359,505,765**	**278,032,389**	**230,874,615**	**153,320,682**

	Total Segment Assets		Total Segment liabilities	
	31/12/2021 N'000	31/12/2020 N'000	31/12/2021 N'000	31/12/2020 N'000
Company				
Nigeria:				
Lagos	270,346,657	185,184,851	122,832,540	50,015,270
North	79,036,212	74,095,693	96,720,160	83,962,374
Sub-total	**349,382,869**	**259,280,544**	**219,552,700**	**133,977,644**
Unallocated deferred tax	-	-		
Total	**349,382,869**	**259,280,544**	**219,552,700**	**133,977,644**

Included in the Lagos segment is asset held for sale of N868.6 million (2020: N868.6 million).

Information about major customers

The company has one customer whose sales make up 16% of total revenue. Total revenue from the customer within the year is N45.5 bilion and revenue from the customer is included in the Lagos region.

Notes to the Consolidated and Separate Financial Statements

5.1 Segment information (Continued)

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 65% 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 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Raw material	183,373,949	119,426,942	183,373,949	117,087,019
Direct labour cost	5,362,783	5,135,066	5,362,783	3,919,197
Direct overheads	20,780,392	19,356,255	20,780,392	17,995,188
Depreciation	5,426,798	5,163,623	5,426,798	2,994,530
Freight expenses	10,902,285	7,994,855	10,902,285	7,683,032
	225,846,208	**157,076,742**	**225,846,208**	**149,678,967**

Included in freight expenses is the depreciation charge on the company's fleet of trucks . The amount so included is as stated below:

Depreciation charge on trucks	2,583,744	2,040,353	2,583,744	1,886,253

7 Administrative expenses

Management fees	1,014,259	962,324	1,014,259	962,324
Assessment rates and municipal charges	37,194	22,661	37,194	18,235
Auditors Fees and remuneration	76,000	68,026	69,750	54,221
Cleaning and fumigation	94,713	74,946	94,713	74,888
Legal, consulting and professional fees	175,482	393,500	175,482	372,300
Consumables	8,726	3,608	8,726	723
Depreciation	1,261,431	495,183	614,004	317,273
Impairment (note 16)	7,313	471,115	7,313	417,958
Donations and scholarship	1,161,541	910,640	1,161,541	845,821
Employee costs (note 36)	3,581,191	3,186,538	3,581,191	2,451,171
Entertainment	2,509	164,708	2,509	164,034
Insurance	407,437	276,817	407,437	190,717
Bank charges	155,454	192,291	148,900	164,155
Rental expenses	-	5,650	-	5,650
Magazines, books, print and and periodicals	32,455	31,554	32,455	24,956
Utilities	175,731	150,137	175,731	56,914
Petrol and oil	51,637	34,512	51,637	18,994
Repairs and maintenance	337,919	146,686	337,919	140,669
Secretarial fees	241,854	175,835	241,854	175,835
Security expense	391,680	242,954	391,680	159,706
Staff welfare	412,865	193,401	412,865	166,892
Subscriptions	16,576	21,435	16,576	19,550
Sustainability Expenses	2,698	-	2,698	-
Telephone and fax	204,040	185,307	204,040	146,029
Training	28,751	41,341	28,751	38,567
Travel-local	683,114	526,975	683,114	501,807
Travel-overseas	68,391	32,425	68,391	28,251
	10,630,962	**9,010,569**	**9,970,729**	**7,517,640**

No non-audit services were rendered by the external auditors in the year.

Selling and Distribution expenses

Selling and marketing expenses	906,496	676,938	906,496	667,056
	906,496	**676,938**	**906,496**	**667,056**

		GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
8	**Investment income**				
	Interest income on bank deposits	1,419,193	684,786	1,419,191	684,453
		1,419,193	**684,786**	**1,419,191**	**684,453**

Interest is earned on bank deposits at an average rate of 3.5 % p.a. on short term (30days) bank deposits.

9	**Change in fair value of biological assets**				
	Fair value gain/(loss) on biological assets (Note 17)	212,173	2,417,067	212,173	559,287
		212,173	**2,417,067**	**212,173**	**559,287**
10	**Net finance expense**				
	Exchange loss in the ordinary course of business	1,992,231	1,575,498	2,047,363	1,316,420
	Finance cost on Letter of Credit	4,316,694	3,474,558	4,316,694	3,474,558
	Interest on lease payments	182,969	164,374	179,242	157,297
	Interest on bank loan	137,840	175,675	137,840	51,665
		6,629,734	**5,390,105**	**6,681,140**	**4,999,939**

In the account of year ended December 31, 2020, Finance cost on Letters of credit of N3,474,558,000 was included in cost of sales for the Company (Group: N3,474,588,000). These have now been separated and included as finance cost.

11	**Other income**				
	Insurance claim income	35,597	9,419	35,597	8,432
	Sale of scrap	46,570	396,884	46,570	360,646
	Grant income	75,403	81,286	75,403	26,881
	Rental income	188,011	67,500	188,011	67,500
	Provision no longer required	3,555	344,271	2,555	344,271
	(Loss)/Profit on sale of asset	(16,162)	7,218	(16,162)	7,218
	Miscellaneous income	169	351	169	351
		333,142	**906,929**	**332,142**	**815,299**

11.1 Loss/(profit) on sale of asset is arrived at as below:

	Apapa N'000	Numan N'000	Total N'000
Cost of assets disposed	(69,441)	(689,547)	(758,988)
Accum dep of assets disposed	69,441	617,739	687,180
Net book value disposed	-	(71,808)	(71,808)
Sales proceed received in consideration	5,867	49,779	55,646
(Loss)/Profit on sale of asset	**5,867**	**(22,029)**	**(16,162)**

12 Taxation

12.1 Major components of the tax expense

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Current Tax				
Income tax based on profit for the year	9,340,367	515,812	9,340,367	515,812
Education tax expense	1,098,660	1,006,928	1,098,660	975,396
Police trust fund	1,731	-	1,731	-
	10,440,759	**1,522,740**	**10,440,759**	**1,491,208**
Deferred tax				
Deferred tax expense/(credit) recognised in the current period	846,748	14,324,336	846,748	13,177,081
Adjustments recognised in the current period in relation to the deferred tax of prior periods	681,414	-	681,414	-
	11,968,921	**15,847,076**	**11,968,921**	**14,668,289**

The tax rates used in the above comparative figures are the corporate tax rate of (2021: 30%) payable by corporate entities in Nigeria. Education tax rate is also payable at 2.5% of assessable profit.(2020: 2% of assessable profit) while Police trust fund is 0.005% of the net profit of the companies operating business in Nigeria.

12.2 Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Accounting profit before tax	34,021,212	45,622,318	34,629,037	46,038,948
Income tax expense calculated at 30%	10,388,711	13,811,685	10,388,711	13,811,685
Education tax expense calculated at 2.5% (2020: 2%)	1,098,660	975,395	1,098,660	975,395
Impact from acquisition	-	1,178,786	-	-
Effect of income that is exempt from taxation	(439,367)	(889,498)	(439,367)	(889,498)
Effect of expenses that are not deductible in determining taxable profit	323,461	261,280	323,461	261,280
Effect of Tax Incentives	(41,954)	(23,800)	(41,954)	(23,800)
Effect of tax adjustments (minimum tax, deferred tax)	1,731	515,813	1,731	515,813
Adjustments recognised in the current period in relation to the deferred tax of prior periods	681,414	-	681,414	-
Difference in tax rate	(43,737)	17,414	(43,737)	17,414
Income tax expense recognised in profit or loss	**11,968,921**	**15,847,075**	**11,968,921**	**14,668,289**

12.3 Current tax liabilities

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
At January 1	1,554,841	11,116,521	1,554,841	11,084,421
Acquired during the year	-	-	-	63,633
Charge for the year	10,440,759	1,522,741	10,440,759	1,491,208
Payment made during the year	(1,546,529)	(11,084,421)	(1,546,529)	(11,084,421)
Balance end of the year	**10,449,071**	**1,554,841**	**10,449,071**	**1,554,841**

13 Deferred tax balances

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2021: 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.

Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

Property plant and equipment @ 30%	(11,913,613)	(9,665,999)	(11,913,613)	(9,665,999)
Property plant and equipment @ 10%	(121,878)	(121,878)	(121,878)	(121,878)
Fair value adjustment	(68,956)	-	(68,956)	-
Exchange difference @ 32%	802,447	-	802,447	-
Provisions	870,036	884,076	870,036	884,076
	(10,431,964)	**(8,903,802)**	**(10,431,964)**	**(8,903,802)**

13 Deferred tax balances (Continued)

Deferred income tax charged in profit or loss ("P/L) are attributable to the following items:

13.1 Deferred tax reconciliation

	Opening balance	Movement recognised in the year-SPL	Movement recognised in the equity	Closing balance
	N'000	N'000	N'000	N'000
Group as at 31 December 2021				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	(9,665,999)	(2,247,614)	-	(11,913,613)
Property, plant and equipment @ 10%	(121,878)	-	-	(121,878)
Exchange rate		802,447		802,447
Fair value adjustment	-	(68,956)	-	(68,956)
Provisions	884,076	(14,040)	-	870,036
	(8,903,801)	**(1,528,163)**	**-**	**(10,431,964)**

	Opening balance	Movement recognised in the year-SPL	Movement recognised in the equity	Closing balance
Company as at 31 December 2021				
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment @ 30%	(9,665,999)	(2,247,614)	-	(11,913,613)
Property, plant and equipment @ 10%	(121,878)	-	-	(121,878)
Exchange rate		802,447		802,447
Fair value adjustment	-	(68,956)	-	(68,956)
Provisions	884,076	(14,040)	-	870,036
	(8,903,801)	**(1,528,163)**	**-**	**(10,431,964)**

14 Operating profit

Profit for the year is arrived at after charging/(crediting):

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Depreciation of property, plant and equipment (note 16)	9,271,973	7,699,160	8,624,547	5,198,055
(Profit)/loss on sale of property, plant and equipment (note 11)	16,162	(7,218)	16,162	(7,218)
Defined contribution plans (note 36)	286,302	254,532	395,345	302,270
Auditors remuneration	76,000	68,026	69,750	54,221

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 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Profit for the year	22,058,369	29,764,577	22,660,116	31,370,659
Earnings used in the calculation of basic earnings per share from continuing operations	**22,058,369**	**29,764,577**	**22,660,116**	**31,370,659**
Weighted average number of ordinary shares for the purpose of basic earnings per share	**12,146,878**	**12,146,878**	**12,146,878**	**12,146,878**
Basic and diluted earnings per share from continuing operations (Naira)	1.82	2.45	1.87	2.58

16. Property, Plant and Equipment

Group	Bearer Plant	Land	Building	Plant & Machinery	Furniture & Fittings	Motor Vehicles	Computer Equipment	Aircraft	Tools & Equipment	Capital Work In Progress	Total
COST:	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
											-
Balance, 1/1/2020	**5,606,590**	**5,663,744**	**20,071,720**	**31,972,272**	**383,096**	**22,671,460**	**267,604**	**899,828**	**7,631,637**	**26,777,211**	**121,945,161**
Additions during the year	2,034,627	-	344,372	5,269,017	21,310	3,079,899	26,378	-	1,485,966	14,630,423	26,891,992
Reclassifications	-	-	3,229	665,370	894	-	-	-	(263,977)	(405,516)	-
Impaired	-	-	-	-	-	-	-	-	(62,576)	(408,538)	(471,115)
Disposal	-	-	-	-	-	(47,482)	-	-	-	-	(47,482)
Balance, 31/12/2020	**7,641,217**	**5,663,744**	**20,419,321**	**37,906,658**	**405,300**	**25,703,878**	**293,982**	**899,828**	**8,791,048**	**40,593,579**	**148,318,557**
Additions during the year	3,475		915,686	4,535,237	16,212	603,498	64,008	-	293,676	45,783,225	52,215,018
Prior year addition recognised		87,469									87,469
Reclassifications	1,872,281	-	657,415	1,162,998	750	4,386,782	3,410	-	118,318	(8,201,954)	0
write off	-	-	-	-	-	(4,240)	-	-	-	(10,014)	(14,254)
Impaired	-	-	-	-	-	(9,000)	-	-	-	-	(9,000)
Disposal	-	-	-	(128,196)	(14,116)	(555,527)	(5)	-	(61,144)	-	(758,988)
Balance, 31/12/2021	**9,516,973**	**5,751,213**	**21,992,422**	**43,476,697**	**408,146**	**30,125,392**	**361,395**	**899,828**	**9,141,898**	**78,164,836**	**199,838,801**
DEPRECIATION:											
Balance, 1/1/2020	**2,756,922**	**32,220.00**	**3,386,885**	**15,053,558**	**276,962**	**11,607,590**	**217,351**	**218,917**	**5,397,326**	**-**	**38,947,734**
Charge for the year	1,976,814	34,025	868,252	2,161,567	20,137	1,366,403	30,618	35,993	1,205,349	-	7,699,160
Impaired	-	-	-	54	-	6,837	1,470	-	(22,783)	-	(14,421)
Disposal	-	-	-	-	-	(47,443)	-	-	-	-	(47,443)
Balance, 31/12/2020	**4,733,737**	**66,245**	**4,255,137**	**17,215,180**	**297,100**	**12,933,388**	**249,439**	**254,910**	**6,579,892**	**-**	**46,585,030**
Charge for the year	1,770,568	-	1,137,632	1,576,770	41,546	3,493,692	37,291	35,993	1,178,481	-	9,271,973
Written off	-	-	-	5,155	-	(11,077)	(1,470)	-	-	-	(7,392)
Impaired	-	-	-	-	-	(1,688)	-	-	-	-	(1,688)
Reclassification	-	-	-	34,032	144	(32,000)	-	-	(2,176)	-	-
Disposal	-	-	-	(128,196)	(13,852)	(483,983)	(5)	-	(61,143)	-	(687,180)
Balance, 31/12/2021	**6,504,305**	66,245	**5,392,770**	**18,702,941**	**324,937**	**15,898,333**	**285,255**	**290,904**	**7,695,054**	**-**	**55,160,743**
NET BOOK VALUE:											
Balance, 31/12/2020	**2,907,481**	**5,597,499**	**16,164,184**	**20,691,478**	**108,200**	**12,770,490**	**44,542**	**644,918**	**2,211,156**	**40,593,579**	**101,733,527**
Balance, 31/12/2021	**3,012,668**	**5,684,968**	**16,599,653**	**24,773,756**	**83,209**	**14,227,058**	**76,140**	**608,924**	**1,446,844**	**78,164,836**	**144,678,056**

16. Property, Plant and Equipment

Company	Bearer Plant	Land	Building	Plant & Machinery	Furniture & Fittings	Motor Vehicles	Computer Equipment	Aircraft	Tools & Equipment	Capital Work In Progress	Total
COST:	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Balance, 1/1/2020		**683,242**	**10,880,537**	**23,707,736**	**178,033**	**13,419,915**	**215,015**	**899,828**	**4,111,198**	**5,436,897**	**59,532,401**
Additions during the year	874,564	-	66,364	139,985	17,848	2,747,174	22,830	-	233,321	5,831,754	9,933,841
Reclassifications	-	-	3,229	665,370	894	-	-	-	(263,977)	(405,516)	-
Impaired	-	-	-	-	-	-	-	-	(9,419)	(408,538)	(417,957)
Disposal	-	-	-	-	-	(47,482)	-	-	-	-	(47,482)
Addition through merger, at cost (notes 16b and 43)	6,766,653	4,375,749	6,089,793	11,235,244	208,733	8,372,698	47,867	-	2,918,835	13,853,811	53,869,384
Balance, 31/12/2020	**7,641,217**	**5,058,991**	**17,039,923**	**35,748,335**	**405,508**	**24,492,305**	**285,711**	**899,828**	**6,989,958**	**24,308,408**	**122,870,187**
Additions during the year	3,475		879,771	235,463	16,212	238,806	58,399	-	269,422	14,052,639	15,754,187
Prior year addition recognised		87,469									87,469
Reclassifications	1,872,281	-	657,415	1,162,998	750	4,386,782	3,410	-	118,318	(8,201,954)	0
write off	-	-	-	-	-	(4,240)	-	-	-	(10,014)	(14,254)
Impaired	-	-	-	-	-	(9,000)	-	-	-	-	(9,000)
Disposal	-	-	-	(128,196)	(14,116)	(555,527)	(5)	-	(61,144)	-	(758,988)
Balance, 31/12/2021	**9,516,973**	**5,146,460**	**18,577,109**	**37,018,599**	**408,354**	**28,549,127**	**347,515**	**899,828**	**7,316,555**	**30,149,078**	**137,929,600**
DEPRECIATION:											
Balance, 1/1/2020	**-**	**32,220**	**2,202,847**	**12,968,030**	**118,580**	**9,020,104**	**174,376**	**218,917**	**2,090,393**	**-**	**26,825,467**
Charge for the year	465,686	34,025	786,402	1,667,576	31,669	1,223,658	26,247	35,993	926,799	-	5,198,055
Impaired	-	-	-	54	-	6,837	1,470	-	(22,783)	-	(14,421)
Disposal	-	-	-	-	-	(47,443)	-	-	-	-	(47,443)
Addition through merger(notes 16b and 43)	4,268,050	-	1,019,384	3,941,241	169,729	3,516,809	43,945	-	1,251,314	-	14,210,471
Balance, 31/12/2020	**4,733,737**	**66,245**	**4,008,633**	**18,576,900**	**319,978**	**13,719,965**	**246,038**	**254,910**	**4,245,722**	**-**	**46,172,130**
Charge for the year	1,770,568	-	1,078,816	1,376,030	41,493	3,148,616	33,742	35,993	1,139,288	-	8,624,547
Written off/(back)	-	-	-	5,155	-	(11,077)	(1,470)	-	-	-	(7,392)
Impaired	-	-	-	-	-	(1,688)	-	-	-	-	(1,688)
Reclassification	-	-	-	34,032	144	(32,000)	-	-	(2,176)	-	(0)
Disposal	-	-	-	(128,196)	(13,852)	(483,983)	(5)	-	(61,143)	-	(687,180)
Balance, 31/12/2021	6,504,305	66,245	5,087,448	19,863,922	347,763	16,339,834	278,305	290,904	5,321,691	-	**54,100,417**
NET BOOK VALUE:											
Balance, 31/12/2020	**2,907,481**	**4,992,749**	**13,031,291**	**17,171,434**	**85,530**	**10,772,340**	**39,673**	**644,918**	**2,744,236**	**24,308,408**	**76,698,057**
Balance, 31/12/2021	**3,012,669**	**5,080,216**	**13,489,660**	**17,154,678**	**60,591**	**12,209,293**	**69,211**	**608,925**	**1,994,864**	**30,149,078**	**83,829,184**

16. Property, Plant and Equipment (continued)

The following Right-of Use assets have been included in the property, plant and equipment movement schedules above:

	GROUP Land	GROUP Building	COMPANY Land	COMPANY Building
COST:				
Balance as at 1/1/2020	107,748	2,948,428	107,748	2,870,214
Additions during the year	-	42,566	-	19,991
Balance, 31/12/2020	**107,748**	**2,990,994**	**107,748**	**2,890,205**
Additions during the year	121,117	746,718	121,117	743,554
Balance, 31/12/2021	**228,865**	**3,737,712**	**228,865**	**3,633,759**
DEPRECIATION:				
Balance as at 1/1/2020	32,220	597,005	32,220	580,697
Depreciation charge for the year	34,025	605,342	34,025	582,919
Balance, 31/12/2020	**66,245**	**1,202,347**	**66,245**	**1,163,616**
Depreciation charge for the year	72,643	731,844	72,643	703,319
Balance, 31/12/2021	**138,888**	**1,934,191**	**138,888**	**1,866,935**
NET BOOK VALUE:				
Balance, 31/12/2020	**41,503**	**1,788,647**	**41,503**	**1,726,589**
Balance, 31/12/2021	**89,977**	**1,803,520**	**89,977**	**1,766,824**

16b. Property, Plant and Equipment

Net asset of Savannah Sugar Company Ltd acquired is arrived at as follows:

Company	Bearer Plant	Land	Building	Plant & Machinery	Furniture & Fittings	Motor Vehicles	Computer Equipment	Tools & Equipment	Capital Work In Progress	Total
Cost:	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Asset acquired at revalued amount	6,766,653	4,375,749	9,839,625	15,504,053	409,310	8,372,698	47,867	2,914,513	13,853,811	62,084,280
Elimination of revaluation gains	-	-	(3,749,832)	(4,268,809)	(200,577)	-	-	4,322	-	(8,214,896)
Balance, 31/12/2020	**6,766,653**	**4,375,749**	**6,089,793**	**11,235,244**	**208,733**	**8,372,698**	**47,867**	**2,918,835**	**13,853,811**	**53,869,384**
DEPRECIATION:										
Depreciation acquired at revalued amount	4,268,050	-	1,318,174	4,269,251	325,869	3,516,809	43,945	1,251,314	-	14,993,412
Elimination of revaluation gains	-	-	(298,790)	(328,010)	(156,140)	-	-	-	-	(782,940)
Balance, 31/12/2020	4,268,050	-	1,019,384	3,941,241	169,729	3,516,809	43,945	1,251,314	-	14,210,471
NET BOOK VALUE:										
Acquired at 1/9/2020	**2,498,603**	**4,375,749**	**8,521,451**	**11,234,802**	**83,441**	**4,855,890**	**3,921**	**1,663,200**	**13,853,811**	**47,090,868**
Elimination of revaluation gains	**-**	**-**	**(3,451,041)**	**(3,940,799)**	**(44,437)**	**-**	**-**	**4,322**	**-**	**(7,431,955)**
Balance at 1/09/2020 (Note 43)	**2,498,603**	**4,375,749**	**5,070,409**	**7,294,003**	**39,004**	**4,855,890**	**3,921**	**1,667,522**	**13,853,811**	**39,658,912**

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
17 Biological assets				
Carrying value at the beginning of the year	4,462,449	2,068,992	4,462,449	-
Acquired during the year (note 43)	-	-	-	4,056,268
Net (usage)/addition	(19,068)	(23,610)	(19,068)	(153,106)
Fair value adjustments	212,173	2,417,067	212,173	559,287
Carrying amount at the end of the year	**4,655,554**	**4,462,449**	**4,655,554**	**4,462,449**

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. As at 31 December 2021, the group has a total of 7,349.9 hectares (2020: 7,098.8 hectares) of growing sugar canes.

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 contributory 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	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Industry out-grower price. (N per ton)	12,502	10,842	12,502	10,842
Average yield per hectare (tonnes)	86	86	86	86
Discount rate (%)	16%	12%	16%	12%

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 below.

	31/12/2021 N'000
Industry out-grower price	
impact of change	**N'000**
-10%	(515,314)
+10%	515,314
Average yield per hectare (tonnes)	
impact of change	**N'000**
-10%	(504,511)
+10%	491,805
Discount rate	
impact of change	**N'000**
-10%	17,636
+10%	(17,246)

The Company currently does not have biological assets with restricted titles.

Financial risk management strategies for biological assets

The group is exposed to risks arising from environmental and climatic changes, commodity prices and financing risks. The group has strong environmental policies and procedures in place to comply with environmental and other laws.

The group is exposed to risks arising from fluctuations in the price and sales volume of sugar. The group closely monitors the market demand for sugar and makes relevant adjustments to price and production volumes.

		GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
18	**Other assets**				
	Prepaid insurance	63,737	17,919	63,631	17,305
	Prepaid housing allowances	19,068	19,122	19,068	19,122
	Prepaid medicals	48,515	-	48,515	-
	Others	7,313	9,648	5,938	8,190
		138,633	**46,689**	**137,151**	**44,617**
19	**Asset held for sale**	868,642	868,642	868,642	868,642

The asset is a large expanse of land at Plot 23 Division 9, W110 Road, Kolai'a Local Government, Tipaza Province, Algeria. It is currently covered with light green vegetations, with delineating boundaries/paths partly marked with wire-mesh fitted to steel poles. The immediate neighbourhood features both industrial and agricultural uses and notable landmarks in the vicinity of the property include SPA Société Des Tabacs Algero-Emirate (STAEM) and Zone Industrielle Mazafran. Based on land survey plan, the site extends to c.6 Hectares 22 Yards 29 Centiyard.

Management is actively pursuing the sale of the land, have engaged Messrs Knight Frank to handle this . The property valuation pursuant to the sale, has also been effected by Knight Frank.

The outright sales of the property is expected to be completed with a year.

20 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	% interest	Carrying amount December 2021 N'000	Carrying amount December 2020 N'000
Dangote Taraba Sugar Ltd	Dangote Sugar Refinery Plc	99	99,000	99,000
Dangote Adamawa Sugar Ltd	Dangote Sugar Refinery Plc	99	99,000	99,000
Nasarawa Sugar Company Limited	Dangote Sugar Refinery Plc	99	99,000	99,000
			297,000	297,000

20.1 Impairment of investment in subsidiary

	31/12/2021 N'000	31/12/2020 N'000
Write-off of investment in Dangote Niger Sugar Limited	-	(99,000)

DSR also owns 99% shareholding in Dangote Taraba Sugar Ltd, Dangote Adamawa Sugar Ltd and Nasarawa Sugar Company Limited. Dangote Niger Sugar Limited, one of its subsidiaries filed for liquidation within 2020 fiscal year, therefore, the investment in the company has been deemed impaired as there were no assets against which to realise the investment.

There are no significant restrictions on the use of the subsidiary assets.

Dangote Sugar Refinery Plc provides financial support to Dangote Taraba Sugar Ltd, Dangote Adamawa Sugar Ltd and Nasarawa Sugar Company Limited in terms of payment of salaries and wages, purchase of assets and settlement of liabilities.

21 Deposit for shares

The Board of Directors of Dangote Sugar Refinery Plc (DSR) resolved that the total funding of its Backward Integrated Project entities (Dangote Taraba Sugar Ltd, Dangote Adamawa Sugar Ltd and Nasarawa Sugar Company Limited) shall be converted to deposit for shares or equity contribution in the books of both DSR and the respective entities and same shall thereafter be converted to equity in future.

Total funding to date	31/12/2021 N'000	31/12/2020 N'000
Nasarawa Sugar Company Limited	32,017,218	25,501,588
Dangote Adamawa Sugar Ltd	23,171,501	14,178,154
Dangote Taraba Sugar Ltd	1,895,434	1,894,995
	57,084,152	**41,574,737**

22 Inventories

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Raw materials	10,009,094	6,932,228	10,009,094	6,932,228
Raw material in transit	6,308	20,974,812	6,308	20,974,812
Work-in-process	1,664,963	640,548	1,664,963	640,548
Finished goods	18,644,956	4,621,124	18,644,956	4,621,124
Finished goods in transit	482,224	887,824	482,224	887,824
Production supplies	21,776,102	26,880,685	19,931,898	15,451,639
Chemicals and consumables	3,492,458	2,068,167	3,490,252	2,065,540
Packaging materials	267,514	338,988	267,514	338,988
	56,343,619	**63,344,376**	**54,497,209**	**51,912,703**
Allowance for obsolete inventory	(344,076)	(344,076)	(344,076)	(344,076)
	55,999,543	**63,000,300**	**54,153,133**	**51,568,627**
Movement in provision for obsolete inventory				
As at 1 January	(344,076)	-	(344,076)	-
Charge for the year	-	(344,076)	-	(344,076)
As at 31 December	**(344,076)**	**(344,076)**	**(344,076)**	**(344,076)**
Amount of inventory charged as expense in the year:	-	(344,076)	-	(344,076)

No inventory was pledged as security for any liability.

23 Trade and other receivables

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Trade receivables	14,261,870	6,936,006	14,261,870	6,936,006
Allowance for doubtful debts and impairments	(469,939)	(260,729)	(469,939)	(260,729)
	13,791,931	**6,675,277**	**13,791,931**	**6,675,277**
Staff loans and advances	130,919	124,836	127,143	108,422
Other financial assets	21,314,383	14,229,547	20,141,687	14,229,547
Advance payment to contractors	8,143,889	30,100,784	5,468,628	6,453,907
Insurance claim receivable	373,388	373,388	373,388	373,388
Allowance for impaired Insurance claim	(373,388)	(236,239)	(373,388)	(236,239)
Negotiable Duty Credit Certificates (Note 23.1)	707,085	805,683	707,085	805,683
Other receivables	1,614,800	1,256,586	1,613,269	1,256,586
Allowance for impaired other receivables	(95,885)	(228,829)	(95,885)	(228,829)
Allowance for impaired staff loans (Note 23.2)	(23,950)	(23,950)	(23,950)	(23,950)
Amount due from related parties (Note 35)	5,138,831	10,911,411	5,138,831	10,886,253
Allowance for impaired -related parties Trade(Note 23.2)	(389,301)	(373,541)	(389,301)	(373,541)
Allowance for impaired -related parties Non-Trade(Note 23.2)	(177,168)	(554,610)	(177,168)	(554,610)
	50,155,533	**63,060,342**	**46,302,270**	**39,371,894**

Other financial asset is in respect of the deposit for open Letters of Credit with the banks.

Included in the advance payment to contractors for 2021 fiscal year is N761,559,173.17 made to related parties for Company (Group: N777,526,172.89)

23.1 Negotiable duty credit certificate

The Company has received certificates for N707 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. The recently issued Government promissory notes that relates to the last tranches of export carried out by the company are being converted to cash based on the maturity dates indicated on the instruments. However, the old NDCC which ought to be utilized for payment of import and exercise duty in lieu of cash is yet to be enjoyed just like other players within the industry

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

Company	Other Receivables	Impairment losses				
		Trade	Related party Trade-related	Related party Non-trade related	Staff loans	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1/1/2020	-	718,117	179,863	1,390,118	23,950	2,312,048
Receivables written off as uncollectible	-	(281,123)	-	-	-	(281,123)
Increase/(decrease) in allowance for credit losses for the year	236,239	(176,265)	193,678	(835,508)	-	(581,856)
Balance as at 31/12/2020	236,239	260,729	373,541	554,610	23,950	1,449,069
Net impact on retained earnings in current year	236,239	(176,265)	193,678	(835,508)	-	(581,856)
Balance as at 1/1/2021	236,239	260,729	373,541	554,610	23,950	1,449,069
Increase/(decrease) in allowance for credit losses for the year	137,149	209,210	15,760	(377,442)	-	(15,323)
Balance as at 31/12/2021	373,388	469,939	389,301	177,168	23,950	1,433,746
Net impact on retained earnings in current year	137,149	209,210	15,760	(377,442)	-	(15,323)

Group	Other Receivables	Impairment losses Trade	Related party Trade-related	Related party Non-trade related	Staff loans	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1/1/2020	-	718,117	179,863	377,406	23,950	1,299,336
Increase/(decrease) in allowance for credit losses for the period	236,239	(176,265)	193,678	177,204	-	430,857
Receivables written off as uncollectible	-	(281,123)	-	-	-	(281,123)
Balance as at 31/12/2020	236,239	260,729	373,541	554,610	23,950	1,449,070
Net impact on retained earnings in current period	236,239	(176,265)	193,678	177,204	-	430,857
Balance as at 1/1/2021	236,239	260,729	373,541	554,610	23,950	1,449,070
Increase/(decrease) in allowance for credit losses for the period	137,149	209,210	15,760	(377,442)	-	(15,323)
Balance as at 31/12/2021	373,388	469,939	389,301	177,168	23,950	1,433,746
Net impact on retained earnings in current period	137,149	209,210	15,760	(377,442)	-	(15,323)

23.3 Provision for impairment (gain)/loss on financial assets

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Balance at the beginning of the year	1,449,071	1,299,337	1,449,070	2,312,048
Impairment (gain)/loss recognised in profit or loss	(15,323)	430,857	(15,323)	(581,855)
	1,433,748	1,730,194	1,433,746	1,730,193
Receivables written off as uncollectible	-	(281,123)	-	(281,123)
Balance at the end of the year	1,433,748	1,449,071	1,433,746	1,449,070

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, short term deposits and treasury bills with a 90 day 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 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Cash in hand	5,400	3,599	2,400	2,150
Bank balances	21,329,257	21,319,842	20,378,236	20,855,371
Short term deposits	79,335,147	21,366,000	79,335,147	21,366,000
Nigerian Treasury bill	2,340,000	2,171,000	2,340,000	2,171,000
	103,009,804	**44,860,441**	**102,055,783**	**44,394,521**

25 Share capital and Premium

The balance in the share capital account was as follows:

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Authorised:				
Balance at January 1 (12,000,000,000 Ordinary shares of N0.50 each)	6,000,000	6,000,000	6,000,000	6,000,000
Addition of 3,000,000,000 Ordinary shares of N0.5 each during the year	1,500,000	1,500,000	1,500,000	1,500,000
Balance at December 31	**7,500,000**	**7,500,000**	**7,500,000**	**7,500,000**

Following the successful completion of the scheme of arrangement, the authorised share capital of the Company was increased from N6,000,000,000 (Six Billion Naira) to N7,500,000,000 (Seven Billion, Five Hundred Million Naira) by the creation of 3,000,000,000 (Three Billion) new ordinary shares of 50 kobo each.

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Allotted, called up issued and fully paid:				
Balance at January 1	6,073,439	6,000,000	6,073,439	6,000,000
Issue of 146,878,239 Ordinary shares of N0.5 each during the year (Note 39)	-	73,439	-	73,439
Balance at December 31	**6,073,439**	**6,073,439**	**6,073,439**	**6,073,439**
Share premium				
12,000,000,000 ordinary shares of N0.5 each issued at N0.5267	**6,320,524**	**6,320,524**	**6,320,524**	**6,320,524**

Share premium represents the excess of the shareholders' value over the nominal share capital at the point of the commencement of operations in January 2006.

26 Retained earnings

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Balance at January 1	112,328,413	96,258,578	112,908,938	105,762,418
Adjusment to net difference arising on merger	87,469	-	87,469	-
Profit for the year	22,058,369	29,764,578	22,660,116	31,370,659
Disposal of SSCL's non controlling interest as at December 31, 2019	-	(436,574)	-	-
Disposal of SSCL's non controlling interest (January 1 to August 31)	-	15,270	-	-
Net difference arising on merger (Note 43)	-	-	-	(10,950,701)
Changes in share capital (Note 25)	-	(73,439)	-	(73,439)
Dividend paid during the year	(18,220,317)	(13,200,000)	(18,220,317)	(13,200,000)
Balance at December 31	**116,253,934**	**112,328,413**	**117,436,206**	**112,908,938**

Adjustment to the net difference arising on the merger relates to the recognition of land (Plot 246, Cadastral Zone) at Abuja as per Asset valuation report by Diya Fatimilehin & Co. The asset was earlier omitted from the books. This amount has been passed directly to equity to adjust for the merger number for prior period.

Dividend recognised as distribution to owners in year 2020 is at N1.10 per every ordinary share held.

27 Non-controlling interest

Balance brought forward	(10,669)	(442,638)	-	-
Share of Profit/(loss) for the year	(6,078)	10,665	-	-
Disposal of SSCL's non controlling interest as at December 31, 2019	-	436,574.01	-	-
Disposal of SSCL's non controlling interest (January 1 to August 31)	-	(15,270)	-	-
Total	**(16,747)**	**(10,669)**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
28 Borrowings				
Held at amortised cost				
Bank loan	984,487	1,179,138	984,487	1,179,138
	984,487	**1,179,138**	**984,487**	**1,179,138**
Non-current liabilities	764,448	984,487	764,448	984,487
Current liabilities	220,039	194,651	220,039	194,651
	984,487	**1,179,138**	**984,487**	**1,179,138**
Movement of bank Loans				
Balance brought forward	1,179,138	1,345,226	1,179,138	-
Acquired	-	-	-	1,270,592
Accrued interest	137,840	175,674	137,840	74,795
Interest payment on bank loans	(64,906)	(94,388)	(64,906)	(37,578)
Principal repayment	(267,584)	(247,374)	(267,584)	(128,671)
	984,487	**1,179,138**	**984,486**	**1,179,138**

In 2016, the Group received a 10-year agric loan of N2 Billion from Zenith Bank Plc, towards the expansion of its agricultural activities with two years moratorium on principal, at an interest of 9% per annum payable quarterly. However in Q2 2020 the interest was reduced to 5% as part of COVID 19 palliative. It is secured on fixed and floating assets of Dangote Sugar Refinery, Numan.

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.

The most recent Actuarial Valuation was carried out in 2013 using the staff payroll of 30 September 2013.

Movement in gratuity	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Balance as at 1 January	969,591	980,430	969,591	798,696
Additional provision	1,437	121,183	1,437	121,183
Gratuity acquired from Savannah Sugar Ltd	-	-	-	178,612
Released provision (Benefit paid previously)	(2,555)	-	(2,555)	-
Benefits paid from plan	(202,208)	(132,022)	(202,208)	(128,900)
	766,265	**969,591**	**766,265**	**969,591**

Below is the details of gratuity acquired from Savannah Sugar Ltd:	31/12/2020 N'000
Balance brought forward from January 1, 2020	181,734
Payments made up to August 31st, 2020	(3,122)
Amount acquired as at September 1, 2020	**178,612**

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 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Trade payables	11,845,970	5,139,570	4,618,972	4,593,222
Letters of Credit	154,412,777	93,881,933	151,587,769	82,650,480
Dividend Payable	1,556,243	1,467,906	1,556,243	1,467,906
Accruals and sundry creditors	18,900,029	18,043,677	18,681,322	11,021,576
Other credit balances	3,281,357	7,902,493	2,993,695	7,426,522
Due to related parties (Note 35)	11,385,757	9,082,515	10,670,667	9,068,251
	201,382,133	**135,518,093**	**190,108,668**	**116,227,957**

In the account of year ended December 31, 2020, Letters of credit of N82,650,480,200 was included in trade payables for the Company (Group: N93,881,932,587). These have now been separated.

		GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
31	**Other Liabilities**				
	Advance payment for goods (contract liabilities)	4,505,815	2,761,583	4,505,806	2,761,576
31.1	**Lease Liability**	2,354,881	2,433,633	2,306,439	2,380,738

Lease liabilities

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Opening balance as at 1 January	2,433,632	2,322,160	2,380,739	2,280,637
Additions	867,835	31,910	864,672	9,335
Interest expense	182,969	164,374	179,242	157,297
Exchange Difference	211,741	421,704	211,741	421,704
Payments made during the period	(1,341,299)	(506,516)	(1,329,954)	(488,234)
Closing balance as at 31 December	**2,354,878**	**2,433,632**	**2,306,439**	**2,380,739**
Current	1,220,023	1,050,534	1,171,582	1,043,658
Non-current	1,134,857	1,383,100	1,134,857	1,337,081
	2,354,880	**2,433,634**	**2,306,439**	**2,380,739**

31.1.1 Amounts recognised in the statement of profit or loss

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Depreciation charge on right of use assets				
Land	72,643	34,025	72,643	**34,025**
Buildings	731,844	605,342	703,319	**582,919**
	804,487	**639,367**	**775,962**	**616,944**
Interest expense (included in finance cost)	182,969	164,376	179,242	157,297
Foreign exchange difference	211,741	421,704	211,741	421,704
Expense related to short term leases (included in administrative expenses)	20,486	25,868	20,486	25,868

31.1.2 Liquidity risk (maturity analysis of lease liabilities)

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Lease liability - Undiscounted cashflows				
0-3 months	460,882	381,705	460,882	381,705
3-12 months	914,698	711,265	904,020	711,265
1-2 years	943,396	711,265	943,396	711,265
	2,318,976	1,804,234	2,308,299	1,804,234

31.1.3 Leases where the Group is a lessor.

The Group has leased two of its buildings and a staff quarter to a related party and employees respectively. These are classified as operating leases.

Lease rental recognised in profit or loss as rental income in which the Group acts as a lessor is as shown below:

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Other income				
Rental income on operating lease (Note 11)	188,011	67,500	188,011	67,500

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 2021 (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 position as at 31 December 2021) less cash and cash equivalents. Total capital is calculated as ‘equity' as shown in the as at 31 December 2021 plus net debt.

The gearing ratio at 2021 and 2020 respectively were as follows:

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Total borrowings				
Borrowings (Note 28)	984,487	1,179,138	984,487	1,179,138
Less: Cash and cash equivalent (Note 24)	103,009,804	44,860,441	102,055,783	44,394,521
Net Cash	102,025,317	43,681,304	101,071,296	43,215,383
Total Equity	128,631,150	132,323,299	129,830,169	132,864,201
Gearing ratio	Nil	Nil	Nil	Nil

Financial risk management

The Group’s activities expose it to a variety of financial risks: market risk (including currency risk, fair 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.

32 Risk management (continued)

Group

At 31 December 2021	**Less than one year N'000**	**More than one year N'000**	**Total N'000**
Borrowings	220,039	764,448	984,487
Letters of Credit	154,412,777	-	154,412,777
Lease liability	1,220,023	1,134,857	2,354,880
Trade and other payables	46,969,356	-	46,969,356
	202,822,195	**1,899,305**	**204,721,500**
At 31 December 2020			
Borrowings	194,651	984,487	1,179,138
Letters of Credit	93,881,933	-	93,881,933
Lease liability	1,050,534	1,383,100	2,433,634
Trade and other payables	41,636,160	-	41,636,160
	136,763,278	**2,367,587**	**139,130,865**

Company

At 31 December 2021	**Less than one year N'000**	**More than one year N'000**	**Total N'000**
Borrowings	220,039	764,448.00	984,487
Letters of Credit	151,587,769	-	151,587,769
Lease liability	1,171,582	1,134,857	2,306,439.00
Trade and other payables	38,520,899	-	38,520,899
	191,500,289	**1,899,305**	**193,399,594**
At 31 December 2020			
Borrowings	194,651	984,487	1,179,138
Letters of Credit	82,650,480	-	82,650,480
Lease liability	1,043,658	1,337,081	2,380,739
Trade and other payables	33,577,477	-	33,577,477
	117,466,266	**2,321,568**	**119,787,834**

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.

The Group is 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 guarantees 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

16% 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.

32 Risk management (continued)

Deposits with banks and other financial institutions

Credit risk from balances 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 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Trade receivables	13,791,931	6,675,277	13,791,931	6,675,277
Other receivables	1,999,271	1,502,030	1,993,965	1,485,617
Deposit for open Letters of Credit with the banks.	21,314,383	14,229,547	20,141,687	14,229,547
Amount due from related party	4,572,362	9,983,259	4,572,362	9,958,102
Cash and cash equivalents	103,009,804	44,860,441	102,055,783	44,394,521
	144,687,751	**77,250,554**	**142,555,728**	**76,743,064**

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

The company's financial assets that are subject to IFRS 9 expected credit loss model are:

- Trade receivables
- Amount due from related parties
- Staff loans and;
- Cash and cash equivalent.

a) Trade receivables
The Company applies the IFRS 9 simplified approach in measuring the expected credit losses (ECL) which calculates a lifetime expected loss allowance (ECL) for all trade receivables. Trade receivables represent the amount receivable from third-party customers for the sale of goods. The expected credit loss rate for this receivable is determined using a provision matrix approach.

The provision matrix approach is based on the historical credit loss experience observed according to the behaviour 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 31 December 2021 are as follows:

Age of trade receivables	0-30 days N'000	31-60 days N'000	61-90 days N'000	91-365 days N'000	Over 365 days N'000	Total N'000
Gross carrying amount	13,581,919	486,313	46,644	-	146,994	14,261,870
Default rate	2%	6%	11%	15%	100%	
Lifetime ECL	(289,137)	(28,695)	(5,113)	-	(146,994)	(469,939)
Total	**13,292,782**	**457,618**	**41,531**	**-**	**-**	**13,791,931**

The expected loss rates as at 31 December 2020 are as follows:

Age of trade receivables	0-30 days N'000	31-60 days N'000	61-90 days N'000	91-365 days N'000	Over 365 days N'000	Total N'000
Gross carrying amount	6,530,884	389,162	15,960	-	-	6,936,006
Default rate	4%	6%	8%	11%	100%	
Lifetime ECL	(235,995)	(23,416)	(1,318)	-	-	(260,729)
Total	**6,294,889**	**365,746**	**14,642**	**-**		**6,675,277**

32 Risk management (continued)

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 31 December 2021 are as follows:

Age of receivables	0-30 days	31-60 days	61-90 days	91-365 days	Over 365 days	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount	7,993	-	6,150	75,368	315,095	404,606
Default rate	52%	58%	59%	88%	100%	
Lifetime ECL	(4,178)	-	(3,615)	(66,413)	(315,095)	(389,301)
Total	**3,815**	**-**	**2,535**	**8,955**	**-**	**15,305**

The expected loss rates as at 31 December 2020 are as follows:

Age of receivables	0-30 days	31-60 days	61-90 days	91-365 days	Over 365 days	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount	4,129	21,385	26,845	434,435	322,183	808,977
Default rate	3%	10%	19%	33%	100%	
Lifetime ECL	(134)	(2,154)	(4,986)	(144,880)	(322,183)	(474,337)
Total	**3,995**	**19,231**	**21,859**	**289,555**	**-**	**334,640**

ii) Amounts due from related parties (non-trade related)

This requires a three-stage approach in recognising the expected loss allowance 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 cash flows that the Company expects to receive).

December 31 2021

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	N'000	N'000	N'000	N'000
Gross EAD*	4,734,225	-	-	4,734,225
Loss allowance as at 31 December 2021	(177,168)	-	-	(177,168)
Net EAD	**4,557,057**	**-**	**-**	**4,557,057**

32 Risk management (continued)

December 31 2020

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	N'000	N'000	N'000	N'000
Gross EAD*	10,077,276	-	-	10,077,276
Loss allowance as at 31 December 2020	(2,562,123)	-	-	(2,562,123)
Net EAD	**7,515,153**	**-**	**-**	**7,515,153**

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 B- rating with an associated year 1 PD of 0.64%. Dangote Cements rating of AA+ rating was 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.
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 9% 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

ü Stage 1: This stage includes receivables at origination and receivables that do not have indications of a significant increase in credit risk.

ü 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.

ü 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.

32 Risk management (continued)

c) Staff loans

The company provides interest free loans to its employees. The Company applies the IFRS 9 general model for measuring 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 at 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 cash flows that the Company expects to receive).

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 3 and 23.2 for further details.

December 31 2021	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	
	N'000	**N'000**	**N'000**	**N'000**
Gross EAD*	-	63,476	2,150	65,626
Loss allowance as at 1 January 2021	-	(21,800)	(2,150)	(23,950)
Net EAD	**-**	**41,676**	**-**	**41,676**

December 31 2020	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	
	N'000	**N'000**	**N'000**	**N'000**
Gross EAD*	-	63,476	2,150	65,626
Loss allowance as at 1 January 2020	-	(21,800)	(2,150)	(23,950)
Net EAD	**-**	**41,676**	**-**	**41,676**

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 year 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 2010 - 2020. 89% weight was assigned to best case, 2% for optimistic and 9% for downturn.

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32 Risk management (continued)

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 as at 31 December 2020 and 31 December 2021 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 31 December 2020 and 31 December 2021 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.

Cash at bank and short-term bank deposits

*Counterparties with external credit rating (Fitch)*****

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
B-	48,638,898	16,503,089	48,270,750	14,301,104
B	52,686,893	23,462,815	52,104,163	25,198,880
B+	-	-	-	-
BBB	462,362	-	462,362	-
A-	-	-	-	-
A	987,268	987,771	987,268	987,771
AAA	228,840	2,591,410	228,840	2,591,410
No rating	5,543	1,315,356	2,400	1,315,356
	103,009,804	**44,860,441**	**102,055,783**	**44,394,521**

****B+, B and B-: Highly speculative, indicate that material default risk is present, but a limited margin of safety remains. Financial commitments 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 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 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 income statement. The risk on borrowings 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.

32 Risk management (continued)

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:

	31/12/2021			31/12/2020		
	Euro (€)	**GBP (£)**	**USD ($)**	**Euro (€)**	**GBP (£)**	**USD ($)**
Company	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	-	-	48,098	-	-	1,851,871
Letters of Credit	(662,050)	(950,393)	(129,833,639)	462,392	460,055	67,196,596
Trade payables	(94,381)	(319,063)	(1,224,702)	(17,348,396)	(7,060,842)	(87,922,013)
Amount due from/(to) related parties	(292,997)	(716,611)	122,064	(161,988)	1,147,775	164,910
Net exposure	**(1,049,428)**	**(1,986,067)**	**(130,888,179)**	**(17,047,992)**	**(5,453,012)**	**(18,708,635)**
Group						
Cash and cash equivalents	-	-	48,098	-	-	2,065,211
Letters of Credit	(662,120)	(953,446)	(132,655,524)	462,392	460,055	78,428,049
Trade payables	(117,922)	(423,858)	(25,505,977)	(17,348,396)	(7,060,842)	(87,922,013)
Amount due from/(to) related parties	(292,997)	(716,611)	122,064	(161,988)	1,147,775	164,910
Net exposure	**(1,073,039)**	**(2,093,915)**	**(157,991,338)**	**(17,047,992)**	**(5,453,012)**	**(7,263,843)**

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:

	Average rate		Reporting date spot rate	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
	N	**N**	**N**	**N**
Euro (€)	506.97	461.09	467.51	546.42
GBP (£)	523.83	465.62	556.42	491.24
USD ($)	417.67	369.42	435.00	400.33

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 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.

	(Decrease)/increase in income statement			
	GROUP	**GROUP**	**COMPANY**	**COMPANY**
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
	N'000	**N'000**	**N'000**	**N'000**
Euro (€)	(157,414)	(2,626,558)	(157,414)	(2,626,558)
GBP (£)	(297,910)	(886,960)	(297,910)	(886,960)
USD ($)	(19,633,227)	(12,885,785)	(19,633,227)	(12,885,785)

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.

32 Risk management (continued)

Financial risk management strategies for biological assets

The group is exposed to risks arising from environmental and climatic changes.The group's has a wide variety of canes which allows a high degree of mitigation against adverse climatic conditions such as disease outbreaks. The group has strong environmental policies and procedures in place to comply with environmental and other laws.

33 Financial assets by category

The accounting policies for financial instruments have been applied to the line items below

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Assets				
Trade and other receivables	41,677,947	32,390,113	40,499,945	32,348,543
Cash and cash equivalents	103,009,804	44,860,441	102,055,783	44,394,521
	144,687,751	**77,250,554**	**142,555,728**	**76,743,064**

34 Financial liabilities by category

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Liabilities				
Borrowings	984,487	1,179,138	984,487	984,487
Lease liabilities	2,354,880	2,433,634	2,306,439	2,380,739
Trade and other payables	201,382,133	54,497,731	190,108,668	116,227,957
	204,721,500	**58,110,503**	**193,399,594**	**119,593,183**

35 Related party information

35.1 Related parties and Nature of relationship and transactions

Related parties	Nature of relationship and transactions
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 and stevedoring services
Bluestar Clearing Limited	Fellow subsidiary Company that provides clearing and stevedoring services
Dangote Taraba Sugar Ltd	Subsidiary- Backward integrated project
Dangote Adamawa Sugar Ltd	Subsidiary- Backward integrated project
Nasarawa Sugar Company Limited	Subsidiary- Backward integrated project
Dangote Global Services Limited (UK)	Fellow 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
Aliko Dangote Foundation	Under common control- Incures expenses on each other's behalf
Dangote Sinotrucks west Africa Limited	Fellow subsidiary- Supply of fleet trucks
Dangote Cement Plc	Fellow subsidiary - exchange of diesel and LPFO
Dangote Packaging Limited	Fellow subsidiary- Supplies empty for bagging of finished sugar

35 Related party information (continued)

		GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
35.2	**Related party transactions and balances**				
i)	**Sales of goods and services**				
	Dangote Rice	700	-	700	-
	Dangote Industries Limited	23,304	21,629	23,304	21,629
	Dancom Technologies Limited	-	426	-	426
	Dangote Packaging Nigeria Limited	700	-	700	-
	NASCON Allied Industries PLC	244,667	271,630	244,667	271,630
	Greenview Development Company Limited	100,122	91,736	100,122	91,736
	Aliko Dangote Foundation	82,200	2,426,468	82,200	2,426,468
	Dangote Cement PLC Ibeshe	72,774	76,396	72,774	76,396
		524,466	**2,888,285**	**524,466**	**2,888,285**
ii)	**Purchase of goods and services**				
	Dangote Cement PLC	5,829,807	1,999,847	5,829,807	1,999,847
	Greenview Development Company Limited	5,365,226	2,127,367	5,365,226	2,127,367
	Dangote Packaging Nigeria Limited	3,954,525	2,829,407	3,954,525	2,829,407
	Kura Holdings Limited	24,340	18,415	24,340	18,415
	Bluestar Shipping Services Limited	580,225	448,583	580,225	448,583
	Dangote Global Services Limited (UK)	515,176	472,914	515,176	472,914
	NASCON Allied Industries PLC	279,134	157,676	279,134	157,676
	Dancom Technologies Limited	130,554	70,977	130,554	70,977
	MHF Properties Limited	1,116	1,612	1,116	1,612
	Dangote Sinotrucks	261	4,516,896	261	4,516,896
	Bluestar Clearing Limited	-	448,583		448,583
	Dangote Industries Limited	4,038,434	747,966	4,038,434	747,966
		20,718,797	**13,840,243**	**20,718,797**	**13,840,243**
iii)	**Management fees**				
	Dangote Industries Limited	1,014,259	962,324	1,014,259	962,324
		1,014,259	**962,324**	**1,014,259**	**962,324**

35 Related party information (continued)

iv) **Amount owed by related parties**	**GROUP 31/12/2021 N'000**	**GROUP 31/12/2020 N'000**	**COMPANY 31/12/2021 N'000**	**COMPANY 31/12/2020 N'000**
Dangote Global Services Limited (UK)	1,097,948	1,281,822	1,097,948	1,281,822
NASCON Allied Industries PLC	152,465	282,475	152,465	282,475
Dangote Sinotruck west Africa Limited	-	17,800	-	-
Greenview Development Nigeria Limited	288,603	2,516,022	288,603	2,516,022
Dangote Oil and Gas Company Limited	181,081	-	181,081	-
Dangote Fertilizer Limited	1,107,193	1,107,193	1,107,193	1,107,193
Dancom Technologies Limited	-	25,291	-	25,291
AG Dangote Construction Limited	959,130	959,130	959,130	959,130
Aliko Dangote Foundation	81,667	505,767	81,667	505,767
Dangote Cement PLC	1,270,744	1,273,023	1,270,744	1,273,023
Dangote Industries Limited	-	2,942,888	-	2,935,530
Gross amount due from related parties (Note 23)	**5,138,831**	**10,911,411**	**5,138,831**	**10,886,253**
Allowance for impaired -related parties Trade(Note 23.2)	(389,301)	(373,541)	(389,301)	(373,541)
Allowance for impaired -related parties Non-Trade(Note 23.2)	(177,168)	(377,406)	(177,168)	(554,610)
Net amount due from related parties	4,572,362	10,160,464	4,572,362	9,958,102

v) **Amount owed to related parties**

Dangote Cement PLC	7,116,217	7,307,856	6,749,076	7,296,524
Dangote Packaging Nigeria Limited	602,842	132,894	602,842	132,894
Dangote Oil and Gas Company Limited	-	11,258	-	11,258
Kura Holdings Limited	30,325	21,555	30,325	21,555
Bluestar Shipping line Limited	1,119,791	421,941	774,547	421,941
Dancom Technologies Limited	17,263	2,705	14,558	-
Dangote Nigeria Limited Clearing	693	693	693	693
Dangote Sinotruck west Africa Limited	176,360	1,069,275	176,360	1,069,048
Dangote Industries Limited	2,322,266	114,339	2,322,266	114,339
	11,385,757	**9,082,515**	**10,670,667**	**9,068,251**

The balance on lease liabilities due to related parties include the following:

vi) Lease Liability				
Greenview Development Nigeria Limited	1,917,628	2,309,526	1,917,628	2,309,526
MHF Properties Limited	19,557	-	19,557	-

35 Related party information (continued)

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.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

Dangote Industries Limited (DIL) 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 are made in addition to management fees and is payable 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 2021.

35.5 Key Management Personnel

List of Directors of Dangote Sugar Refinery Plc

1	Alh. Aliko Dangote (GCON)	Chairman
2	Mr. Ravindra Singhvi	Board Member (Group Managing Director/CEO)
3	Alh. Sani Dangote (Deceased on 14/11/2021)	Board Member (Director)
4	Mr. Olakunle Alake	Board Member (Director)
5	Mr. Uzoma Nwankwo	Board Member (Director)
6	Ms. Bennedikter Molokwu	Board Member (Director)
7	Dr. Konyinsola Ajayi (SAN)	Board Member (Director)
8	Alh. Abdu Dantata	Board Member (Director)
9	Ms. Maryam Bashir	Board Member (Director)

List of key management staff

1	Mr. Ravindra Singhvi	Group Managing Director/CEO
2	Mrs. Adebola Falade	Chief Finance Officer
3	Mrs. Temitope Hassan	Company Secretary/Legal Adviser
4	Engr. Thiru Rajasekar	General Manager, Refinery
5	Mr.Babafemi Gbadewole	Chief Internal Auditor
6	Mr. Adesola Ogunaike	Head, Supply Chain
7	Mr. Saddiq Bello	General Manager, Sales and marketing
8	Mr. Hassan Salisu	General Manager, Human Resources and Admin.
9	Mr. Ayokunle Ushie	Head, Risk Management
10	Mr. Chinnaya Sylvian	Chief Executive Numan

35 Related parties (Cont'd)

35.6 Compensation to key management staff

	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Short-term employee benefits	452,330	490,506	452,330	490,506
	452,330	**490,506**	**452,330**	**490,506**

36 Employee costs

The following items are included within employee benefits expenses:

Direct employee costs	GROUP 31/12/2021 N'000	GROUP 31/12/2020 N'000	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000
Basic	2,791,767	2,367,298	2,791,767	1,927,903
Bonus	-	94,266	-	94,266
Medical claims	24,268	15	24,268	15
Leave allowance	235,048	176,089	235,048	147,460
Short term benefits	1,781,206	1,722,194	1,237,557	1,339,343
Other short term costs	275,097	547,992	818,746	211,148
Pension	255,398	226,950	255,398	198,801
Termination benefits	-	262	-	262
	5,362,782	**5,135,066**	**5,362,783**	**3,919,197**

Indirect employee costs	31/12/2021 N'000	31/12/2020 N'000	31/12/2021 N'000	31/12/2020 N'000
Basic	964,755	831,307	962,694	700,247
Bonus	-	62,518	-	62,518
Medical claims and allowance	10,042	9,974	10,042	3,291
NSITF and ITF levies	104,290	89,173	104,290	56,370
Short term benefits	1,874,293	1,292,978	1,742,607	892,559
Other short term costs	596,908	871,715	621,611	631,426
Pension	30,904	27,582	139,947	103,469
Termination benefits	-	1,291	-	1,291
	3,581,191	**3,186,538**	**3,581,191**	**2,451,171**

Total employee costs				
Direct employee cost	5,362,782	5,135,066	5,362,783	3,919,197
Indirect employee cost	3,581,191	3,186,538	3,581,191	2,451,171
	8,943,973	**8,321,604**	**8,943,974**	**6,370,368**

Average number of persons employed during the year was:

	31/12/2021 Number	31/12/2020 Number	31/12/2021 Number	31/12/2020 Number
Management	129	121	115	110
Senior Staff	585	547	570	533
Junior Staff	2,116	2212	2,104	2212
	2,830	**2,880**	**2,789**	**2,855**

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

	GROUP 2021 Number	GROUP 2020 Number	COMPANY 2021 Number	COMPANY 2020 Number
N200,000 - N600,000	589	675	589	675
N600,001 - N700,000	68	56	68	56
N700,001 - N800,000	7	6	7	6
N800,001 - N900,000	14	7	5	7
N900,001 - N1,000,000	10	18	8	18
N1,000,001 - N2,000,000	1,248	1263	1,240	1254
N2,000,001 - N3,000,000	389	415	385	410
N3,000,001 - N4,000,000	175	155	171	154
N4,000,001 - N5,000,000	64	71	63	69
N5,000,001 - N6,000,000	79	46	78	46
N6,000,001 - N7,000,000	62	52	62	51
N7,000,001 - N8,000,000	50	44	49	44
N8,000,001 - N9,000,000	17	15	17	14
N9,000,001 - N10,000,000	8	12	8	12
N10,000,001 and above	50	45	39	39
	2,830	**2,880**	**2,789**	**2,855**

37 Directors' emoluments	31/12/2021 N'000	31/12/2020 N'000	31/12/2021 N'000	31/12/2020 N'000
Fees	16,000	33,000	16,000	33,000
Salaries	289,710	134,633	289,710	134,633
Others	199,426	129,342	199,426	129,342
	505,136	**296,975**	**505,136**	**296,975**
Emoluments of the highest paid Director	289,710	134,633	289,710	134,633

The number of Directors excluding the chairman with gross emoluments within the bands stated below were:

N'000	31/12/2021 Number	31/12/2020 Number	31/12/2021 Number	31/12/2020 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 2021 that have not been taken into account in these financial statements.

39 Capital Commitment

As at 31 December 2021, there were no capital commitments in respect of the Lagos factory expansion (2020: Nil)

40 Contingent assets and Contingent liabilities

There were no contingent assets and liabilities as at 31 December 2021 (2020: Nil)

41 Free Float Computation

Company Name:	Dangote Sugar Refinery Plc
Board Listed:	Main Board
Year End:	December
Reporting Period:	Period Ended 31 December 2021
Share Price at end of reporting period:	N17.40 (2021:N17.60)

Shareholding structure/Free Float Status

Description	31 December 2021		31 December 2020	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	12,146,878,241	100%	12,146,878,241	100%
Substantial Shareholdings (5% and above):				
Dangote Industries limited	8,122,446,281	66.87%	8,122,446,281	66.87%
Dangote Aliko	653,095,014	5.38%	653,095,014	5.38%
Total Substantial Shareholdings	**8,775,541,295**	**72.25%**	**8,775,541,295**	**72.25%**
Directors' Shareholdings (direct and indirect), excluding directors with substantial interest:				
Mr. Olakunle Alake (Direct)	7,194,000	0.06%	7,194,000	0.06%
Ms Benedicta Molokwu (Direct)	1,483,400	0.01%	1,483,400	0.01%
Alhaji Abdu Dantata (Direct)	1,044,400	0.01%	1,044,400	0.01%
Mr. Uzoma Nwankwo (Direct)	384,692	0.00%	384,692	0.00%
Total Directors' Shareholdings	**10,106,492**	**0.08%**	**10,106,492**	**0.08%**
Free Float in Units and Percentage	**3,361,230,454**	**27.67%**	**3,361,230,454**	**27.67%**
Free Float in Value (N)	**58,485,409,900**		**59,157,655,990**	

Declaration:

(A) Dangote Sugar Refinery Plc with a free float percentage of 27.67% as at 31 December 2021, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

(B) Dangote Sugar Refinery Plc with a free float value of N59,157,655,990.40 as at 31 December 2020, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

42 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers’ Shares, Rulebook of The Exchange 2015 (Issuers’ Rule), Dangote Sugar Refinery Plc maintains a Security Trading Policy (Policy) which guides Directors, Audit Committee members, employees and all individuals categorized as insiders in relation to their dealings in the Company’s shares. The Policy undergoes periodic review by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the Policy during the period.

43 Business combination under common control

On 1 September 2020, the assets, liabilities and business operations of Savannah Sugar Company Limited (subsidiary) were merged with those of Dangote Sugar Refinery Plc ("the Company") through a scheme of ordinary shares arrangement. The merger is categorised as business combination under common control as both entities are ultimately controlled by the same party, hence this falls outside the scope of IFRS 3 'Business Combination'. The Company has applied the predecessor method in accounting for the merger.

No goodwill was recognised, instead, the predecessor carrying value of the net liabilities transferred were combined with the net assets of the Company. A total of 146,878,239 ordinary shares at 50k each in Dangote Sugar Refinery Plc were issued to the non-controlling shareholders of Savannah Sugar Company Limited. The cost of these issued shares was recognised in equity.

The Company incurred a total sum of N251,809,524.93 on merger related costs, consisting mainly of filing fees and professional services fees. These amounts have been reflected in the respective expense accounts in the statement of profit or loss and other comprehensive income.

The predecessor carrying values of the assets and liabilities of Savannah Sugar Company Limited on 1 September 2020 are as shown below:

	Savannah Sugar Company Limited 1 September 2020 N'000
Non current assets	
Property, plant and equipment	39,658,912
Deferred tax assets	9,293,194
	48,952,106
Current assets	
Inventories	8,454,616
Biological assets	4,056,268
Trade and other receivables	2,772,742
Cash and cash equivalents	487,472
	15,771,098
Total assets	**64,723,204**
Non current liabilities	
Long term borrowings	1,270,592
	1,270,592
Current liabilities	
Current income tax liabilities	63,633
Trade and other payables	5,420,763
Employee benefit liability	178,612
Other Liabilities	35,176
	5,698,184
Total liabilities	6,968,775
Net liabilities transferred (at book values)	57,754,428
Less:	
Cost of investment	(2,256,100)
Pre-acquisition profit	(958,823)
Receivable from Savannah Sugar Company Limited	(65,490,206)
Net difference arising on merger	(10,950,701)

Other National Disclosures

Statement of value added

	Note	2021 N'000	2021 %	2020 N'000	2020 %
GROUP					
Value Added					
Revenue		276,054,781		214,297,747	
Bought - in materials and services		(219,999,145)		(150,347,955)	
Fair Value adjustment		212,173		2,417,067	
Other income		333,142		906,929	
		56,600,951	**100**	**67,273,788**	**100**
Value Distributed					
To Pay Employees					
Salaries, wages, medical and other benefits		8,943,973		8,321,604	
		8,943,973	**16**	**8,321,604**	**12**
To Pay Providers of Capital					
Finance costs		5,210,541		4,705,319	
		5,210,541	**9**	**4,705,319**	**7**
To Pay Government					
Income tax	12	10,440,759		1,522,740	
		10,440,759	**18**	**1,522,740**	**2**
To be retained in the business for expansion and future wealth creation:					
Value reinvested					
Depreciation, amortisation and impairments		9,271,973		8,624,547	
Deferred tax	12	681,414		14,324,336	
		9,953,387	**18**	**22,948,883**	**34**
Value retained					
Retained profit		22,058,369		29,764,577	
Non-controlling interest		(6,078)		10,665	
		22,052,291	**39**	**29,775,242**	**44**
Total Value Distributed		**56,600,951**	**100**	**67,273,788**	**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.

Other National Disclosures

Statement of value added

	Note	2021 N'000	2021 %	2020 N'000	2020 %
COMPANY					
Value Added					
Revenue		276,054,781		206,360,656	
Bought - in materials and services		(219,986,337)		(145,408,848)	
Fair Value adjustment		212,173		559,287	
Other income		332,142		815,299	
		56,612,759	**100**	**62,326,394**	**100**
Value Distributed					
To Pay Employees					
Salaries, wages, medical and other benefits		8,943,974		6,370,368	
		8,943,974	**16**	**6,370,368**	**10**
To Pay Providers of Capital					
Finance costs		5,261,949		4,315,486	
		5,261,949	**9**	**4,315,486**	**7**
To Pay Government					
Income tax	12	10,440,759		1,491,208	
		10,440,759	**18**	**1,491,208**	**2**
To be retained in the business for expansion and future wealth creation:					
Value reinvested					
Depreciation, amortisation and impairments		8,624,547		5,601,592	
Deferred tax	12	681,414		13,177,081	
		9,305,961	**16**	**18,778,673**	**30**
Value retained					
Retained profit		22,660,116		31,370,659	
Non-controlling interest		-		-	
		22,660,116	**40**	**31,370,659**	**50**
Total Value Distributed		**56,612,759**	**100**	**62,326,394**	**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 31/12/2021 N'000	GROUP 31/12/2020 N'000	GROUP 31/12/2019 N'000	GROUP 31/12/2018 N'000	GROUP 31/12/2017 N'000
Group as at December 31, 2021					
Assets					
Non-current assets	144,678,056	101,733,526	93,437,879	71,441,221	66,592,631
Current assets	213,959,067	175,430,221	99,399,395	102,806,764	127,623,171
Assets of disposal groups held for sale	868,642	868,642	868,642	868,642	864,647
Total assets	**359,505,765**	**278,032,389**	**193,705,916**	**175,116,627**	**195,080,449**
Liabilities					
Non-current liabilities	12,331,269	11,271,389	8,029,989	6,735,540	6,679,887
Current liabilities	218,543,346	142,049,293	77,539,463	69,405,899	95,664,927
Total liabilities	**230,874,615**	**153,320,682**	**85,569,452**	**76,141,439**	**102,344,814**
Equity					
Share capital and premium	12,393,963	12,320,524	12,320,524	12,320,524	12,320,524
Retained income	116,253,934	112,328,413	96,258,578	87,010,225	80,577,948
Non-controlling interest	(16,747)	(10,669)	(442,638)	(355,561)	(162,837)
Total equity	**128,631,150**	**124,638,268**	**108,136,464**	**98,975,188**	**92,735,635**
Total equity and liabilities	**359,505,765**	**277,958,950**	**193,705,916**	**175,116,627**	**195,080,449**
Profit and loss account					
Revenue	276,054,781	214,297,747	161,085,778	150,373,083	204,422,379
Profit before taxation	**34,021,212**	**45,622,318**	**29,820,430**	**34,601,057**	**53,598,868**
Profit for the year	**22,052,291**	**29,775,242**	**22,361,276**	**21,976,467**	**39,783,605**
Per share data (Naira)					
Earnings per share (Basic and diluted)	1.82	2.45	1.87	1.85	3.31
Net assets per share	10.59	10.27	9.01	8.25	5.51

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

	COMPANY 31/12/2021 N'000	COMPANY 31/12/2020 N'000	COMPANY 31/12/2019 N'000	COMPANY 31/12/2018 N'000	COMPANY 31/12/2017 N'000
Company as at December 31, 2021					
Assets					
Non-current assets	141,210,336	118,569,794	36,317,858	33,585,972	38,815,554
Current assets	207,303,891	139,842,108	160,942,622	144,069,096	156,384,463
Assets of disposal groups held for sale	868,642	868,642	868,642	868,642	864,647
Total assets	**349,382,869**	**259,280,544**	**198,129,122**	**178,523,710**	**196,064,664**
Liabilities					
Non-current liabilities	12,331,269	11,225,370	6,693,930	5,309,997	5,212,819
Current liabilities	207,221,431	122,752,274	73,352,250	66,033,587	91,644,487
Total liabilities	**219,552,700**	**133,977,644**	**80,046,180**	**71,343,584**	**96,857,306**
Equity					
Share capital and premium	12,393,963	12,320,524	12320524	12320524	12320524
Retained income	117,436,206	112,908,937	105,762,418	94,859,602	86,886,834
Total equity	**129,830,169**	**125,229,461**	**118,082,942**	**107,180,126**	**99,207,358**
Total equity and liabilities	**349,382,869**	**259,207,105**	**198,129,122**	**178,523,710**	**196,064,664**
Profit and loss account					
Revenue	276,054,781	206,360,656	158,104,577	146,549,176	198,120,639
Profit before taxation	**34,629,037**	**46,038,948**	**34,829,241**	**38,455,530**	**54,882,983**
Profit for the year	**22,660,116**	**31,370,659**	**24,102,816**	**25,830,941**	**37,822,609**
Per share data (Naira)					
Earnings per share (Basic and diluted)	1.87	2.58	2.01	2.15	3.15
Net assets per share	10.69	10.32	9.84	8.93	6.22

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.